



Knowledge in Motion

Explorations of the Role of Japanese Expatriates in
Enhancing Organisational Learning from Locally Embedded
Knowledge in Geographically Dispersed Subsidiaries

Institute for Management
Research

Robby Christiaan Scharff

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Robby Christiaan Scharff
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Promotor:

Prof. dr. P.H.J. Hendriks

Copromotor:

Dr. M. Visser

Manuscriptcommissie:

Prof. dr. P.A.M. Vermeulen

Prof. dr. J.J. Berends (Vrije Universiteit Amsterdam)

Dr. J. Benders (Norges teknisk-naturvitenskapelige universitet, Noorwegen)

Contents

Chapter 1 Introduction and Background	13
1.1 A knowledge-based view of expatriation in Japanese business	14
1.2 Expatriation	15
1.3 The J-form organisation	20
1.4 Organisational learning, organisational knowledge and knowledge management	24
1.5 Research objective and method	28
1.6 Relevance	31
1.7 Structure of the thesis	32
 Chapter 2 A short expose on Japan's history, culture and economy	 35
2.1 Introduction	36
2.2 Japanese History from pre-Edo to present	37
2.3 Japan's National Culture	47
2.4 Japanese Economy and the Japanese Industry	54
 Chapter 3 Methodology	 63
3.1 Introduction	64
3.2 The Grounded Theory Methodology	64
3.3 Introducing: Kobe Trading	69
3.4 The data collection process	71
3.5 Data analysis	78
 Chapter 4 Findings Chapter	 81
4.1 Introduction	82
4.2 Theoretical Framework	82
4.2.1 Cultural Elements of Traditional Japanese Management	84
4.2.1.1 Lifetime Employment	86
4.2.1.2 Seniority Principle	93
4.2.1.3 Loyalty and Obedience	98
4.2.1.4 Job Rotation	108
4.2.2.1 Experienced Senior Staff as First Time Expatriates	117
4.2.2.2 Expatriates as (Temporary) Replacement for Local Staff	121
4.2.2.3 Expatriate Assignments as (first) Implicit Training	125
4.2.2.4 Maintaining and Updating Knowledge of Overseas Local Markets and Society	133
4.2.2.5 Extended Long-Term Expatriates	136

4.2.2.6	Frequent Travellers/Short-term Assignments	143
4.2.2.7	Focus Assignments	149
4.2.2.8	Expatriate Assignment Aimed at Maintaining Japanese Presence and Japanese Management Practices	155
4.2.3	Organisational Learning: Conditions and Contexts	159
4.2.3.1	Planned Individual Tacit Learning	161
4.2.3.1.1	Selection, segregation, training to verify suitability, to prepare freshmen for working in the maritime industry	163
4.2.3.1.2	Subsequent segregation and selection of staff	173
4.2.3.1.3	Expatriate preparation	185
4.2.3.1.4	Prevent expatriate failure	189
4.2.3.1.5	Building competence overseas/Developing knowledge in overseas locations	195
4.2.3.1.6	Managerial experience/Training of high potentials	215
4.2.3.2	Structured Guided Learning	225
4.2.3.2.1	Informal day-to-day (tacit) knowledge sharing	227
4.2.3.2.2	Formal knowledge sharing sessions	236
4.2.3.2.3	Management training & In situ knowledge sharing	240
4.2.3.2.4	Developing expert knowledge	245
4.2.3.2.5	Formal information sharing sessions	250
4.2.3.2.6	Documenting in central information system (AS-400)	252
4.2.3.3	Group Network Learning	254
4.2.3.3.1	Developing the subsidiary network	258
4.2.3.3.2	Building network relationships & Building an extended network	265
4.2.3.3.3	Extend and maintain network relationships/network connections	273
4.2.3.3.4	Utilising knowledge available in the network	280
4.2.3.3.5	Managing global competitiveness	291
4.2.3.3.6	Management assignment overseas/Selecting future (senior) management	296
4.2.4	Organisational Changes	306
4.2.4.1	Strategic Adaptations	307
4.2.4.1.1	Utilising network learnings/Best practices	310
4.2.4.1.2	Network extensions	319
4.2.4.2	Responsiveness and Performance	326
4.2.4.2.1	Improving organisational communicative abilities	326
4.2.4.2.2	Improving communication to customers	337
4.2.4.3	Improving organisational agility	340

4.2.4.3.1 Managing unforeseen circumstances	341
4.2.4.3.2 Rejuvenation of learning routing and responsibilities	347
4.2.4.3.3 (Senior) management by non-Japanese	350
4.2.4.4 Business Development	355
4.2.4.4.1 Adopting and promoting innovative technology	356
4.2.4.4.2 Senior management consensus on new products	363
4.2.4.4.3 Functional standardisation as a product	366
4.3 The intricate relationships between the various components within the theoretical framework	370
4.3.1 The intricate relationship between 'cultural elements of traditional Japanese management' and 'cornerstones of expatriate assignment alignment'	371
4.3.2 The intricate relationship between 'cultural elements of traditional Japanese management', 'cornerstones of expatriate assignment alignment', and 'organisational learning: conditions and contexts'	373
4.3.3 The intricate relationship between 'organisational learning: conditions and contexts' and 'organisational changes'	375
4.3.4 The intricate relationship between 'organisational changes' and 'cornerstones of expatriate assignment alignment'	378

Chapter 5 | Unpacking Complexity: A Comparative Analysis of Grounded Theory and Established Theories in Organisational Learning and Expatriation

	383
5.1 Introduction	384
5.2 Cultural Heritage of Traditional Japanese Management: A Comparative Analysis with Existing Literature	387
5.2.1 Grounded Theory	387
5.2.1.1 Lifetime Employment	387
5.2.1.2 The Seniority Principle	388
5.2.1.3 Loyalty and Obedience	388
5.2.1.4 Job Rotation	389
5.2.2 Exploring the Existing Literature	390
5.2.3 Comparative Analysis	392
5.2.3.1 Lifetime Employment	392
5.2.3.2 The Seniority Principle	394
5.2.3.3 Loyalty and Obedience	395
5.2.3.4 Job Rotation	396
5.3 Strategic Foundations of Expatriate Assignment Alignment: A Comparative Analysis with Established Literature	397

5.3.1	Grounded Theory	397
5.3.1.1.	Experienced Senior Staff as First-Time Expatriates	398
5.3.1.2	Expatriates as (Temporary) Replacements for Local Staff	399
5.3.1.3.	Expatriate Assignments as (First) Implicit Training	400
5.3.1.4.	Maintaining and Updating Knowledge of Overseas Local Markets and Society	402
5.3.1.5	Extended Long-Term Expatriates	403
5.3.1.6	Frequent Travellers/Short-Term Assignments	404
5.3.1.7	Focus Assignments	405
5.3.1.8	Expatriate Assignment Aimed at Maintaining Japanese Presence and Japanese Management Practices	406
5.3.2	Exploring the Existing Literature; Alternative Forms of Expatriation and Japanese Expatriation Practices	407
5.3.2.1	Global Footprints: The Journey of Assigned Expatriates	407
5.3.2.2	Traditional Long-term Expatriate Assignments: The Backbone of the J-form's	408
5.3.2.3	Expatriate Knowledge: A Key to Success in the International Maritime Industry	410
5.3.2.4	Alternative Forms of Expatriation: Exploring New Avenues in Global Assignments	411
5.3.2.5	Japanese Expatriation: Bridging Tradition and Transformation Overseas	413
5.3.3	Comparative Analysis	416
5.3.3.1	Comparative Analysis: Experienced Senior Staff as First-Time Expatriates	416
5.3.3.2	Comparative Analysis: Expatriates as (Temporary) Replacements for Local Staff	418
5.3.3.3	Comparative Analysis: Expatriate Assignments as (First) Implicit Training	419
5.3.3.4	Comparative Analysis: Maintaining and Updating Knowledge of Overseas Local Markets and Society	421
5.3.3.5	Comparative Analysis: Extended Long-Term Expatriates	423
5.3.3.6	Comparative Analysis: Frequent Travellers/Short-Term Assignments	424
5.3.3.7	Comparative Analysis: Focus Assignments	426
5.3.3.8	Comparative Analysis: Expatriate Assignment Aimed at Maintaining Japanese Presence and Japanese Management Practices	428

5.4	Situating Organisational Learning: A Comparative Analysis of Conditions and Context in Grounded Theory and Existing Research	429
5.4.1	Grounded Theory	429
5.4.1.1	Planned Individual Tacit Learning	430
5.4.1.2	Structured Guided Learning	434
5.4.1.3	Group Network learning	437
5.4.2	Exploring the Existing Literature: Integrating Knowledge Dynamics in Japanese Organisations	443
5.4.3	Comparative Analysis	469
5.4.3.1	Individual Tacit Learning	469
5.4.3.2	Structured Guided Learning	474
5.4.3.3	Group Network Learning	476
5.5	Situating Organisational Changes: A Comparative Analysis of Literature on Strategic Adaptations and Dynamics in Japanese J-Form Organisations within the Maritime Industry	478
5.5.1	Grounded Theory	478
5.5.1.1	Strategic Adaptations	479
5.5.1.2	Responsiveness and Performance	481
5.5.1.3	Improving Organisational Agility	484
5.5.2	Comparative Analysis	489
5.5.2.1	Strategic Adaptations	489
5.5.2.2	Responsiveness and Performance	491
5.5.2.3	Improving Organisational Agility	492
5.5.2.4	Business Development	494

Chapter 6 Navigating Horizons: Unravelling the Dynamics of Japanese Assignments and Their Impact on Organisational Learning in a Globalised Maritime Context		497
6.1	Introduction	498
6.2	First research question: What is the coherence between the different forms of expatriation in Japanese organisations?	499
6.3	Second research question: What is the effect of different forms of expatriation on organisational learning in Japanese organisations?	501
6.4	Third research question: In the effect of different forms of expatriation on organisational learning, what is the contribution of acquiring locally embedded knowledge?	505

6.5 How do Japanese expatriate assignments in the traditional expatriate cycle and alternative expatriate forms contribute to organisational learning from locally embedded knowledge in geographically dispersed subsidiaries?	507
6.6 Relevance and Reflections	510
6.6.1 Scientific Relevance	510
6.6.2 Management Relevance	511
6.6.3 Limitations of this research	513
6.6.4 Further Research	514
6.7 Conclusion	515

References	519

Appendices

Samenvatting	544
Summary	554
About the Author	563
Acknowledgements	564



Chapter 1

Introduction and Background

1.1 A knowledge-based view of expatriation in Japanese business

In a professional context, expatriation refers to the phenomenon of individuals going or being sent outside their home country for work purposes. Although expatriation is said to be as old as humanity itself (Selmer et al., 2025), the increasing internationalisation and globalisation, both in business and other organisations, has significantly encouraged expatriation in recent decades. This thesis examines those forms of expatriation where individuals - the expatriates - are dispatched based on an assignment from the organisation employing them, thus excluding self-initiated individual expatriation; in other words, it looks at 'being sent abroad for work' rather than at 'going abroad for work.' The ongoing growth in the number of multinational corporations is likely to further increase the numbers of expatriates (Poonpol, 2018; Fernandez & Valdés, 2018; Tarique & Schuler, 2018). The heightened demand for business expatriates could well imply that few such assets will be available in the near future, partly due to the fact that the recruitment and retention of talented individuals in general is a growing concern in a global environment with an increasingly scarce talent pool (Tansley & Kirk, 2018; Dalayga et al., 2017; Kim et al., 2018; Tarique & Schuler, 2018; Singh & Mahmood, 2017; Latta, 2006; Naeem et al., 2015; Caligiuri et al., 2009). At the end of the previous decade, it was estimated that the total population of business expatriates worldwide exceeded 50 million (Hussain & Deery, 2018; Chudnovskaya & O'Hara, 2016).

Expatriation in Japanese organisations presents a particularly interesting area for study. On the one hand, Japan is one of the most developed economies in the world and a major player in many international markets (cars, electronics, and so on), rivalling or even surpassing many European and North American economies. On the other hand, the culture is firmly rooted in Confucian Asia, which is characterised by significant power distance, strong collectivism, and a central role of family ties (Dang & Rammal, 2020). The cultural divides with Western countries with which Japanese companies do business are thus considerable. Related to this, a defining feature of Japanese expatriation is what Sekigochi et al. (2016) refer to as an ethnocentric staffing approach. This means that key positions in the subsidiaries of Japanese internationally operating organisations are predominantly filled by Japanese nationals (Belderbos & Heijltjes, 2005; Widmier et al., 2008; Furusawa & Brewster, 2016). How well Japanese expatriates manage to adapt and perform in the host country is largely the basis for the success or failure of Japanese companies

abroad (Dang & Rammal, 2020). However, a characteristic feature of Japan is that it faces a significantly ageing population, making it even more challenging to find and select potential expatriates. These combined factors make the study of Japanese expatriation highly relevant.

A specifically relevant and interesting perspective adopted in existing studies on expatriation, even if not always systematically developed, is that of organisational knowledge and organisational learning (e.g., Stephens et al., 2002; Hébert et al., 2005; Fang et al., 2010; Ferreira et al., 2022). Expatriates are essential agents in developing knowledge of their own business and combining it with, for instance, new insights into other markets, alternative ways of conducting business, and worldviews in different cultures. Organisational learning, as a basis for essential organisational adaptation and innovation in today's turbulent environment, will thus critically depend on the success of developing, sharing, and applying different forms of knowledge across cultural divides. In other words, a knowledge and learning perspective is bound to illuminate the broad spectrum of expatriation issues, whether it concerns the need to consider expatriation, the definitions of success and failure, the varying conditions that influence whether expatriation is successful, and the possible sphere of influence of the organisation's management in achieving success.

This thesis addresses expatriation as a constituent force of organisational learning and knowledge production in Japanese organisations. This first chapter broadly explores the three core constituents of the subject of this thesis: expatriation, Japanese organisations, and organisational learning/knowledge management. Next, the research objective and research methodology are addressed. The practical and academic relevance of the research presented here is also discussed.

1.2 Expatriation

Expatriation and related phenomena have a complex and long history, particularly because expatriation has existed since the time that there were countries to expatriate from. However, expatriation as a research topic within the context of academic research in general, or business research, is considered relatively new (McNulty & Brewster, 2017; Selmer, 2017; Green, 2009). The field of expatriate studies began in 1925, while more formal study of expatriates commenced in the 1950s (McNulty & Selmer, 2017). The numerous

studies on expatriation available in the literature cover a wide range of topics. It is widely recognised that expatriation is a multifaceted phenomenon, characterised by both practical and theoretical complexity and uncertainty, as indicated in the suite of review articles (see, for instance, Andresen et al., 2015; Arifa et al., 2021; Caldwell et al., 2024; Dang & Rammal, 2020; Mehreen et al., 2025; Mello et al., 2023; Noethen & Alcazar, 2020). Without claiming completeness, we review a selection of these topics below.

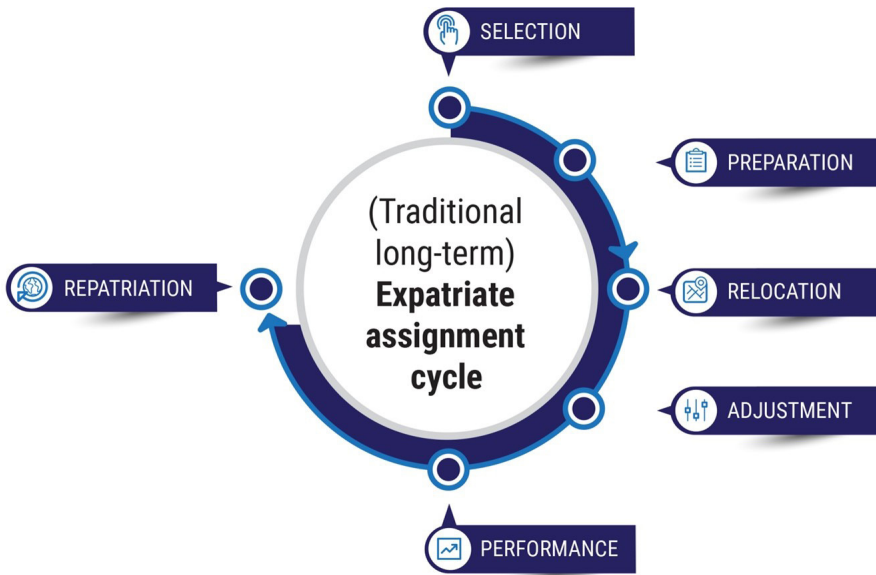


Figure 1.1 The expatriation cycle (source: Cranston, 2018, p. 632)

A primary topic concerns the strategic importance and objectives of expatriation. Expatriates develop unique knowledge and experience, which can provide a competitive advantage to a company (Jitendra, 2011; Belderbos & Heijltjes, 2005). The significance of expatriates for the implementation of global business strategies, business development, the embedding of competitive advantages, and continuous management development has been previously acknowledged (e.g. Bückner et al., 2016; Knocke & Schuster, 2017; Tarique & Schuler, 2018). Expatriate assignments are applied for a wide range of organisational objectives, ranging from managing and coordinating foreign operations and starting new operations, to managing business expansion, employee development, transferring knowledge and skills, and expanding business networks to

build international experience and learning (Chiang et al., 2018; Belderbos & Heijltjes, 2005; Larsen & Edwards, 2019). Harzing (2001) found that expatriates are typically deployed to fulfil three distinct roles, or combinations of these roles. Harzing (2001) uses the term “bear” to represent an expatriate role that is dominant in representing the head office. The “bear” expatriate is deployed to transfer and implement company policies and procedures and to embed the company philosophy and strategy in the employees of the subsidiary. Furthermore, expatriates have proven to be valuable resources for developing and maintaining social networks in organisations. This second expatriate role is labelled the “bumblebee” (Harzing, 2001). Bumble-bees are specifically extroverted individuals capable of making connections and adept at developing relationships. The third type of expatriates identified by Harzing (2001) are referred to as “spiders.” These expatriates are skilled in developing formal and informal communication networks that enhance information sharing throughout the organisation and facilitate reporting to senior management.

Secondly, widely discussed in the expatriation literature is the expatriation cycle. This cycle pertains to the standard form of expatriation involving medium- to long-term stays abroad by expatriates. A significant portion of the existing literature has focused on such traditional expatriate assignments, which are characterised as a once-in-a-lifetime experience (Bonache et al., 2018; Suutari et al., 2018). These typical assignments involve the international manager and their family relocating to the host country for a minimum period of one year and, in most cases, up to three years (Minbaeva & Michailova, 2004; Collings et al., 2007). While many different versions of the expatriation cycle are presented in the literature, a typical form identifies six steps (see Figure 1.1). The first step in the cycle concerns the selection of the ideal candidate. This step has proven particularly challenging because the suitability for the expatriate’s job involves multiple factors, which are often rare to find in a single individual (Naeem et al., 2015; Caligiuri et al., 2009; Tarique & Schuler, 2018). The second step, ‘expatriate preparation,’ is essential for expatriates and their families to manage and thrive in the new location, addressing practical local issues and customs, national cultural matters, and language (Haile & White, 2019). The third step of relocation involves the physical move of the expatriate and their family to the host country. The success of the relocation process and the prevention of expatriate failure during this phase of the cycle depend on the support provided by the parent company (Larsen & Edwards, 2019). The fourth stage, adjustment to a new culture and environment, can be time-consuming and may further contribute to failure (Haslberger & Brewster, 2009). The expatriate typically

needs time to learn about and appreciate local practices, business customs, traditions, culture, language, and so forth (Abi Abdallah, 2015). The fifth stage, 'performance,' occurs when the expatriate is most effective in executing their tasks and roles. The final step in the expatriate assignment cycle is repatriation or returning to one's home country after working abroad for an extended period (Meuer et al., 2019; Akkan et al., 2018). This final stage of repatriation has attracted considerably less attention than earlier stages, but there has been a recent surge in interest (see e.g. Mehreen et al., 2025).

A third topic in the collective expatriation literature concerns the assessment of success and failure in expatriation. As indicated above, the initial selection of business expatriates, which constitutes the first stage of the expatriation cycle, has proven particularly difficult (Naeem et al., 2015; Caligiuri et al., 2009; Tarique & Schuler, 2018). Expatriate assignments are often highly challenging due to national cultural differences and communication barriers (Chudnovskaya & O'Hara, 2016). Particularly, the expatriate's ability to adapt to the host nation's cultural business environment is a critical element of successful performance; an otherwise excellent manager in a national context might fail completely when working internationally (Naeem et al., 2015; Caligiuri et al., 2009; Tarique & Schuler, 2018). Despite careful initial steps and selection processes, extensive preparation, and proper relocation support, it has been observed that in some cases, employees who have proven to be excellent managers in their own national context might still fail completely when working internationally (Naeem et al., 2015; Caligiuri et al., 2009; Tarique & Schuler, 2018; Chudnovskaya & O'Hara, 2016). This can often be attributed to a lack of essential soft skills or other competencies, as expatriate assignments present challenging and sometimes unpredictable situations that require individuals to manage effectively, and the expatriate and their family to adapt (Naeem et al., 2015; Caligiuri et al., 2009; Tarique & Schuler, 2018; Chudnovskaya & O'Hara, 2016).

Linked to the concepts of failure and success is the fourth topic: the costs associated with expatriation. The cost of failed expatriation has fueled numerous studies, arguably because these costs are significant. The costs of expatriate assignments and expatriate management can amount to as much as four times the salary that would be paid for the same employee if the individual were employed in the home country (Suutari & Brewster, 2001). Expatriates are often financially overcompensated for their work outside their home country, while additional costs for relocation, family benefits, schooling for children,

and administrative expenses are also considered (Suutari & Brewster, 2001). Consequently, expatriation is considered an expensive practice, and the return on investment is frequently questioned (Nowak & Linder, 2016). Despite these risks and costs, Harzing (2001) argues that expatriation is upheld because many organisations believe it is essential to secure company philosophies and gain and maintain support for the company strategy.

An important fifth emerging topic in expatriate research, which links to the second and third topics, concerns alternative forms of expatriation. In attempts to reduce costs, global companies are incorporating more short-term assignments as opposed to traditional long-term assignments, although traditional assignments remain prevalent (Hutchings & McNulty, 2018; Hutchings & Kallane, 2023; Benson & Pattie, 2008). An increasing number of different labels are used to refer to non-traditional expatriates, such as short-term assignees, flexpatriates, international business travellers, commuters, frequent flyers, and extended long-term expatriates (Kang et al., 2017; Bonache et al., 2010; McKenna & Richardson, 2007; Mayerhofer et al., 2004). Some of the short-term assignments do not involve relocation. For instance, flexpatriates do not relocate but often take long and flexible business trips. International business travellers or frequent flyers also remain more connected to their home countries because they can travel to other countries daily or fortnightly. According to some academics (e.g., Conroy et al., 2018; Starr & Currie, 2009), they differ from flexpatriates in that the latter typically make longer business trips. Short-term assignments are not the only alternative forms for international assignments (Bonache et al., 2010). Other alternatives to traditional expatriation, such as frequent travelling, commuter assignments, and virtual working, have been recognised for many years (Collings & Isichei, 2018; Collings et al., 2007; Bonache et al., 2010). These shorter alternatives for expatriate assignments can help prevent expatriate failures related to issues with spouses and families, as the expatriate period is easier to oversee (Collings & Isichei, 2018). However, the downside of alternative short-term expatriate assignments is that they can negatively impact the expatriate's performance due to the general adjustment period needed for effective performance (Abdallah, 2015; Esposito & Verma, 2017; Ehnert & Brewster, 2008). In recent years, there has been increasing use of non-traditional assignments. Surprisingly, some of these alternative assignments are long-term assignments that exceed the duration of traditional expatriate assignments (Kang et al., 2017; McNulty & Brewster, 2018). Alternatives to expatriation, such as frequent travelling, commuter assignments, virtual

working, and self-initiated expatriates, have been present for many years (Collings & Isichei, 2018; Collings et al., 2007; Bonache et al., 2010). These forms, combinations of them, and alternatives such as extended long-term expatriation have not been studied in detail; they are rarely considered coherently, nor are they integrated into an international HR strategy (Goede & Berg, 2018; Bonache et al., 2010).

A sixth topic addressed in existing expatriation literature concerns the drivers and motivations for expatriation. Beyond the business and financial importance, growing attention to expatriation and the fascination with the topic introduce us to other factors for consideration, as at its heart lies the desire to understand what truly drives us as human beings. What prompts individuals to uproot themselves and leave behind all that they know? In some cases, entire families leave relatives and friends for multiple years to pursue assignments in a foreign country. Whether driven by personal motives, company motives, or indeed both, the rationale for expatriation ranges from financial benefits and personal development to a sense of adventure and career advancement, as well as the goal of self-development as a future senior manager (Dickmann et al., 2008). The diversified rationale for the expatriation of individuals, along with the multiple factors involved and failing expatriate management, consequently, results in a lack of unequivocal understanding of expatriate failure as well as expatriate success.

The expatriation topics presented in the overview above, which is not intended as a complete examination, are typically addressed in the literature in isolation and thus without integrating them into a comprehensive perspective on expatriation. However, to better understand expatriate success and failure, their antecedents and effects, and the needs and potential of expatriation management, additional holistic research on the expatriation phenomenon is required (Guttormsen et al., 2018). Such research, which is currently insufficient in the literature, is considered long overdue (Tan et al., 2018; Anderson, 2005; Harzing & Christensen, 2004).

1.3 The J-form organisation

Many of the larger Japanese organisations are referred to as J-form organisations, in line with Aoki's (1986/1988) typology of the J-form organisation, the J-form organisation in the taxonomy of Lam (2000), Nonaka & Takeuchi's (1995) view

on the Japanese knowledge-creating company (Lam, 2014; Engelen, 2018), and the organisational form aimed at lean production developed by Toyota (Womack et al., 1990). J-form organisations are characterised by practices designed to involve employees in operational decision-making and problem-solving in teams, problem-solving groups, and individual responsibility for quality control (Dohmen & Yelubayeva, 2018). The J-form organisation and the Japanese style of working are distinguished from Taylor's machine bureaucracy, which is defined by a high degree of task specialisation (Dohmen & Yelubayeva, 2018). The J-form organisation and the adhocracy as described by Mintzberg (1979) can be regarded as opposites with respect to whether the collective or the individual controls operations (Engelen, 2018; Lam, 2002; Lam, 2000). While the adhocracy relies heavily on the individual skills and expertise of its members and focuses on the ability to respond quickly to required changes in knowledge and skills, the J-form organisation depends on incremental changes and knowledge sharing (Engelen, 2018).

All Japanese companies share distinct similarities. A considerable part of these similarities can be linked to the phenomenon that, as Shinato and Kato (2018, p. 355) phrase it, "the governance of Japanese companies is a natural process that is embedded in Japanese society and corporate culture rather than rules based on a system." Japanese organisations are typically managed with a long-term perspective, which aligns with the general long-term orientation of Japanese society (Ashta et al., 2018; Hofstede Insights, 2019; Shinato & Kato, 2018). The principle of long-term orientation, along with long-term relationships and networking, has yielded significant results for specific Japanese industries. More specifically, the Japanese management model of organisational integration has proven to work very well in established technology areas where incremental innovation is important (Lam, 2005).

Incremental innovation and continuous improvement within Japanese management practices are aligned with Total Quality Management (TQM) philosophies of continuous gradual improvement (Aoki & Dore, 1994). Despite the historically rapid recovery, for example after World War II (see Chapter 2), and remarkable technological advancements, Japanese society is generally not designed for business process redesign and rapid change. This is because Japanese companies are strongly focused on the external customer, prioritise 'quality' as the theme for organising work, and view 'continuous improvement' as their competitive advantage (Nonaka & Takeuchi, 1995; Aoki & Dore, 1994). Japanese management, or 'Nihon-teki keiei', is designed to establish continuous

improvement; therefore, it logically involves distinct elements such as lifetime employment, annual recruitment of college graduates, a seniority system, in-house training, a specific welfare system, and various other unique factors (Shinato & Kato, 2018). 'Nihon-teki keiei' and its distinct mechanisms are deeply embedded in Japanese society, as evidenced by the four systems that jointly represent 'Nihon-teki keiei' (Watanabe, 2018). First: a distinct system of human resources and human resource practices that clearly govern the relationship between the organisation and its employees. Second: a distinct Japanese cultural communication and decision-making process for internal decisions. Third: a distinct approach and system of intercompany relationships, either based on 'keiretsu' relationships (i.e. relationships within a business conglomerate) or 'keiretsu'-like connections, driven by the Japanese long-term view of society. Fourth: a distinct system of corporate governance practices.

The success of 'Nihon-teki keiei' is maintained by a strict employee selection process, which focuses on 'fitting in with the company' rather than 'being qualified for the job'. Japanese graduates are carefully selected to ensure that the new recruits align with the company's corporate culture and value system (Schneider, 1988; Watanabe, 2018; Beechler & Yang, 1994; Keys & Miller, 1984). New employees, also referred to as "freshmen," are usually trained in a dedicated training facility, followed by on-the-job training in the subsequent years (Sakakibara & Westney, 1992). These new employees are typically rotated between departments without any apparent logical sequence, with the intention of developing versatile and multifunctional workers (Sugimoto, 2010). The investment in extensive and rotational training is expected to materialise over the working life of the employee, as both employer and employee commit to the phenomenon of lifetime employment (Robinson, 2003; Keys & Miller, 1984). The philosophy behind this approach explains why Japanese companies prefer to hire university graduates but do not place the same emphasis on graduates with advanced degrees as many Western companies do. Japanese companies prefer to develop their own employees; all employees are initially treated the same (Graen et al., 2005). Moreover, Japanese companies hire university graduates instead of experienced workers because it is believed that workers from other companies may not adapt to the culture of the new company, which is perceived as unstable (Robinson, 2003).

The investment in extensive explicit training and rotational training for the development of tacit knowledge will pay off only if employees remain with the company for a long period, preferably for life (Robinson, 2003). Lifetime

employment does not imply that employees receive a free ride. The company demands devotion from its employees, which is emphasised through promotion and payment practices in Japanese companies (Sugimoto, 2010; Ono, 2010). In the first stage of their career, known as the training stage, employees progress through the ranks of hierarchy based on years of service and seniority (Sugimoto, 2010; Graen et al., 2005).

This system of annual uniform promotion cannot be sustained at all levels because traditionally managed Japanese companies are pyramid-shaped (Takahashi, 2006). Therefore, employees in these companies are subject to competition for higher ranks in the organisation throughout their careers (Takahashi, 2006). The assessment of employees during the initial years of their employment often determines the differentiation between slower and faster career paths (Takahashi, 2006; Graen et al., 2005; Sugimoto, 2010). Employees are aware that they are continuously being assessed and evaluated. Consequently, they have a strong incentive to devote their time and efforts to the company to gain access to higher salaries, bonuses, and middle and senior ranks, which are accessible only based on appropriate performance, interpersonal skills, cooperativeness, and leniency (Graen et al., 2005; Sugimoto, 2010).

Company loyalty, group harmony, adequate social norms, respect for age, and employee relations are deeply embedded in Japanese culture, influenced by religion and family structure (Rarick, 1994). Consequently, the roles and behaviours of family members and employees are shaped and maintained by religion, feudalism, and family (referred to as 'ie') (Bhappu, 2000; Rarick, 1994). Japanese family and religion provide a framework for understanding the fundamental differences between Japanese and Western management, as the Japanese family structure of companies is interlinked with the philosophical influences of Shintoism, Buddhism, and Confucianism (Rarick, 1994; Bhappu, 2000).

Traditional decision-making processes in Japanese companies are derived from the 'ie' family system, where the authority of the household was emphasised to make all significant decisions for the family. In today's Japan, however, the head of the household or the company leader is specifically focused on maintaining harmony through consensus (Ala & Cordeiro, 1999). The consensus approach, or 'ringi system', for decision-making evolved as Japanese companies began to grow in size and importance. The 'ringi system' is based on the philosophy of

'ringiseido' (Dasgupta et al., 2019; Kotabe, 2020; Ala & Cordeiro, 1999). Robert Christopher summed up the consensus style best when he wrote:

"Probably the single most important thing to know about the Japanese is that they instinctively operate on the principle of group consensus. For an individual to achieve self-gratification at the expense of the collective welfare is regarded as unspeakably reprehensible" (Ala & Cordeiro, 1999, p. 22).

Japanese leaders in organisations typically avoid stressful situations, disagreements, and conflicts by exchanging their ideas and opinions informally. A leader will not decide until senior managers have had sufficient time to express their views and feel that they have been able to contribute (Mujtaba, 2019; Tsutsui, 2019; Nagasawa, 2019). Over the past few decades, many Japanese leaders have adopted the consensus style of leadership (Mujtaba, 2019).

Many of these Japanese leaders in international companies have spent many years as expatriates in overseas subsidiaries. In contrast to Western companies, expatriate assignments in many Japanese organisations are regarded as a prerequisite for the careers of senior managers. This is because Japanese organisations often rely on expatriation to ensure the continuation of Japanese management principles in overseas locations and to control subsidiaries, ensuring that the management practices and procedures of the head office are followed and maintained to the same level as in Japan (Magnier-Watanabe, 2019; McNulty & Brewster, 2018; Delios & Björkman, 2000; Furusawa & Brewster, 2016). Furthermore, the aim is for Japanese leaders to acquire local knowledge and transfer that knowledge back to the head office in Japan (Magnier-Watanabe, 2019; Delios & Björkman, 2000; Beamish & Inkpen, 1998). Therefore, Japanese companies are particularly noted for their reliance on expatriates and their reluctance to use local management for the oversight of overseas subsidiaries (Beamish & Inkpen, 1998; Magnier-Watanabe, 2019; Furusawa & Brewster, 2016).

1.4 Organisational learning, organisational knowledge and knowledge management

A learning and knowledge perspective has been recognised in the literature as an interesting approach to understanding organisations and their management, and more specifically, expatriation. Knowledge and knowledge creation are

the main elements of organisational learning and related perspectives on organisations (Cohendet et al., 2001; Oliver, 2009). Organisational learning paradigms have attracted considerable academic and practitioner attention for many decades (Campbell & Armstrong, 2013; Bayraktaroglu & Kutanis, 2003). Consequently, organisational learning is regarded as a complex research field shaped by a diverse range of research interests (Campbell & Armstrong, 2013; Wang & Ahmed, 2003). A complicating factor is that learning and knowledge terminology has been used promiscuously to refer to related yet distinct phenomena and concepts (Sohi & Matthews, 2019; Barton, 1995; Nonaka & Takeuchi, 2008; Easterby-Smith & Lyles, 2011; Johnson, 2011; de Vasconcelos & Kimble, 2008). This has created a significant degree of ambiguity, contestation, misinterpretation, and often fierce debate, leading to the generation of theories and concepts of unclear or dubious standing, artfully characterised by Visser (2017) as 'a genuine organisational learning jungle.'

Easterby-Smith and Lyles (2011) have sought to visualise the similarities, differences, and relationships among the multitude of debates on organisational knowledge and learning concepts, as shown in Figure 1.2. Their initial categorisation of the debates is based on the dichotomies of content-process and theory-practice. Firstly, studies of organisational knowledge (bottom left corner in Figure 1.2) are typically theory-oriented and focused on the content side of knowledge as the 'stuff' of cognitive learning. These studies "often adopt a philosophical slant in trying to understand and conceptualise the nature of knowledge that is contained within organisations" (Easterby-Smith and Lyles, 2011, p. 3). Theories of organisational knowledge trace back to early contributions in the late 19th and early 20th centuries. A widely used concept in discussions of organisational knowledge and of knowledge management is that of tacit knowledge, which builds on Polanyi's notion of tacit knowing (Polanyi, 1958; 1966). It refers to his understanding that knowledge is personal and, as a prerequisite for focal knowledge, inherently implicit. As Tsoukas (2003) shows, the popularity of the concept has been accompanied by significant conceptual confusion, with different interpretations and critical accounts taking many directions. An informative overview of the organisational knowledge literature is provided by Blackler (1995), who distinguishes five images used in the collective organisational knowledge literature: knowledge as something embodied (individual and tacit), embrained (individual and explicit), encultured (collective and tacit), encoded (collective and explicit), or embedded (residing in systemic routines, whether explicit or implicit).

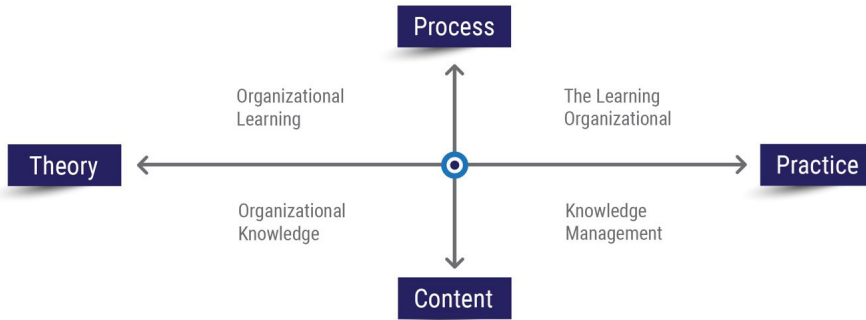


Figure 1.2 The fields of learning and knowledge in organisations (source: Easterby-Smith and Lyles, 2011, p.4)

Secondly, the counterpart to these content-oriented studies is the process-oriented academic debate on organisational learning, which flourished from the 1950s onwards (top left corner in Figure 1.2). The field of organisational learning refers to the study of the learning processes of and within organisations, largely from an academic point of view. Argyris and Schön (1978) are pioneers of these debates. Thirdly, academic discussions about organisational learning find their practical and management-oriented opposite in discussions about the learning organisation (top right corner in Figure 1.2). Such discussions, which have developed since the 1990s on the basis of systems theory, have Senge (1990) as their figurehead. Easterby-Smith and Lyles (2011, p. 3) characterise the learning organisation as “an ideal type of organisation, which has the capacity to learn effectively and therefore to prosper.”

Fourthly, also at least primarily practice-oriented and managerial is the field of knowledge management (bottom right corner in Figure 1.2). Authors and practitioners in this field “generally adopt a technical approach aimed at creating ways of measuring, disseminating, storing, and leveraging knowledge in order to enhance organisational performance” (ibid.). According to Easterby-Smith and Lyles, what distinguishes the field of knowledge management from that of the learning organisation is that their focus is on content and process respectively. However, it should be noted that knowledge management literature and practice focus more on knowledge processes such as knowledge sharing, creation, and application, rather than on knowledge itself. In fact, a definition of the concept of knowledge in knowledge management literature is often hard to find, frequently restricted to a misinterpretation of Polanyi’s concept of tacit knowing, distorted into the duality of tacit versus explicit

knowledge, or an unsorted hodgepodge of various conditions that may affect the genesis and existence of knowledge (such as expertise, social ties, practices, and emotions) but do not define it.

Easterby-Smith and Lyles' categorisation is useful as a preliminary mapping of the topics, specifically to illustrate that forms of these phenomena are distinct in their assumed theoretical purest form. However, although the dichotomies in Figure 1.2 suggest a clear distinction between the concepts, in practice this is not as straightforward as the depiction implies, because critical studies of the learning organisation could also fit into the organisational learning segment and vice versa (Easterby-Smith & Lyles, 2011). Similar arguments are applicable to the other two phenomena in the vertical dichotomy of content and process.

Within expatriation literature, the importance of the expatriate's knowledge – and especially that person's tacit knowledge – is widely acknowledged (McEvoy & Buller, 2013; Burmeister, 2016). Expatriates are considered especially important for internationally operating firms because of the knowledge they develop about subsidiaries, which they combine with an understanding of Japanese practices, thus enhancing their knowledge of the similarities and differences between Japan and other countries, particularly Western ones. As Crocitto et al. (2005, p. 530) put it:

Through their international work experiences, expatriates can function as “reserves” of organizational and host country culture, i.e. embedded and tacit knowledge. With a social network, the more experienced expatriates, repatriates, and host country mentors may work with the newer expatriate to shorten the learning curve of doing business in the host country and help with adjustment at various stages of the expatriate learning cycle. Repatriates bring an added richness to the international assignment process by imparting first-hand, specialist knowledge of the countries in which they worked and insights about their organizational and professional counterparts.

Organisational learning in the J-form organisation is particularly dependent on embedded knowledge (Lam, 2000). Compared to firms in the United States and Europe, Japanese companies have a strong tendency to rely on expatriates to manage overseas subsidiaries (Tan & Mahoney, 2006). Expatriates in these

subsidiaries are integrated into teams with local employees and members possessing different areas of expertise (Lam, 2000). The interaction and collaboration within the team serve as a bridge between the individual's tacit knowledge and the organisation (Lam, 2000).

"It is at the team level, at the intersection between horizontal and vertical flows of knowledge, where the greatest intensity of interaction, learning and knowledge diffusion takes place within the J-form organisation" (Lam, 2000, p. 498).

J-form organisations rely heavily on formal team structures, incremental innovation, and job rotation (Capriati & Divella, 2017). Despite changes to Japanese-style human resource management principles, lifetime employment and long-term job retention remain intact in many companies (Li & Gao, 2003; Kato, 2001; Ornatowski, 1998; Ono, 2010). Furthermore, Japanese firms have relied on job rotation and traditional expatriation for decades.

1.5 Research objective and method

Expatriation in J-form organisations and its role in organisational learning presents a compelling and relevant area for further study. It has been argued that successful expatriation has enabled Japan to effectively penetrate foreign markets (Hogan & Goodson, 1990; Shimizu, 2018; Jintae et al., 2017). As explored above, several factors make Japanese firms, and the role expatriation plays particularly noteworthy. For instance, J-form organisations rely strongly on formal team structures, incremental innovation, and job rotation (Capriati & Divella, 2017). Additionally, despite changes in the principles of Japanese-style human resource management, lifetime employment and long-term job retention remain intact in many companies, which sets them apart (Li & Gao, 2003; Kato, 2001; Ornatowski, 1998; Ono, 2010). Moreover, Japanese companies have relied on job rotation and traditional expatriation for decades. Most Japanese companies utilise traditional expatriation cycles like those of US and European firms. Extended long-term assignments, short-term assignments, and frequent travellers are embedded practices in Japanese companies and, in many cases, appear to be interlinked. The J-form organisation is particularly capable of diffusing knowledge widely throughout the entire organisation (Lam, 2000). Expatriates play a vital role in this process. The diversified, sequential, and hybrid forms of expatriation

will result in varied group interactions, different embedded knowledge, and consequently lead to diverse contributions to organisational learning.

Expatriation in J-form organisations is not solely a success story; it has not always had a positive effect on the learning process within organisations. Japanese expatriates have faced their share of resistance and bottlenecks during their assignments (Basu & Yoshida, 2012). For example, from the beginning of Japanese expatriation, a lack of knowledge of English has consistently placed them at a disadvantage compared to companies and expatriates from other industrialised countries (Legewie, 2002). The Japanese management strategy, in conjunction with local employees, has encountered both strong resistance and significant failures in the past (Pucik, 2013), yet Japanese companies continue to deploy expatriate managers for the overseas management of subsidiaries and the development of new markets (Oki, 2013).

In the shifting panels of the role and interpretation of expatriation worldwide, research of the traditional expatriate cycle and these alternative forms for expatriation in a Japanese setting is needed to address several under-researched but connected topics in the expatriate literature and their contribution to organisational learning. This research project therefore focuses on the following research question:

How do Japanese expatriate assignments in the traditional expatriate cycle and alternative expatriate forms contribute to organisational learning from locally embedded knowledge in geographically dispersed subsidiaries?

To guide the research and the primary data collection the main research question is extended to three sub-questions:

- 1) What is the coherence between the different forms of expatriation in Japanese organisations?
- 2) What is the effect of different forms of expatriation on organisational learning in Japanese organisations?
- 3) In the effect of different forms of expatriation on organisational learning, what is the contribution of acquiring locally embedded knowledge?

These 'what is' questions lead to the 'how to' question regarding the preferred approach of the research. It can be argued that existing research provides guidance through the theories utilised, some of which have been mentioned above. Starting from such theories or combinations of them would result

in a deductive approach. However, it is posited here that it is advisable to disregard these theories. Three reasons can be put forward for this. First, from a knowledge and learning perspective, expatriation in J-form organisations is an under-researched area. While there are conceptual and theoretical building blocks available on this topic, research on the combination of topics addressed here is still in its infancy. References to knowledge and learning can be found in the expatriation literature, but they tend to be haphazard, superficial, and usually not well elaborated.

A suggestion might therefore be to turn to a combination of theories from one or more of the content areas that constitute the subject of this thesis. A second reason why existing theories are arguably not a better guide for this research is that, from a theoretical perspective, research on these core topics has significant shortcomings. Expatriation has been studied extensively but mostly in eclectic ways and without a holistic overview. The wide range of knowledge and learning theories offers contested, ambiguous, inconclusive, and often mutually incompatible frameworks. Deciding which theories to adopt and which to disregard is a challenging, if not impossible, decision. They would provide this research with quicksand as a foundation, rather than solid ground.

A third argument against using existing theories is that an open eye to the practices, experiences, actions and interpretations of relevant participants is highly relevant to understanding the complexities surrounding the formation of organisational learning through expatriation. Such an open eye could be compromised by relying on existing theories, which could effectively lead to myopia or not looking in the most appropriate directions.

These three arguments provide the motivation for adopting a grounded theory approach (GTA) (Glaser & Strauss, 1967; Strauss & Corbin, 1990; Glaser, 1992). GTA is primarily an inductive approach, which starts from empirical data and bases the theory to be developed on these data. GTA involves disregarding existing theories as much as possible. There is much debate about whether GTA can disregard any existing insight and assume a true theoretical *tabula rasa* (see Chapter 3). But even if we assume that completely ignoring existing theories is impossible and that some theoretical notions are a prerequisite for any research effort, it can be very useful to start with a minimum of prior knowledge and with as few preconceived ideas as possible. Instead of relying on well-developed conceptual notions in existing research traditions, GTA aims to foster theoretical sensitivity, in collecting data, as well as in analysing

them. It encourages and facilitates looking for conceptual clues and organising them into a well-connected conceptual whole.

Partially mirroring the arguments against the use of existing theory above, three motives are given for using a GTA to answer the research objective and research questions (cf. Locke, 2001).

- 1) A GTA is ideally suited to capture the type of complexity that defines the research topic of this thesis. The broad nature of that topic, the many different aspects that may come into play and the intricacies, ambiguities and uncertainties involved require an open mind. GTA provides exactly the type of support for the thinking required then and tools necessary for the exercise in theorisation presented here.
- 2) GTA connects well with practice. The practices and sensemaking activities of actors in 'the expatriation business' are relevant for understanding how different forms of expatriation influence different aspects and forms of organisational learning. Approaching learning processes as the generation, sharing and application of embedded local knowledge reinforces this need. To do justice to the embedded, embodied (individual tacit) and cultivated (collective tacit) nature of the knowledge at stake here (cf. Blackler, 1995), the voices of the performers of that knowledge need to be heard.
- 3) GTA supports the theorisation of new substantive areas, which arguably qualifies the research topic of this study. Its subject combines three domains about which, considered in isolation, there are abundant theories. GTA provides a suitable approach for enlivening debates on such domains where there is a long and contested tradition of many forms of theorisation. This is particularly true for the isolated domains of expatriation and a knowledge- and learning-based view of organisations.

1.6 Relevance

The relevance of this research can be described in two domains: the scientific or academic domain and the practical or societal domain. In terms of scientific relevance, the contribution of this research lies primarily in furthering our understanding of the combined areas of a knowledge-based view of expatriation in J-form organisations. As alluded to above, this particular combination is characterised by substantial knowledge gaps. This research aims to fill at least some of them. In particular, an integrative understanding that can form the

basis for a holistic framework is now lacking. It is exactly such an understanding that can be expected from the inductive approach described in this thesis. As explained in Chapter 3, the empirical data in this study consist of the results of interviews held with a variety of actors in the field. These interviews form the basis for a rich and unique dataset that provides an unprecedented collection of empirical data to ground such a holistic theoretical understanding. Secondly, it can also be expected that the three core topics per se, which in their combination form the basis for the research objective, will benefit from the insights presented below. Drafting a knowledge-based view of the substantive domain of expatriation can enliven debates on that view. The confrontation with J-form organisations can help reveal possible culturally specific, ethnocentric and inherently limited theories and interpretations of expatriation phenomena in general, and of a knowledge and learning perspective on them in particular.

The practical relevance of this research aligns with the potential practical use of the theory to be developed. The broad and interconnected insights of the various aspects involved in understanding the impact of expatriation on organisational learning can help diagnose whether individual organisations are true learning organisations. Such a diagnosis may also help identify deficiencies, possible causes and solution directions for hampering learning processes. It can likewise guide the design of interventions to address specific problems of individual organisations. The evaluation of efforts to promote organisational learning can also be informed by the theoretical exercise embarked upon here. Such benefits can relate to organisations in Japan as well as in other parts of the world. The focus here is on Japanese organisations, but lessons on what works and what does not can also be very inspiring for Western commercial companies and non-profit organisations. Although the situations and contexts of individual organisations are typically idiosyncratic, it can still prove very useful to base the management of any organisation on the kind of general insights into the research topic described in this thesis.

1.7 Structure of the thesis

The thesis is organised into six chapters. After the introduction of the research topic, the research objective and questions and the methodology in this first chapter, the next chapter introduces Japan. It provides general background information on the characteristics of that country that is the site of this research. History, culture, economy and industrial development of Japan are portrayed.

Chapter 3 presents the grounded theory approach (GTA) to the study, which fits with this thesis' focus on theory building. It gives a general description and discussion of GTA and explains how GTA has been applied. Information is also given about the Japanese company in the maritime sector, nicknamed Kobe Trading, which was selected as the location for interviews. 55 interviews were conducted with employers and employees of Kobe Trading in different functions and roles. The chapter describes the questions asked of those individuals and explains how the analysis was done in the standard GTA sequence of open, axial and selective coding.

Chapter 4 presents the first main step in the theorisation aimed at by the research presented here. That first step concerns the presentation of the theoretical framework resulting from several cycles of data collection and data analysis. In that framework, a theory is proposed for the connection between the expatriation phenomenon and the learning of locally embedded knowledge in the J-form organisation.

The second main step in the theory building exercise of this thesis is presented in Chapter 5. The three core subjects of this research – expatriation, J-form organisations and the knowledge- and learning-based view of organisations – have attracted much research attention, albeit in varying degrees. The choice of GTA implies that prior to data collection and analysis, the perusal of extant literature on these three subjects is out of place and thus not part of this thesis. Instead, as GTA requires, the data underlying the theory developed are also used as beacons to connect the findings presented in the fourth chapter with existing theories, and discuss how they can help confirm, reject, rethink, nuance, elaborate or refine existing theories and their building blocks. Chapter 5 presents this exercise that forms an integral part of the theory building exercise presented here.

The final Chapter 6 looks back at the research objective and research questions presented in this first chapter, discusses how the findings presented in Chapters 4 and 5 answer these and draws the conclusion. The chapter also offers a reflection on the research and the results, including a discussion of the limitations of the study. It presents suggestions for future research and sketches practical implications for organisations in both Japan and other countries.



Chapter 2

A short expose on Japan's history, culture and economy

2.1 Introduction

The research reported in this thesis is set in Japan, a country comprising more than 14,000 islands. The Japanese archipelago is largely mountainous, with mountains covering over 70 percent of its land. Despite this, Japan lacks abundant natural resources and has limited agricultural potential, with just over 14 percent of its land dedicated to farming (Kwon & Hickey, 1991). Today, Japan is the 12th largest country in the world by population, with over 123 million people residing in an area of approximately 378,000 km², which is smaller than the American state of Montana, where 1 million people live (Hane, 2018; Kwon & Hickey, 1991). Despite these challenges, Japan has emerged as the world's third most productive industrial nation (Davidson et al., 2018; Kwon & Hickey, 1991). Japan's position in the global economy was not always as prominent as it is today, with Western influences playing a significant role in its industrialisation.

A thorough understanding of Japanese society and industry is essential to lay the foundation for this research. This author's experience and professional interactions with Japanese businessmen have underscored the complexities that differentiate Japanese and Western societies. A deeper comprehension of Japan, the Japanese mindset, and societal dynamics is necessary to bridge this gap.

Major cultural, social, and historical differences exist between Japan and Western countries. This brief introduction to the characteristics of Japan aims to provide a basic context for understanding the intricacies of Japanese society and industry and to explore some of these differences. It is intended to illuminate the historical context that shapes contemporary Japanese business practices, thus providing a critical backdrop for the topics of this thesis. Ultimately, understanding these cultural nuances can help facilitate the discussions and analyses that follow in this study.

It is equally important to consider Japan's tumultuous history, particularly the Sakoku period, which spanned from 1635 to 1853. During this time, Japan implemented a policy of near-complete isolation under the Tokugawa shogunate, effectively closing its borders to foreign influence. Trade was primarily restricted to the Dutch and Chinese, while Japanese citizens were prohibited from travelling abroad. This isolation significantly influenced the development of a unique Japanese culture, allowing for the preservation of

traditional customs, beliefs, and practices, while limiting the encroachment of Western ideas and technologies. Consequently, Japan cultivated a distinctive cultural identity marked by its art, literature, and social structures, fostering a sense of nationalism and homogeneity. The Sakoku period came to an end in the mid-19th century with the arrival of Commodore Matthew Perry, which compelled Japan to open its doors to the world, leading to substantial transformation and modernisation.

To grasp the Japanese spirit and society, it is crucial to understand Japan's historical context, which will be explored in the next section of this chapter. An overview of Japan's history will serve as a foundation for understanding the nation's culture, which will be further elaborated upon in the subsequent section. Japan's history and national culture provide essential context for the development of its economy and industry, which is described in the final section of this chapter.

2.2 Japanese History from pre-Edo to present

Japan was isolated from the West until it was discovered by the Portuguese during the Muromachi period (Zhu et al., 2019; Keene, 2010). The first Portuguese sailors landed in Japan around 1542 on the island of Tanegashima, located to the south of Kyushu (Stempitskii, 2018). Reports from that period are considered unreliable, suggesting that there may have been more Portuguese visitors than those officially documented (Lidin, 2003). Pero Diez was the first Portuguese individual to successfully deliver a report of his visit to Japan, and with the subsequent arrival of Jesuit priests, including Francis Xavier, regular and more extensive reporting began (Lidin, 2003). Francis Xavier, a Spanish-born pioneering Jesuit priest employed by King John III of Portugal, was captivated by the Japanese people and determined to spread Roman Catholicism in Japan (Iwai, 2007; Coleridge, 1872). In Xavier's letters, his admiration for Japanese culture and his mission to convert them to Christianity are evident. One of the five letters he wrote clearly outlines his initial impressions of the Japanese people, who were under the leadership of a shogun and adhered to Shinto and Buddhism:

"First of all, the people with whom we have thus far conversed are the best that have as yet been discovered; and it seems to me that no other pagan race will be found that will surpass the

Japanese. They have, as a race, very fine manners; and they are on the whole good and not malicious. They have a marvellous sense of honour and esteem it more than anything else. As a race, they are generally poor, but the poverty that is found among the nobles and those who are not, is not deemed to be a matter of reproach (Iwai, 2007, p. 8). They do not adore idols in the shape of animals; most of them believe in men of ancient time who, according to what I have learned, were men who lived like philosophers. Many of these, worship the sun, and others the moon" (Iwai, 2007, p. 8).

Before journeying to Japan, Xavier met a Japanese man in Goa, India, named Anjirō, who had already been baptised and received the Roman Catholic faith (Iwai, 2007). Xavier's determination and belief in his ability to spread Catholicism in Japan become apparent in the subsequent sections of his letters:

"I asked Anjirō if the people of Japan would become Christians if I went with him to his country. He replied that those of his country would not immediately become Christians but would first ask many questions and would see how I answered them and what I believed and, above all, if I lived in accordance with what I said. If I did two things well, that is, if I spoke well and replied satisfactorily to their questions, and lived beyond reproach, within half a year after they had come to know me, the king and the nobility and all other prudent people would become Christians, since they are, according to him, a race ruled solely by reason" (Iwai, 2007, p. 7).

And a little further on we read:

"A large proportion of the people can read and write, which is a great help in learning prayers and the things of God in a short time. And, they (the Japanese people) do not have more than one wife" (Iwai, 2007, p. 8/9).

Xavier's conversations with Anjirō, along with his observations of the Japanese people's adherence to monogamy as a key requirement of the Roman Catholic Church, convinced him of the potential for spreading Catholicism in Japan (Iwai, 2007). Additionally, the literacy of many Japanese people meant that the distribution process would be streamlined, as the Jesuits would not need to spend time teaching reading and writing skills (Iwai, 2007). Later, in the Edo

era, Catholicism was perceived as a significant threat. Furthermore, the arrival of the first Westerners on the island of Tanegashima marked a significant development in Japanese history (Stempitskii, 2018). Japanese firearms were named after Tanegashima, the first place where the Japanese were introduced to firearms and Western technology (Stempitskii, 2018). Early documents serve as evidence of Japanese adaptability and readiness for such innovations, as illustrated by a blacksmith named Yaita, who managed to manufacture the first Japanese gun just a few months after the weapon was introduced to Japan (Lidin, 2003). These powerful weapons and technologies were welcomed in feudal Japan, which was characterised by extended periods of civil war between independent feudal lords known as daimyo (Sansom, 1958). These conflicts were primarily caused by competition for dominance over scarce, high-quality rice lands, which formed the basis of feudal society (Sansom, 1958). In 1544, it is believed that a lord named Tokitaka used guns in battle for the first time in Japanese history when he invaded Yakushima Island (Lidin, 2003). After their initial encounters with Westerners, the Japanese continued to show great interest in Western technology and knowledge. Despite the turbulent years of war, various journeys were made to Europe and America (Keene, 2010). The Japanese adoption of Western technology became evident shortly after the introduction of guns, as described later. The transformative impact of this technology was highlighted when one of the daimyo, Oda Nobunaga, significantly expanded his power by effectively utilising firearms (Hane, 2018; Brown, 1948). Oda Nobunaga, a daimyo known for his ruthless military tactics and adept communication skills, operated from central Honshu in the province of Owari. His ambition drove him to eventually control one third of the country (Yonemoto, 2008).

Nobunaga was assassinated in 1582, after which Toyotomi Hideyoshi, one of Nobunaga's generals, assumed Nobunaga's role (Nosco, 2003; Yonemoto, 2008). It is noteworthy that Hideyoshi was not of noble birth; his father, Yaemon, was a farmer who had served as a soldier in Oda Nobunaga's army, most likely as a foot soldier rather than a samurai (Turnbull, 2011). Hideyoshi grew up as an ambitious warrior seeking recognition from the lords known as daimyo, and he initially found a master to serve in Matsushita Yukitsuna, a member of the Imagawa clan (Turnbull, 2011). Hideyoshi's ambition led him to the camp of the Imagawa's, who were the sworn enemies of the Oda clan, to which his father had belonged (Turnbull, 2011). Eventually, Hideyoshi's journey brought him back to Owari, initiating his relationship with Oda Nobunaga, which endured for 24 years (Turnbull, 2011). Hideyoshi's dedication and willingness

to obediently serve Oda Nobunaga enabled him to develop and thrive under Nobunaga's guidance (Turnbull, 2011). By the time Hideyoshi assumed control from Nobunaga, he had become a seasoned tactician and brilliant strategist, drawing comparisons with Napoleon Bonaparte. By 1590, he had successfully unified all of Japan under his rule (Yonemoto, 2008; Turnbull, 2011).

Toyotomi's ambitions, however, extended beyond Japan, and in 1592 he launched an invasion of Korea with the aim of conquering China through Korea. This attempt failed when China and Korea joined forces, successfully thwarting Japanese advances (Wang & Weiguo, 2019). Undeterred by this initial setback, Toyotomi remained steadfast in his aspirations, ultimately meeting his demise during a second invasion of Korea in 1597 (Wang & Weiguo, 2019). Before his death in 1597, Toyotomi had secured an alliance with five trusted daimyo to safeguard his young son, who was expected to carry on the Toyotomi clan (Yonemoto, 2008). Among these allies was Tokugawa Ieyasu, who, in 1600, chose to sever ties with the Toyotomi clan and subsequently prevailed over them in battle to ascend as shogun in 1603 (Yonemoto, 2008). In 1615, Tokugawa decisively defeated the remnants of the Toyotomi clan, establishing an unprecedented shogunate that endured for an impressive fifteen generations (Berry, 2019). The remaining daimyo, weary from years of incessant warfare, acquiesced to the new reality, redirecting their efforts towards governing their territories. This transition marked the end of the turbulent war years (Wigen, 2016). Several years into the Tokugawa, or Edo period, Japan closed off its borders in the 1630s, a decision endorsed by the shogunate. While acknowledging the unique knowledge and technology of Westerners, Christianity, particularly Roman Catholicism, was deemed a threat to the country's stability and the shogun's authority. Consequently, apart from a few Dutch traders, all Westerners were prohibited from entering Japan (Keene, 2010; Keene, 1969; Jannetta & Preston, 1991; Woronoff, 2016; Woronoff, 1992; U.S. Department of State, 2013).

During the Tokugawa period, the utilisation of certain Western technologies, such as firearms, was reconsidered (Cummins, 2018). The introduction of guns in the 1540s led to an explosion in production in Japan during the mid-1500s. However, during the Edo period, restrictions were placed on firearms. Specifically, under the reign of the fifth Tokugawa shogun, guns became weapons solely for the rulers and were used primarily to suppress uprisings (Cummins, 2018). The country returned to its traditional philosophy of the warrior samurai, relying on swords, bows, and spears (Cummins, 2018).

These measures were implemented for control purposes, aligning with the Tokugawa's centralised feudal system designed to maintain peace and stability in society (Hirschmeijer & Yui, 2018).

Although the Tokugawa period is often referred to as a time of peace, the shogunate maintained this peace through a dictatorial approach (Hirschmeijer & Yui, 2018; McNabb, 2016). This control was evident from the time of the third Tokugawa shogun, who required clan leaders to keep their families in Edo for control purposes and to manage agricultural production annually (McNabb, 2016). The daimyo governed their territories under strict supervision from the central government in Edo (Hirschmeijer & Yui, 2018). Wealthier daimyo brought thousands of retainers to Edo, resulting in rapid growth and establishing Edo as Japan's main economic and political hub (McNabb, 2016). The strict control maintained by the Tokugawa rulers enabled them to uphold their political authority for 253 years without significant military conflict (Yonemoto, 2008; McNabb, 2016).

In 1853, American Navy commander Matthew Perry is widely credited with initiating a new era in Japan by forcing the end of Edo Japan's isolation using gunboats (Jannetta & Preston, 1991; Woronoff, 1992; U.S. Department of State, 2013). While Perry's squadron of ships alone was not enough to seize control of all of Japan, the Japanese recognised the importance of Perry's fleet and the weaponry it carried (Perry, 2017). The presence of more Westerners and ships would prove decisive. Japan observed how European nations had similar vessels and how Western countries sometimes collaborated militarily (Perry, 2017).

While Perry is commonly acknowledged for ending Japan's isolation, it was diplomat Townsend Harris who is recognised as the individual responsible for reopening Tokugawa Japan to foreign trade and Western culture. Harris served as the first Consul General of the United States (Lu, 2015). Despite many daimyo expressing a desire for the expulsion of Westerners from Japan during Harris's negotiations, his prolonged discussions in Edo eventually led to the Treaty of Amity and Commerce (Lu, 2015). This treaty was viewed as unequal by the Japanese populace due to provisions for consular court trials and the mandatory engagement in business with Western nations (Lu, 2015). The second treaty infringed on Japan's tariff autonomy, disrupting the country's monetary system (Lu, 2015). Consequently, the daimyo concluded that the Tokugawa shogun was incapable of addressing the issues caused by foreigners and demanded a change in leadership (Perry, 2017). Subsequently, in 1868, fifteen years after Perry's

arrival, the Tokugawa Shogunate collapsed, ushering in the 'restoration' of the emperor and the onset of the Meiji period (Jannetta & Preston, 1991; Woronoff, 1992; U.S. Department of State, 2013). In 1869, the emperor and the imperial family relocated to Tokyo. Although restored, the emperor's role was primarily symbolic, with formal policies being largely absent. The Meiji government was comprised of advisors, with true power residing in former samurai from Chōshū and Satsuma, known as the Meiji oligarchs (Thompson & Thompson, 2019; van den Berg, 2018; Hillsborough, 2013; Yoshimi, 2019; Walthall, 2021; Walthall, 2018; Dovale, 2013; Woronoff, 1992).

The Meiji government was ambitious; it was not necessarily more pro-Western than the Tokugawa shogunate, but it acknowledged, as did leaders in the feudal and Edo eras, that Westerners surpassed them in terms of technology and knowledge (Dovale, 2013; Woronoff, 1992). Consequently, the Meiji restoration employed Westerners with the goal of benefiting from Western knowledge and technology while upholding Japanese beliefs in moral superiority. They argued that the best strategy was to combine Western technology with the Japanese spirit, encapsulated in the concept of "wakon yōsai" (U.S. Department of State, 2013; Woronoff, 1992; Jannetta & Preston, 1991; Dovale, 2013). Japan quickly adopted Western technology and institutions with the specific aim of catching up to and surpassing Western knowledge, creating a modern Japanese state under the vision of a "rich nation, strong army" encapsulated in the phrase "fukoku kyōhei" (Sakamoto, 2018; U.S. Department of State, 2013; Woronoff, 1992; Jannetta & Preston, 1991; Dovale, 2013). By 1890, with improved communication and transportation infrastructure, a revamped public education system, a modernised army, and strong diplomatic relations with powerful countries worldwide, the renewal of the Japanese state was largely achieved, leading to revisions of unequal treaties (Wittner, 2007). The Meiji restoration, known as 'Meiji ishin,' successfully transformed Japan by concentrating its collective energy and determination on modernisation to adapt to global realities (Coates et al., 2019). The international community was impressed by the agility demonstrated by the Japanese as the restructuring of Japanese society and economy emerged as an iterative, unplanned, yet resolute quest for change, facilitating rapid technological advancements (Coates et al., 2019). The Meiji period is viewed as the shift from late-feudal to modern institutions and from isolation to integration into the global economy (Jansen & Rozman, 2014).

In 1894, the Japanese were prepared for a conflict with China, the reasons for which stemmed from a complex series of events that led to the gradual

involvement of Japanese forces (Nathan, 2017; Keene, 1998). The Japanese initiated the war by sinking a Chinese navy ship without warning (Fung, 2017; Fung, 1996). Prior to the Sino-Japanese War, the relationship between China and Japan was characterised by mutual respect, with China being the closest ally of Japan among all nations. However, this century-long relationship was destroyed within a matter of months (Keene, 1998). The rest of the world followed the conflict with great interest, expecting extensive battles; yet the Chinese were continuously defeated (Fung, 2017; Fung, 1996; Chen, 1975). By March 1895, the Chinese were compelled to sign a peace agreement with unfavourable terms, resulting in Japan gaining territory, including Taiwan (Fung, 2017; Fung, 1996; Chen, 1975). Japan's victories in the war against China garnered respect from Western nations and significantly boosted Japan's national self-image (Keene, 1998). During the same period in the West, Great Britain found itself isolated against the alliances of Germany, Hungary, and Italy, as well as those of Russia and France (Morrow, 2016). Britain's earlier policy of remaining aloof from European affairs became precarious, prompting Britain to form an alliance with Japan (Morrow, 2016). This alliance included a secret clause that provided industrial and military support to assist Japan in developing its navy to high standards, primarily because Japan offered a counterbalance against Russia, which was perceived as Britain's most significant threat to its interests in British India (Morrow, 2016; Kennedy, 2014).

Japan's alliance with Britain granted it significant autonomy in Manchuria and Korea. With the rising dominance of the Japanese and American navies, Great Britain's naval supremacy waned, particularly in the Far East (Sweeney, 2019; Morrow, 2016). Historically, the war between Russia and Japan was long overdue, with Russia's persistent attempts to expand southeastward over centuries countered by Japan's efforts to extend its territory westward (Kowner, 2007; Kowner, 2006). On 6th February 1904, diplomatic relations between Japan and Russia deteriorated, prompting the Japanese combined fleet to set sail for the shores of Korea on the same day (Kowner, 2007; Kowner, 2006). Two days later, Japanese destroyers launched an attack on several Russian warships anchored in Port Arthur, and the following morning, Japanese forces seized control of the Korean capital (Kowner, 2007; Kowner, 2006). The Japanese compelled the Russians to vacate the port; although they complied, the Russians later returned, choosing to scuttle two of their own ships instead of surrendering them to the enemy. This act directly led to the official declaration of war between Japan and Russia (Kowner, 2007; Kowner, 2006).

The Japanese navy's assault on the Russian fleet at Port Arthur has been likened to the first Pearl Harbour. The outcome of this attack and the subsequent war with Russia laid the foundation for Japan's military strategies leading up to the Second World War and the attack on Pearl Harbour. Japan emerged victorious in the Russo-Japanese War, establishing itself as a global power (Sazonov, 2016; Warner & Warner, 2002). In the years following this triumph, the increasing expansion and enhancement of Chinese military capabilities in the region posed a growing concern. This concern led to a new Japan-Russia agreement in 1907, after which China became a shared perceived adversary in Southeast Asia (Masafumi, 2010). As the new dominant force in Asia, Japan secured the support of the United States and Great Britain for the annexation of Korea (Mun, 2020; Mun, 2019). Japan's intention to annex Korea became evident during the Russo-Japanese War, and through the Korea-Japan Annexation Treaty of 1910, Japan successfully completed its efforts to make Korea its colony (Mun, 2020; Mun, 2019). In the aftermath of the war, a struggle for military supremacy ensued among the Russians, the Qing dynasty, and the Japanese as they deployed their troops in Manchuria. None of these parties were individually strong enough to control the region, necessitating an alliance. The newly established Russia-Japan 'alliance' during the Xinhai Revolution possessed overwhelming military might against China (Masafumi, 2010; Pöcher, 2015).

The German colonies in the Far East encompassed over one thousand islands and atolls, covering a total of 2,200 square kilometres of land and inhabited by approximately 450,000 people (Pöcher, 2015). Japan entered the First World War in 1914, aligning with its British allies against Germany. The Japanese military's attack on German colonies, particularly Tsingtao, marked a turning point in Far East warfare, as it involved the use of naval aircraft, representing the first airstrike in history to originate from the sea (Pöcher, 2015; Dickinson, 2001; Dickinson, 1999). The success of the Japanese military in World War I, notably the victory at Tsingtao, bolstered the confidence of the Japanese army, prompting the presentation of the Twenty-One Demands to the President of the Republic of China in 1915 (Manela, 2019; Kawashima, 2017; Pöcher, 2015). These demands marked the initial step in Japan's rejection of the territorial divisions in China imposed by Western nations (Kawashima, 2017). Japan laid claim to German territory in the Shandong Province while also increasing its influence and control in Manchuria (Culver, 2015). Additionally, Japan insisted on extending the lease agreement for Port Arthur by another 99 years (Pöcher, 2015). Japan's objectives to diminish European influences in China

included prohibitions on leasing other Chinese ports to foreign nations and stipulations that all domestic and foreign policies be discussed with Japan prior to implementation (Pöcher, 2015). Japan also sought mining concessions in China. Despite China's rejection of these demands, most of the international community did not support China in its resistance against Japan, with the United States being the primary opponent questioning Japan's actions (Pöcher, 2015).

Russia was weakened after the 1917 revolution, leading the Japanese to recognise the benefits of cooperation with Russia and a renewed partnership with China. However, this triangular relationship was built on fear and mutual distrust, with a lack of a regional security system (Masafumi, 2010). By 1918, Japanese leaders understood that they had caught up with Western nations and had successfully attained status and power (Bayliss, 2015), enabling Japan to join the ranks of world powers as one of the "Big Five" nations and the only non-white country at the Paris Peace Conference (Young, 2014). In 1931, the Japanese army acted independently of the government and launched an attack on Manchuria, capturing the capital at Mukden along with its 10,000-man garrison. Japanese troops quickly seized control of other strategic locations along the main railway (Chan et al., 2018; Chang, 2003; Craft, 2000; Davis, 2009; Hammond, n.d.; Yamamuro, 2006). The League of Nations called on Japan to withdraw, but it lacked the strength to enforce this demand. Concurrently, the Japanese government appeared to have lost control of its army, which was acting autonomously (Chan et al., 2018; Chang, 2003; Craft, 2000; Davis, 2009; Hammond, n.d.; Yamamuro, 2006). By 1932, Japan had conquered Manchuria, and shortly thereafter, the state of Manchukuo declared independence from China, with Japan recognising it as a sovereign state. Manchukuo was a government made up primarily of Japanese nationals (Chan et al., 2018; Chang, 2003; Craft, 2000; Davis, 2009; Hammond, n.d.; Yamamuro, 2006). In 1937, Japan invaded China, marking the beginning of a conflict that would continue until the end of World War II in 1945. The destructive consequences of the Japanese occupation of China are still viewed as an open wound and have played a significant role in the strained relationship between the two countries (Che et al., 2015).

The relationship between the United States and Japan was complex even before it became further entangled in 1940, when Japan signed a pact with Germany and Italy (Rogers, 2018). This pact obligated its members to support one another in the event of war with non-pact nations (Rogers, 2018). The signing of this pact, combined with the United States government's concerns

about Japanese expansion in Asia, particularly in China, prompted a decision to impose financial sanctions on Japanese businesses in 1941. These sanctions played both a direct and indirect role in Japan's subsequent attack on Pearl Harbor and the resulting American entry into World War II (Rogers, 2018). The Japanese surrender came in 1945 after the dropping of two American atomic bombs on Hiroshima and Nagasaki (Feis, 2015; Takaki, 1995). The American occupation of Japan is considered successful by American ideologists, although opinions on the transformation of imperial Japan were divided (Nathan, 2017). One perspective held that Japan would never embrace Western ideology and needed to be controlled to ensure regional stability (Nathan, 2017). The alternative view suggested that Japan's aggression was fuelled by resource scarcity and sanctions, advocating for democratisation and access to global markets as the way forward for peace (Nathan, 2017). General MacArthur's occupation of Japan and his command lasted from 1945 until 1952, with the return of Okinawa to Japan not occurring until 1972 (Dower, 2000; Lin, 2019).

The 1950s in Japan were characterised by poor living standards for the mass population, as the country underwent a transition while attempting to recover from the effects of the devastating World War II (Wilson, 2008). Most Japanese people embraced peace and were marked by pacifist sentiments, rejecting war and the military while carrying a victim consciousness linked to their defeat in the war (Wilson, 2008). The recovery of Japan after World War II is considered the most impressive case of rapid economic development in modern history (Beckley et al., 2018). Approximately a decade after Japan's military defeat, the country managed to return to pre-war standards of living (Beckley et al., 2018).

Between 1959 and 1970, economic growth rates exceeded 10 percent per year, and by 1970, Japan had become the third-largest economy in the world and was recognised as one of the most developed nations (Beckley et al., 2018).

The Japanese managed to acquire a significant market share through the development of specific industries such as shipbuilding, heavy industries, and the automotive sector. After World War II, Japanese car manufacturers also succeeded in obtaining a considerable market share (Ma, 2018). Particularly during the global oil crisis in the 1970s, the Japanese government skilfully stimulated small-scale production to align with customer needs and demands (Chandler, 1985; Ma, 2018). Japanese cars became popular during the crisis as they were designed to be energy-efficient, smaller, and more environmentally friendly, which led to rapid increases in market share and exports (Ma, 2018;

Chandler, 1985). The oil crisis showcased the impressive performance of the Japanese car industry, as their output did not decrease as expected, unlike other car manufacturers who faced significant sales losses during that period, thus propelling Japan to a leading global economic position (Weidner, 2018; Ma, 2018). Japan has always been a country with limited energy resources and has been heavily reliant on fossil fuels. The high demand for fuel and heavy dependence on imports made energy security a top priority for the government in Tokyo, particularly exacerbated by the oil crises in the 1970s (Vivoda, 2012). Prior to the Fukushima disaster, Japan was planning to raise the share of nuclear power in total electricity generation from 24% in 2008 to as much as 50% by 2030 (Vivoda, 2012). In 2011, a severe earthquake struck the northeastern coast of Japan, resulting in a series of nuclear disasters at the Fukushima power plant operated by the Tokyo Electric Power Company (Takahashi et al., 2018). This devastating event reignited the energy security debate in Japan, with many analysts suggesting a reconsideration of Japan's nuclear ambitions given the earthquake-prone environment. The Japanese government has announced a transition plan involving the decommissioning of 14 nuclear reactors over the next two decades (Takahashi et al., 2018).

Japan's history is defined by three major transitions. The first was the shift from Feudal Japan to Tokugawa Japan, which ushered in a period of peace lasting over two and a half centuries (Jansen & Rozman, 2014). The second transition was from the Edo era to the Meiji period, considered the initial step towards the major changes that shaped modern Japan (Jansen & Rozman, 2014). The third transition occurred after World War II, involving the development of political institutions and economic growth that propelled Japan to become the world's third-largest economy (Jansen & Rozman, 2014). Understanding these transitions is crucial for comprehending the Japanese people and the social evolution of Japan from the seventeenth century to the present day (Jansen & Rozman, 2014). Japan's national culture has been significantly influenced and shaped by these transformations.

2.3 Japan's National Culture

The Ise Shrine, at the heart of the Shinto tradition, holds a crucial place in the history of Japanese culture (Rambelli, 2014; Okuyama, 2019). Many believe that Shinto's unique connection to nature embodies the essence of Japanese culture (Breen & Teeuwen, 2013). The intertwining of Shinto rituals and governance

explains the significance and reverence for the deities, which traditionally govern the populace, leading to an unbroken line of emperors in the Japanese polity (Breen & Teeuwen, 2013). Shinto symbolises the imperial institution, the unique Japanese polity, and the essence of Japanese identity (Breen & Teeuwen, 2013). The concept of Japanese identity and Shinto as an ethnic religion are deeply ingrained in the structure of the nation-state, with Shinto representing Japanese-ness and the unity of the Japanese family (Crown, 2018).

Japanese-ness is closely linked to the Nihonjinron discourse, which pertains to or is characterised by Japanese culture, uniqueness, and identity (Taira, 2019; Sugimoto, 1999). Some scholars view Nihonjinron as a phenomenon that incorporates three interchangeable and interconnected concepts: culture, ethnicity, and nationality (Sugimoto, 1999). However, the central focus of Nihonjinron is the notion of Japanese-ness, suggesting a fundamental difference between Japanese and Western people, as well as shared value orientations among Japanese individuals (Sugimoto, 1999).

The idea of Japanese uniqueness is supported by various factors such as language, cultural heritage, distinctive history, and even extreme claims about physical characteristics, such as longer intestines in Japanese males due to their rice-based diet (Rapple, 2018; Liddicoat, 2007; Sugimoto, 1999). Some argue that the unique physique of the Japanese is also shaped by the island environment, monsoon climate, and the specific nature of Japan (Rapple, 2018).

Theories on Japanese uniqueness suggest that Japanese people are perceived as less aggressive, more tolerant, and more cooperative compared to Europeans, particularly hunters and nomads (Rapple, 2018). The concept of Japanese uniqueness also involves notions of blood purity and a singular Japanese race, in contrast to the mixed and culturally diverse populations found in Europe (Rapple, 2018).

Some scholars take a pragmatic and holistic approach when assessing Japanese culture and identity, suggesting that Japanese-ness encompasses a wide range of possibilities that differ significantly from Western perspectives (Yoshioka, 2014; Lie, 2000; Rapple, 2018). While older individuals in Japan possess a strong sense of Japanese uniqueness, the younger generation seems to exhibit a weaker sense of identity, as evidenced by their declining interest in traditional Japanese customs, cultural aspects, and historical elements

(Nagatomo, 2017; Rappleye, 2018). Additionally, there is not a unanimous understanding of Japanese identity among the Japanese population; some view Shinto as the indigenous religion of Japan, while others are divided regarding the role of Shinto in Japanese history and culture (Toshio et al., 1981).

These differing perspectives can be grouped into two distinct schools of thought. Scholars in the first school argue that Shinto has persisted throughout Japanese cultural history, despite the influences of Confucianism and Buddhism (Toshio et al., 1981). Conversely, the second school posits that while the label of Shinto exists, there have always been Shinto beliefs and customs in Japan (Toshio et al., 1981). Nevertheless, it is evident that Japan's three main religions, Shinto, Confucianism, and Zen Buddhism, are deeply interconnected and intertwined, not only with each other but also with politics (Fukase-Indergaard & Indergaard, 2008).

Buddhism and Confucianism were introduced to Japan from China by the Yamato clan in the sixth century. By the eighth century, the Yamato clan had incorporated elements of Shinto, which manifested in local cults and rituals for gods (*kami*) encompassing natural spirits, mythological deities, and revered heroes (Fukase-Indergaard & Indergaard, 2008). While many aspects of Japanese culture originated in China, some argue that traditions like Shinto and Zen Buddhism epitomise the "true Japanese character" (Suzuki, 2019). During the Edo period, Buddhism held immense significance, with every household expected to be connected to a Buddhist temple and every citizen required to receive a Buddhist funeral (Hur, 2007). Shinto became deeply ingrained in the martial culture of the samurai, while Zen Buddhism was viewed as the driving force behind the samurai warrior code of bushido (Suzuki, 2019).

Japan's tumultuous and distinctive history, as summarised above, has exerted significant influence on the Japanese self-image, thought processes, and more broadly on contemporary Japanese society and the nation's culture (Kaynak, 2016; Hampden-Turner et al, 2020; Trompenaars & Hampden-Turner, 2011; Aoki & Dore, 2008; Nonaka & Takeuchi, 2008; Nonaka & Takeuchi, 2007; Nonaka & Takeuchi, 1995). Many of the values, beliefs, and rituals prevalent in Japanese society can be traced back to different eras in Japanese history, contributing to Japan being perceived as a high-context culture that is complex and often challenging to fully comprehend (Kaynak, 2016; Hampden-Turner et al, 2020; Trompenaars & Hampden-Turner, 2011; Aoki & Dore, 2008; Nonaka & Takeuchi, 2008; Nonaka & Takeuchi, 2007; Nonaka & Takeuchi, 1995). Japan's high-context

culture also encompasses a unique style of communication characterised by significant non-verbal cues, body language, and a propensity for silence, distinct from the more explicit communication style found in Northern Europe or low-context communication in general, which relies primarily on direct verbal statements (Hallikainen & Laukkanen, 2018; Würtz, 2005). Engaging in conversations with Japanese individuals demands the skill to discern the context and decipher the unspoken meaning behind the spoken words, placing Japan at the forefront of high-context communication countries (Watanabe, 2018; Würtz, 2005; Nishimura et al., 2008). As a result, Japanese communication is often perceived as highly indirect and cryptic, characterised by a restrained use of language, an appreciation for silence, reliance on contextual cues, and an avoidance of direct personal names (Nishimura et al., 2008). Additionally, the Japanese language is digressive, marked by a unique system that emphasises humility, respect, and politeness (Nishimura et al., 2008).

Specifically, the phonetics of the Japanese language contribute to its high-context nature, with a limited number of moras and multiple homonyms. Understanding the context of a conversation hinges on a deep comprehension of these homonyms (Nishimura et al., 2008; Tokuhiko & Hiki, 2004). To fully grasp Japan's high-context communication, one must delve into the cultural frame of reference, shared cultural history, and the unique linguistic features that define Japanese communication (Watanabe, 2018).

In today's modern Japanese society, many shared cultural elements are rooted in the social systems, intellectual currents, and literature from the Edo period, a time characterised by relative peace when Japan was largely isolated from the rest of the world (Hane, 2018). Despite this peaceful era, samurai values held sway (Walker, 2019). The principles of the samurai warrior code and Confucian teachings continued to underpin social norms in Japan, shaping organisational standards even into the Meiji period and influencing present-day norms (Watanabe, 2018). The samurai warriors adhered to a code of honour known as the Bushido code, which emphasised justice, honour, and loyalty to their masters (Garcia, 2019). This loyalty, particularly the Confucian concept of *Chu*, is evident in modern Japan, with students showing deference to their teachers and employees displaying similar loyalty to their supervisors and companies (Watanabe, 2018; Garcia, 2019).

The influence of Bushido values and the prevalence of samurai ideals from the Edo period remained largely intact, even amidst changes experienced

by the samurai during that time (Walker, 2019). The samurai, considered the highest class in Japanese society, saw a decline in their wealth while merchant houses prospered (Walker, 2019). The practices of these merchant houses, particularly their apprentice system, continue to influence modern Japanese business culture. In the Edo period, apprentices often lived with their employers, visiting their families twice a year and receiving a bonus known as "shikise" from their employers (Watanabe, 2018; Hashino, 2007). Although advancements in transportation and other factors now allow apprentices and company employees to visit home more frequently, the tradition of receiving a "shikise" bonus twice a year, especially by Seishain (permanent employees), remains commonplace; these bonuses can vary, sometimes reaching up to 2.5 times their monthly salary (Kopp et al., 1999; Kondo, 2007; Asano et al., 2013; Watanabe, 2018).

Another specifically Western perspective on the cultural aspects of Japan can be offered through Hofstede's six cultural dimensions model. While Hofstede's model has faced some criticism, it is widely acknowledged as a valuable tool for visualising the cultural dimensions of countries. In addition to the insights mentioned earlier, it aids in developing a comprehensive understanding of Japan's cultural characteristics (Huang et al., 2019). It is pertinent to this study to delve deeper into Hofstede's model.

Hofstede's Power Distance Orientation dimension relates to the degree to which individuals accept inequality between social classes. With a score of 54, Japan is categorised as a society with a moderately hierarchical structure (Zheng et al., 2019; Hofstede Insights, 2019; Singh & Mahmood, 2017; Singh et al., 2005). Japanese people are acutely mindful of their position in the hierarchy in both social and business environments (Hofstede Insights, 2019). The Japanese hierarchical system is often cited by non-Japanese to explain the perceived sluggish and intricate decision-making processes (Hofstede Insights, 2019; La Ferle et al., 2002). While Japan's Power Distance score aligns closely with the global average, recent studies suggest that the Japanese are becoming less tolerant of power distance, particularly evident before Prime Minister Abe's tenure when turnover among prime ministers was frequent (Bergiel et al., 2012).

Hofstede's Individualism versus Collectivism dimension measures the extent to which individuals prioritise self-reliance over group cohesion. Japan scores 46 on this dimension, positioning it around the middle, less collectivist

than its Asian counterparts. This difference is often attributed to Japan having a less collectivist family structure compared to countries like China (Hofstede Insights, 2019). Japanese family dynamics are rooted in principles of respect, with the father traditionally serving as the decision-maker. Family members are expected to demonstrate respect, gratitude, and loyalty to ancestors, grandparents, and parents. However, Japanese loyalty (*chu*) appears to be more of a personal choice based on Bushido and Confucian beliefs rather than purely a collective obligation (Yamamoto & Lloyd, 2019).

In the workplace, people are respectful to each other and do not openly criticise one another. Japanese people expect individuals to act with a long-term reciprocal attitude, even if the relationship is not necessarily close (Yamamoto & Lloyd, 2019). Parent or affiliated companies often have close relationships, akin to that of a family; however, the intensity of these relationships depends on whether they are part of a horizontally *keiretsu* (integrated) or vertically *keiretsu* (closer) relationship (Yamamoto & Lloyd, 2019). Generally, the Japanese are open to learning from other people and cultures and are intrigued by the learning and thinking processes of other countries to some extent (Yamamoto & Lloyd, 2019). Japan has a score of 46 on this dimension, which is representative of a society seen as individualistic by other Asian countries, while Westerners perceive Japan as a collectivistic society (Hofstede Insights, 2019).

With a score of 95 on Hofstede's theory, one of the highest scores for masculine societies, a specific indicator of Japanese masculinity in the industry is the extreme strive for perfection in daily life, sports, production, and business (Gustafsson & Ingvarsson, 2019; Bergiel et al., 2012). However, Japanese individuals are generally not extremely assertive or competitive on an individual basis; instead, they are motivated to compete in teams against rival teams from other companies (Gustafsson & Ingvarsson, 2019; Hofstede Insights, 2019). Japanese loyalty and dedication to work can be so extreme that, in some cases, it has led to suicide (Hofstede Insights, 2019). The Japanese approach to work and workaholism is a clear expression of high masculinity, which partly explains why it has been more challenging for women to advance up the corporate ladder (Hofstede Insights, 2019).

Japan scores a very high 92 on the Uncertainty Avoidance dimension of Hofstede, indicating that Japanese society is perceived as more stressful and more prepared for uncertainty compared to many other societies (Gustafsson & Ingvarsson,

2019; Hofstede Insights, 2019). This high score can be attributed to the numerous natural disasters that Japan has faced, leading the Japanese people to be constantly prepared for the unknown, which they believe could occur at any time (Gustafsson & Ingvarsson, 2019; Hofstede Insights, 2019). In the workplace, Japanese uncertainty avoidance is demonstrated by the thorough feasibility studies and risk assessments carried out before initiating any project. This avoidance of uncertainty is also evident in the meticulously prepared ceremonies and rituals for daily life events (Gustafsson & Ingvarsson, 2019). Changes in Japan are viewed as extremely challenging and complicated, primarily due to the high score on uncertainty avoidance (Hofstede Insights, 2019).

Japan traditionally scores high with 88 on the Hofstede dimension of Long-Term Orientation versus Short-Term Orientation. However, it is expected to shift towards a shorter-term orientation soon, as Japan's population is rapidly aging (Gustafsson & Ingvarsson, 2019; Bergiel et al., 2012). The prospects for younger Japanese individuals appear less prosperous, as there are fewer citizens available to care for an increasing number of elderly people (Gustafsson & Ingvarsson, 2019; Bergiel et al., 2012).

In general, the Japanese view their lives as a brief period in the history of mankind and therefore strive to give their utmost and contribute as much as they can to benefit their company (Gustafsson & Ingvarsson, 2019; Bergiel et al., 2012; Hofstede Insights, 2019). Japanese employees focus on serving the company and its stakeholders for the long term rather than being driven by short-term gains (Gustafsson & Ingvarsson, 2019; Bergiel et al., 2012; Hofstede Insights, 2019). In Japan, employees are committed to the enduring success of the company, serving stakeholders across generations rather than prioritising quarterly financial gains (Gustafsson & Ingvarsson, 2019; Bergiel et al., 2012; Hofstede Insights, 2019).

The Hofstede dimension of Indulgence, introduced later, refers to the extent to which individuals have control over their impulses and desires. High indulgence is often associated with societies where people enjoy life and adopt a relaxed approach, whereas low indulgence societies typically display restraint over their desires and urges (Shortall & Kharrazi, 2017).

Japanese people are known for their cautious approach to spending money and their limited allocation of time for leisure activities, reflecting societal norms (Hofstede Insights, 2019). Furthermore, Japan's low score of 42 indicates

that Japanese society is typically characterised by pessimism and cynicism (Hofstede Insights, 2019).

Various cultural aspects of Japan, including its history, 'Japanese-ness,' and other specific elements, have had a substantial impact and will continue to significantly influence the Japanese economy, industrial design, and future developments in political, environmental, social, and technological domains (Hofstede Insights, 2019).

2.4 Japanese Economy and the Japanese Industry

Japan's industrial revolution and the foundation for its status as an economic superpower date back to the beginning of the Meiji period (Rajesh et al., 2018; Hirasawa et al., 2018). During this period, extensive corporate conglomerates known as zaibatsu were established, flourishing mainly with government support (Hirasawa et al., 2018). Before World War II, the Japanese economy was dominated by these zaibatsu industrial conglomerates, while the rest of the market comprised mainly small craftsmen, shopkeepers, very small enterprises, and roadside stands selling various goods such as candies, noodles, sake, and tobacco, along with millions of urban and rural households. This other segment of the market was largely unorganised (Doane, 2018; Dowlah & Dowlah, 2018). Over time, this so-called unorganised sector managed to evolve and establish connections with merchant companies, traders, as well as with large corporations, banks, and other institutions (Doane, 2018; Bridoux, 2013; Walker, 2015). Through guidance and interaction with large corporations, private sector entities, and the involvement of the public sector, micro and small companies were able to enhance their processes, improve product quality, and develop their skills (Doane, 2018; Bridoux, 2013; Walker, 2015). This phenomenon and process, as described later, highlight one of the unique features of the Japanese nation (Doane, 2018).

Specific cultural elements of Japanese society, such as craftsmanship, discipline, a continuous drive for improvement, and a combination of faith and vision, enabled the integration of processes between one-man shops and micro companies with large corporations (Doane, 2018). This phenomenon starkly contrasts with similar-sized companies in other developing countries, which are often less entrepreneurial and primarily focused on survival (Doane, 2018; Bridoux, 2013). This phenomenon, as described later, resulted

in increased strength, improved skills, and enhanced flexibility for both small and large firms (Doane, 2018).

During the pre-war period, many small private companies were incorporated into large mechanical zaibatsu conglomerates to manufacture and supply weapons for the wartime economy (Hirasawa et al., 2018). Following the war, despite government efforts to reinstate most independent and private companies, the zaibatsu still maintained some financial control (Rajesh et al., 2018). By the mid-twentieth century, companies with prominent names such as Mitsubishi, Kawasaki, and Nissan were officially restricted in size. However, despite this regulated reduction, some of these companies managed to retain a significant level of influence (Rajesh et al., 2018).

The dismantling of the zaibatsu was primarily driven by the occupying forces to promote democratisation, increase competition by expanding the number of companies, and address suspicions about the influence of the large zaibatsu corporations (Sowers, 2018; Watanabe, 2018; Murphy, 2018). Particularly during the initial phase of Japan's occupation by the Allied forces, the objective was to both punish and reform Japan (United States Office of the Historian, 2013). In early 1948, the economic crisis in Japan reached its peak, and the Allied powers grew increasingly concerned about domestic communist movements. These factors led to a radical re-evaluation known as "the reverse course" (United States Office of the Historian, 2013; Bridoux, 2013). In this second phase of the Allied occupation, the objective was to enhance the Japanese economy through tax reforms and measures to combat inflation, although the primary challenge was the shortage of raw materials needed to sustain Japanese industry and meet the demand for finished goods (United States Office of the Historian, 2013).

The revival of the Japanese economy was further accelerated by the Korean War in the early 1950s, during which Japan became the main supply depot for the UN forces (United States Office of the Historian, 2013). Despite the intended full dismantling of the zaibatsu not being completely successful, competition increased, and markets expanded rapidly, partly due to robust economic growth in the late 1950s (Rajesh et al., 2018). The Japanese business sector and economy maintained an approach that enabled small and medium-sized companies to not only survive but also thrive more than they had before the war (Hirasawa et al., 2018). Small and medium-sized companies managed to establish or re-establish connections with larger firms, as these

large companies utilised the production capacity of smaller firms to mitigate the risk of investing heavily in new equipment (Hirasawa et al., 2018). The large companies facilitated the involvement of small companies to reduce investment risks and integrated seamlessly with a mix of small, medium, and large enterprises (Hirasawa et al., 2018).

In the years following World War II, American-style mass production became the norm in developed countries, likely due to the post-war era necessitating a mode of production that could efficiently manufacture consumer products on a large scale (Hirasawa, 2019). Initially, in the early 1950s after World War II, the Japanese industry posed no threat to Western economies, as the production equipment was old-fashioned and inadequate for mass production (Elgazar, 2002). Although Japanese wages were still around one-fifth of the rates in the United States, Japanese heavy industry was on average 30 to 40% more expensive than similar industries in Europe or the US. Productivity was low, and material prices were high in the mid-1950s (Elgazar, 2002).

Realising that the West, particularly the United States, had technological superiority in terms of mass production and standardisation, Japan sought permission for study missions to the United States (Bosley, 1967; Turner, 1991; "The New York Times," 1950). Japan's approach of learning, absorbing, and transforming had previously proven successful (Nonaka & Takeuchi, 2008; Nonaka & Takeuchi, 1995; Bosley, 1967). An illustrative case of Japan's post-World War II success in learning, absorbing, and transforming or improving is exemplified by Ryoji Nishijima, a Japanese marine engineer widely credited for his contributions to Japan's miraculous industries (Bosley, 1967). Nishijima meticulously analysed the efficiency and management practices of the American automobile industry based on a book by Henry Ford. His efforts played a significant role in Japan's dominance in shipbuilding and related heavy industries in the 1970s and 1980s (Lillrank, 1995; Bosley, 1967).

The Japanese success in management innovation has often been overgeneralised, and as a paradigm, it was not without flaws, proving successful only in certain industries, notably shipbuilding, cars, motorcycles, and precision machinery, where incremental changes were feasible (Katz, 2015; Katz, 1998; Lillrank, 1995). However, the paradigm was less effective in industries requiring swift changes and rapid developments, such as the software industry, microprocessors, and make-to-order sectors traditionally dominated by Silicon Valley and the German engineering paradigm (Katz, 2015; Katz, 1998; Lillrank, 1995).

Researchers found Japan's industrial advancements particularly intriguing, as it was the first nation whose industrial upsurge was founded on management innovation rather than technological innovation in the conventional sense (Stata, 1989). The success of the Japanese economy and industry in the 1970s and 1980s posed a challenge to the Western world and led Western management enthusiasts to embark on pilgrimages to Japan to observe and learn, signalling a reversal of the flow of management wisdom from Japan to the rest of the world (Westney & Piekkari, 2020; Westney & Piekkari, 2019; Lillrank, 1995). During this period, Japan's highly successful post-war mass production industry contrasted with the stagnation and associated issues in the United States' mass production and economic framework (Hirasawa, 2019). Japan's effective approach to fostering highly cooperative labour relations led to significant export growth in the subsequent 1980s (Hirasawa, 2019).

The trade conflicts that ensued with the United States led to protective measures by the Americans, culminating in the signing of the Plaza Accord on 22nd September 1985 (Frankel, 2015). The coordinated intervention caused the yen to sharply increase in value, allowing Japanese enterprises to rapidly expand into Europe and the United States following the Accord (Hirasawa, 2019; Matsuda & Shinohara, 2018; Shinohara et al., 2018). However, the Japanese government also implemented countermeasures to address the negative repercussions of the Plaza Accord and issued the Maekawa report outlining three economic policies: fostering domestic demand, creating open markets, and attracting foreign direct investment (Ma, 2018).

By implementing the measures outlined in the Maekawa report, Japan managed to stabilise the exchange rate of its yen currency, reform its tax system, enhance international business relationships, and stimulate domestic demand. However, the government's interventions only partly succeeded, as the anticipated growth rate began to stagnate (Ma, 2018). The significant rise in the yen ultimately meant Japan lost its competitive edge, making business operations more expensive. As the bursting of the Japanese real estate bubble compounded these issues, the country entered what is now referred to as "the lost decades" (Ma, 2018).

Due to the stagnation experienced in the early 1990s, the Japanese industry and management practices have faced continuous pressure for transformation, an ongoing process that occurs gradually and includes specific Japanese elements (IHS, 2018; Vaszkun & Tsutsui, 2012). When Japan voted for the

Liberal Democratic Party in 2012 and Prime Minister Abe was re-elected in 2017, he became Japan's longest-serving prime minister since the Pacific War (Jackson, 2018; Cargill, 2018). In 2012, Prime Minister Abe introduced a revival strategy known as 'Abenomics,' aimed at ending Japan's two decades of growth stagnation and deflation (or very low inflation) (Cargill, 2018; Shibata, 2017; Jackson, 2018).

The debate over whether Prime Minister Abe's 'Abenomics' specifically contributed to the growth or non-growth of Japan's economy persists, with opponents arguing that 'Abenomics' is not significantly different from the reforms of his predecessors (Shibata, 2017; Kiyota, 2018; Patrick, 2014). Abenomics has stirred controversy, with some business people believing that the introduced changes will have a positive impact, while others fear that Abenomics may harm the Japanese economy more than it can help (Chambers, 2015; Shibata, 2017). Opponents claim that the effects of Abe's strategy are being overly attributed to external factors or non-Abenomics influences, such as China's growth, which has greatly benefitted Japan, with exports increasing over 14-fold since 1989 (Fingleton, 2012). Additionally, significant changes in Japan's industry appear to have been initiated before Abenomics, as strategic transformations within the Japanese industry had already commenced in 2002 (Schaede, 2008).

Japanese companies had been climbing the ranks in the global top 100 of their respective industries, with the effects of these strategic changes evident particularly between 2002 and 2007, when they recorded consecutive high pre-tax profits (Schaede, 2008). The transformation of many of these firms was substantial, transitioning from mass producers to strategic providers offering new product service concepts with differentiated value propositions (Schaede, 2008). Regardless of the relevance or non-relevance of the criticism of Prime Minister Abe and Abenomics, it cannot be denied that the initiation of Abe's strategic reforms improved the overall confidence of Japanese consumers (Fukuda, 2015). With his "three arrows" strategy, Prime Minister Abe attempted to boost the Japanese economy by implementing bold economic policies to move out of deflation, depreciate the yen, and induce a CPI inflation rate of 2% per year (Fukuda, 2015).

The first arrow of an aggressive monetary policy was something Prime Minister Abe decided to implement by engaging appropriately with the Bank of Japan (Choi, 2016). This was implemented in April 2013 when the Bank of

Japan announced a renewed quantitative and qualitative monetary easing framework aiming for 2 percent inflation in a controlled manner within two years (Botman et al., 2015). The second arrow was a financial stimulus; Prime Minister Abe pumped a total of approximately \$156 billion into the economy through a series of stimulus packages (Chambers, 2015). Prime Minister Abe's third arrow, 'structural reforms,' is less tangible and more incremental in the context of government adaptation and private sector changes and challenges related to the global environment. However, these reforms have already been successful in achieving objectives such as the promotion of female labour and the stimulation of investment through liberalisation and deregulation (Bobowski, 2016).

The deregulation and liberalisation of the labour market, as well as changes to existing patterns of corporate governance, are aimed at weakening the keiretsu networks and creating a business-friendly environment for foreign firms (Shibata, 2017; Yoshino & Taghizadeh Hesary, 2014; Watanabe, 2018). This is not new, as since the 1990s, Japanese-style insider governance support and keiretsu influences have begun undergoing changes, with opponents arguing that their effectiveness and necessity have declined due to rapid globalisation (Shibata, 2017; Yoshino & Taghizadeh Hesary, 2014; Watanabe, 2018). It must be made clear, however, that despite these changes, the keiretsu networks still have considerable influence, for now (Shibata, 2017; Yoshino & Taghizadeh Hesary, 2014; Watanabe, 2018). The keiretsu networks were born out of the dissolution of the "zaibatsu," Japanese family-owned conglomerates, during the initial period of the American occupation after the Pacific War (Yanase & Limpaphayom, 2017).

Firms subject to keiretsu ties are bound by reciprocal shareholding agreements and strong ties through implicit and explicit contract ties with firms in the same group (Yanase & Limpaphayom, 2017). When references are made to keiretsu networks, they typically involve the most powerful keiretsu, which is the horizontal or financial keiretsu (Lynskey & Yonekura, 2001). Horizontal keiretsu is a governance system, a dual-faceted organisational structure that facilitates economic transactions among organisations through incentive mechanisms (Isobe et al., 2006). Participation in a horizontal keiretsu group is often based on historical events and situational factors rather than on free choice (Lincoln & Sargent, 2018). There are six large horizontal, or kinyu, keiretsu that can be distinguished: Mitsubishi, Mitsui, Sumitomo, Fuyo, Dai Ichi Kangyo, and Sanwa (Lynskey & Yonekura, 2001). These keiretsu are linked and

grouped around a former zaibatsu or a major bank (Lynskey & Yonekura, 2001). Furthermore, horizontal keiretsu relationships involve cross shareholdings supported by banks and general trading companies like the Sōgō Shōsha, which have had a significant impact and are seen as barriers to Japanese import business and foreign direct investments (Jaussaud & Rey, 2018).

Keiretsu relationships were identified by United States government officials as one of the main structural bottlenecks to trade and balance of payments adjustments (Lawrence, 1991; Naka, 1996). Therefore, the removal of these barriers was a key focus of the 'Structural Impediments Initiative' between 1985 and 1990, which served as a framework for bilateral negotiations between Japan and the United States (Jaussaud & Rey, 2018; Lawrence, 1991). Other structural impediments in the Japanese economy identified by American government officials included saving and investment patterns, land policy, the distribution system, exclusionary business practices, and pricing mechanisms (Naka, 1996).

In return, Japanese government officials addressed various structural impediments in the United States economy. It took many years before the Japanese government agreed to concessions, which included a public investment spend of three trillion dollars, changes to laws regarding land prices and supply, and, above all, an attempt to make the keiretsu more transparent and open (Naka, 1996). However, the impact of keiretsu relationships on foreign direct investment was not adequately addressed in discussions about the 'Structural Impediments Initiative,' as keiretsu relationships primarily occur at the organisational level, while the initiative relates more to the political and legal levels (Jaussaud & Rey, 2018).

Over time, strategies among keiretsu members, especially the general trading houses or Sōgō Shōsha, have become more challenging due to reduced import barriers, partly because of internet solutions and globalisation. Today, an increasing number of companies are involved in import activities, leading to a situation where general trading houses are bypassed and no longer dominate the import business (Jaussaud & Rey, 2018). Another type of keiretsu that has contributed to Japan's success is the vertical or network keiretsu (Köster, 2017; Lynskey & Yonekura, 2001; Min, 1996).

Vertical keiretsu can be further categorised into supply (sangyō) keiretsu and distribution (ryūtsū) keiretsu (Köster, 2017; Lynskey & Yonekura, 2001;

Min, 1996). While horizontal keiretsu is characterised by cross-shareholdings and centralisation around a main bank, vertical keiretsu, on the other hand, is more akin to a supply chain, characterised by Original Equipment Manufacturers (OEM) that maintain deep relationships with key suppliers and specialised agents known as *senmon shōsha* (Huysveld, 2017; Aoki & Lennerfors, 2013; Maguire, 2001; Woronoff, 2001; Bowonder et al., 1994; Mirza & Sparkes, 1998). Keiretsu linkages are known to influence the setup and control of overseas subsidiaries, manufacturing plants, and local human resources practices in those organisations.



Chapter 3

Methodology

3.1 Introduction

As argued in the first chapter, the research objective of better understanding how expatriation affects organisational learning in J-form organisations necessitates a grounded theory approach (GTA). Three main arguments support this methodological choice. Firstly, the research topic is highly complex, and GTA is ideally suited to uncover these complexities without forcing the topic into predefined categories. Secondly, the combination of constituents that comprise the research subject of this thesis, expatriation, J-form organisations, and the knowledge-based view, remains under-researched, even though existing theories address the individual constituent parts. Thirdly, GTA aligns well with practical considerations, which are particularly relevant, as the practices and meaning-making processes of pertinent actors serve as valuable sources for revealing the nuances of the research topic. Together, these three arguments justify the choice of GTA.

This chapter introduces and explains the GTA methodology, detailing how it has been applied within this thesis. The first section presents the grounded theory approach, explores different forms of the methodology, and clarifies the elaboration adopted here. The concept of 'grounding' in GTA refers to the empirical basis upon which the theory to be developed will rest. In this instance, it was decided to employ the method of in-depth unstructured and semi-structured face-to-face interviews for grounding. Relevant actors involved in expatriation activities within a Japanese firm were interviewed to elicit their experiences, considerations, reflections, and conclusions. Interviews with such actors are widely accepted in GTA literature as a suitable empirical basis for theory building. The third section provides information on the organisation selected for the interviews and the criteria that guided the identification of interviewees and the details of the interviewing process. Subsequently, the data collection process is elucidated. Lastly, the data analysis process is described in detail.

3.2 The Grounded Theory Methodology

The grounded theory approach (GTA), which was adopted to develop and deliver the theory examining the links between expatriation and organisational learning in Japanese organisations, is a widely used but also criticised qualitative research method in the social sciences. This section explains

the grounded theory approach in general, the form chosen in this study and why it fits this research project. GTA is a qualitative methodology used to generate theory from research that is 'grounded' in data (Babchuck, 1996, 1997). Barney Glaser and Anselm Strauss are considered the founders of GTA. Working collaboratively, they developed a groundbreaking approach to scientific investigation, which was outlined in their seminal work, 'The Discovery of Grounded Theory' in 1967 (Babchuck, 1996, 1997). While the research methodology known as the 'constant comparative approach' existed before grounded theory, Glaser and Strauss made significant contributions by emphasising ongoing reflection and analysis formalised through coding procedures, category development, and the writing of theoretical memos (Heath & Cowley, 2004). They emphasised that ideas generated through the process of reflection and analysis need to be subjected to constant further scrutiny. This highlights the importance of generating theory through comparative analysis with an emphasis on verification and accurate description, as described by Glaser and Strauss in 1967 and later recognised by Heath and Cowley in 2004 (Glaser & Strauss, 2010, 2017; Heath & Cowley, 2004).

A distinctive feature of GTA is that grounding theory in empirical data requires the researcher to consider neither data nor theory as fixed givens but to constantly go back and forth between the two. Willig (2013, p. 72) expresses this as follows:

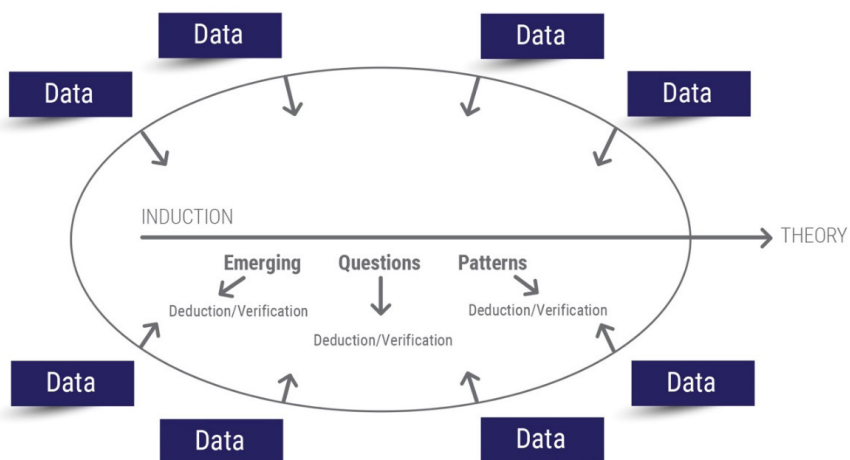


Figure 3.1 Place of induction, deduction and verification in GTA according to Glaser (1978, 1992) (source: Heath and Cowley, 2004, p. 144)

"Grounded theory is unlike most other research methods in that it merges the processes of data collection and analysis. The researcher moves back and forth between the two in an attempt to 'ground' the analysis in the data. The aim of this movement is theoretical saturation. As a result, grounded theory does not provide the researcher with a series of steps, which, if followed correctly, will take him or her from the formulation of the research question through data collection to analysis and, finally, to the production of a research report. Instead, grounded theory encourages the researcher to continuously review earlier stages of the research and, if necessary, to change direction. Even the research question is no permanent fixture in grounded theory. Simply serving to identify the phenomenon we wish to study at the outset, the research question becomes progressively focused throughout the research process."

The term 'grounded theory' is used to refer to a set of methodologies, which may sometimes differ from each other, for instance in the matter of how to include existing literature in the research. On the one hand, some researchers argue that theory should not be consulted before data collection, allowing the researcher to develop theory from the data without preconceived biases based on existing knowledge (McGhee et al., 2007). On the other hand, other researchers support conducting a literature review before collecting data for the following reasons: 1) it helps in developing questions for primary data collection, 2) it guides theoretical sampling, that is, the iterative collection of data while looking for conceptual clues and clues as to where to find further data 3) secondary data is a valuable source of information in addition to primary data, and 4) secondary data can enhance the validity of the findings (McGhee et al., 2007).

Such differences in interpretation of the most appropriate form of GTA also led to a fundamental disagreement between Glaser and Strauss (McGhee et al., 2007). The key differences between Glaser's and Strauss's views on grounded theory seem to centre around the methodological and epistemological disparities between their approaches (Babchuck, 1997; Babchuck, 1996; Sato, 2019). Glaser adheres to a model characterised by principles and practices that resemble a laissez-faire approach (Babchuck, 1996, 1997). Glaser's perspective on grounded theory is thought to be the closest to the original concept developed by Glaser and Strauss in 1967 (Sato, 2019). Glaser argues

that the informant's environment in the research should naturally emerge from the analysis without requiring significant effort or detailed attention from the researcher (Babchuck, 196, 1997). He asserts that induction is a critical process, whereby the researcher progresses from data to empirical generalisations towards theory, as illustrated in Figure 3.1 (Heath & Cowley, 2004). Glaser's approach to data analysis is flexible and specifically focused on the development of new theories (Sato, 2019).

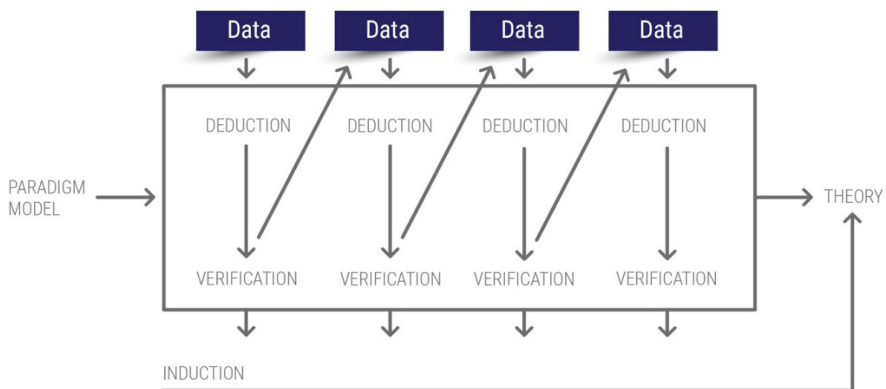


Figure 3.2 Place of induction, deduction and verification in GTA according to Strauss (1987), Strauss and Corbin (1990) (source: Heath & Cowley, 2004, p. 145)

Another perspective on GTA is that of Strauss and Corbin (as shown in figures 3.2 and 3.3). This approach is more procedural in terms of coding and analytical processes, focusing on theory verification (Sato, 2019). While Glaser concentrated solely on theory creation through induction, Strauss and Corbin argue that induction, deduction, and verification are all necessary components to both verify existing theories and develop new ones (Sato, 2019).

Yet another perspective on grounded theory is presented by Charmaz (2000), who advocates a restructuring of GTA from a constructivist point of view (Sato, 2019). Charmaz challenges the idea of data collection solely by objective researchers and pleads for mutual analysis and interpretation by both researchers and interviewees (Sato, 2019). Despite these differences, proponents of the grounded theory approach agree that theory is mainly generated from empirical data rather than being predetermined before fieldwork begins (Backman & Kyngäs, 1999; McGhee et al., 2007; Collis & Hussey, 2003).

In this research project, the perspective of Strauss and Corbin (1997) as shown in Figure 3.3 was adopted as it maintains a primary focus on induction from raw data as the source of new theory but does not shy away from the role of deduction. It thus allows and supports existing conceptualisations to play a role during theoretical sampling without compromising the grounding of the new theory in the data. Although the main orientation in this study is the methodology of Strauss and Corbin (1997), elements of Glaser and Charmaz's approaches have also proved relevant and have been incorporated where appropriate.

This research was guided by the research objective and research questions from the first chapter: the aim is to build theory on the impact of standard and new forms of expatriation on organisational learning in Japanese organisations. Existing concepts and related arguments form the basis and justification for the approach to the research subject. The main source for achieving the research objective and answering the questions are empirical data collected through interviews in an international Japanese company operating in the maritime industry.

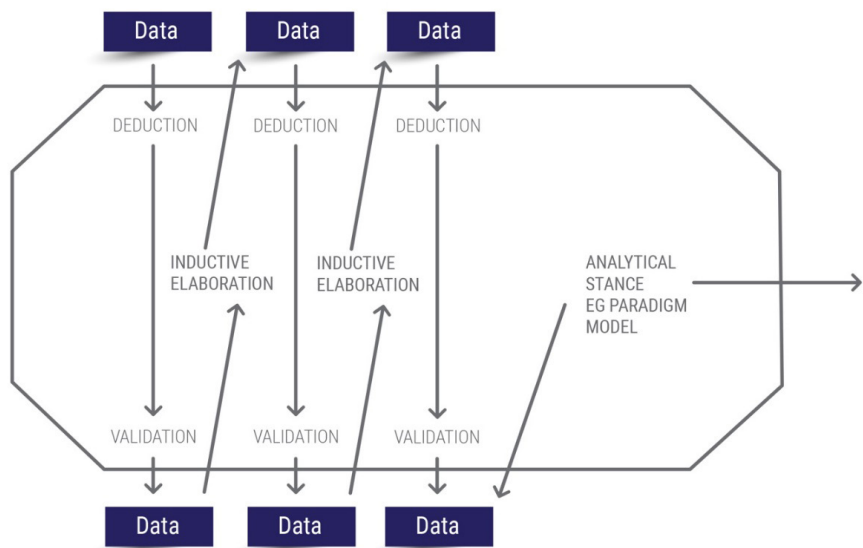


Figure 3.3 Place of induction, deduction and validation in grounded theory analysis according to Strauss and Corbin (1998) (source: Heath and Cowley, 2004, p. 145)

This company, nicknamed Kobe Trading, will be introduced in the next section and the approach to selecting the interviewees and conducting the interviews in the following section. Existing conceptualisations from extant theories not only formed the basis for the research objective and questions but also played a clear role at the beginning of the empirical research and in the course of data collection during constant comparison. In Chapter 1, a broad overview was given of these relevant core concepts, stemming from various theoretical sources, without developing these concepts into a solid theoretical framework. Specific thesis-related topics, such as expatriation, repatriation, different expatriation cycles, alternative forms of expatriation, tacit knowledge, embedded knowledge, organisational learning, organisational knowledge, and related themes were presented there. Some of these will also be addressed in more detail in Chapter 5, the discussion section of this thesis. Overall consistency will be established in Chapters 4 and 5 by aggregating insights from the primary data collected and ongoing academic debates.

Chapter 2, which introduced Japan, was also laced with various concepts describing a range of Japanese social aspects, including history, culture, economy and industry. These concepts can be seen as a necessary background for understanding the broader cultural and societal context of the research subject. Knowledge of these elements was also deemed necessary to guide and enhance the interview process. The information provided in Chapter 2 was instrumental for making sense of the interviewees' answers and to guide meaningful follow-up questions. However, developing theory on the subjects addressed in that second chapter is not an integral part of the research objective. It is therefore fair to say that neither Chapter 1 nor Chapter 2 provides a solid theoretical background for this study, while both chapters do, in their own way, provide insights – some of them conceptual – that were instrumental in setting the research objective and in collecting and analysing the data through GTA's constant comparison process.

3.3 Introducing: Kobe Trading

To undertake an in-depth study of the contribution of different forms of expatriation to organisational learning and knowledge, access to a Japanese organisation that allowed interviews with expatriates, repatriates, alternative expatriates, and frequent travellers was required. Although several Japanese organisations were potentially suitable and interesting as research subjects, gaining access to them

and their employees proved to be a challenging task. Careful negotiation and navigation eventually resulted in access to an organisation within the maritime industry. This industry is one of Japan's main post-war 'miracle' industries and continues to be a cornerstone of the country's economy. Organisations within this industry typically engage in international trade, with Japan being a key manufacturing country in the maritime industry. Japanese shipyards are highly esteemed for their reliability and quality in shipbuilding, heavy machinery such as diesel engines, boilers, and other industrial equipment.

Sales and distribution of Japanese products within the maritime industry largely rely on the agency principle, making general trading houses or middlemen, known as '*sōgō shōsha*' in Japanese, unsuitable for specialised maritime applications. As a result, more specialised trading houses, or '*senmōn shōsha*,' have been established within this industry and others like it. The organisation/company that was selected for this research is a '*senmōn shōsha*' for producers of maritime equipment in Japan. The organisation selected for this research is also a typical J-form organisation utilising the lifetime employment principles, intensive training and education as well as knowledge embedded in its operating routines, team relationships, and shared culture (Lam, 2011). In addition, the continuous flow of expatriates and repatriates, the English language skills present, the unlimited access to the organisation, the global presence, and the continuation of *Nihon-teki keiei* as management philosophy provided the rationale for selecting this company. The organisation was founded in 1953 in Kobe before the economic boom in Japan. Hereinafter the organisation will be referred to as the pseudonym 'Kobe trading.' Kobe trading started as a small ship chandler in the port of Kobe. In the 1950's Japan was still suffering from the devastating damage from World War II and competition in the port of Kobe was fierce. In the initial years, the organisation acted as a ship chandler, a trading company supplying provisions, and general stores for ships. Some tough years passed in which the organisation was in some months unable to pay the salary of its employees. Still, the president of Kobe Trading saw that the government's plans to build ocean-going vessels would be of great benefit to Japanese industry and the companies that supplied and cooperated with it, and he remained confident that they would succeed. Kobe Trading has evolved into the largest *senmōn shōsha* for the maritime industry in Japan, serving as a crucial link between the country's maritime manufacturing sector and shipowners worldwide. In this capacity, the organisation oversees the sale of spare parts for Japanese-built diesel engines, pumps, compressors, boiler spare parts, and related equipment. Traditionally, Japanese manufacturers in

these industries do not directly engage with shipowners, as their primary focus is on production, and many of their employees lack proficiency in English. In addition to its role as a specialised trading house, Kobe Trading also operates as a ship chandler, supplying provisions and general stores in various ports around the world. The organisation has established itself as a leader in Japan's maritime heavy industry. With a global workforce of several hundred employees, Kobe Trading annually recruits a group of around 20 college students, known as 'freshmen', based on their university education and compatibility with the organisational culture, rather than their specific field of study. The organisation's senior management tends to favour bachelor's degree holders over those with master's qualifications, believing that they are more adaptable to the organisational culture. Many of these recruits are groomed to become the organisation's future expatriates.

Kobe Trading maintains a base of approximately 32 expatriates who are deployed in the Far East, the Middle East, Europe, and the Americas. The organisation has subsidiaries in Korea, China, Singapore, Dubai, Oman, Qatar, the Philippines, Greece, the United Kingdom, the Netherlands, Brazil, and the United States. These subsidiaries represent Kobe Trading worldwide and supply provisions, general stores, and Japanese-made spare parts to seagoing vessels. Expatriates are carefully selected and appear to form the backbone of Kobe Trading in terms of leadership. These expatriates stay overseas for a period of approximately five years, with some remaining for longer periods ranging between five and 22 years. Additionally, Kobe Trading extensively utilises frequent travellers as well as expatriates on short-term assignments when needed. The traditional expatriate cycle serves as the foundation for the organisation's expatriation programme. In exceptional situations, Kobe Trading deviates from the normal cycle and allows expatriation for longer than the usual period. Frequent travellers are often repatriates, while short-term assignments are carried out by repatriates as well. These expatriate assignments are typically sequential, with a short assignment followed by a long-term assignment, supplemented by frequent travelling, and, if necessary, additional short-term assignments.

3.4 The data collection process

Throughout the research, regular contact was maintained with Kobe Trading on various topics, including the supply chains and production strategies of Japanese manufacturers, the professional development of industry experts

in a leading industry forum, standards for the description of ship supplies, and other related business matters. The researcher has had, and continues to have, unrestricted access to the senior managers at Kobe Trading, who have provided a list of current expatriates and recent repatriates, as well as permission to approach and interview these individuals.

As previously mentioned, Kobe Trading employs an average of 32 expatriates. To provide comprehensive insight, the interviewees were selected from diverse groups, including long-term expatriates, repatriates based in Japan, and expatriates, long-term expatriates, and repatriates from Korea, China, Singapore, the Netherlands, the Middle East, and the Americas. Additionally, interviews were conducted with short-term assigned expatriates and senior managers in Japan, including repatriates, the president, directors, general managers, and board members. The interviews were carried out in accordance with the specifications outlined in Table 3.1.

All interviews were conducted in English. Disparities between Japanese and Western cultures, exacerbated by language barriers, may present challenges when interviewing Japanese expatriates residing in various countries, as well as Japanese repatriates in Japan regarding topics relevant to this thesis. However, the researcher has interacted with Japanese individuals in both business and personal contexts for over 30 years. The researcher has cultivated a genuine interest in Japanese culture, history, and society throughout his professional life and has studied the Japanese language for two years, which demonstrates respect and facilitates the conduct of certain formalities in Japanese.

Despite decades of interactions with Japanese individuals, the researcher employed several strategies to address the culture and language-related challenges encountered during the research, ensuring the validity and reliability of the findings. Firstly, the researcher prepared multiple sets of interview questions that were both culturally sensitive and relevant to the topics at hand, allowing for open-ended unstructured responses that encouraged interviewees to share their perspectives fully. To further support the accuracy of the responses, the researcher selected Japanese expatriates, repatriates, and management personnel who had a sufficient command of the English language. The researcher received various compliments indicating that his knowledge of feudal and Edo Japan exceeded that of some interviewees. Additionally, native speakers with bilingual capabilities were sought and

utilised on occasion, ensuring that nuances in language were accurately captured and understood, particularly with some of the senior interviewees.

Moreover, to confirm their understanding of the answers, the researcher often paraphrased the responses back to the interviewees, allowing them to clarify or elaborate on their points as needed. Any minor ambiguities arising during the transcribing process were addressed by the son of the founder and director of the organisation in a separate discussion. Furthermore, the researcher maintained a journal throughout part of the research process to document additional insights and provide additional qualitative additional information about interactions outside of the interviews, thereby contributing to a deeper understanding of the cultural context. The researcher is confident that these measures have significantly strengthened the reliability of the research, instilling a high degree of confidence in the findings and interpretations derived from the data.

Some of the expatriates have been interviewed multiple times over several years and during different phases of their careers. The senior management and board executives have also participated in multiple interviews to understand the rationale behind the number of expatriates, the selection process, training, expatriation and repatriation cycles, as well as alternative forms of expatriation. A total of 55 interviews were conducted over the ten-year period, with the timing of the interviews partly based on availability. The principle of theoretical saturation functioned as a stopping criterion for the interviews. As Sousa (2006, p. 26) explains: "The theoretical saturation of a concept occurs when, in both coding and analysing, no new properties emerge and the same properties continually appear, ensuring theoretical completeness." Although data saturation is difficult to establish in absolute and definitive terms, research generally considers that saturation occurs when there is sufficient information to replicate the study, the acquisition of new information is complete, and further coding becomes impractical (Fuchs & Ness, 2015). This means that additional data would not yield further information related to the research question (Bowen, 2008). In addition, extra information on post-Covid amendments was obtained from one of the owners and directors of the organisation from 2021 to 2024 during the coding and analysis process.

Several sets of open-ended questions were developed to guide the interview process. All respondents were asked to describe their own experiences of expatriation and the different forms they experienced or encountered.

Depending on their roles in the organisation, the experiences explored in the interviews included their personal experiences as expatriates and those of fellow expatriates or, for those in managerial positions, also experiences with and motivations for formal expatriation policies. Interviewees were prompted to reflect on their in-situ learning and knowledge sharing during their expatriate assignments. Repatriates were directed to consider their recent expatriate experiences and the sharing of embedded knowledge within the organisation. Similarly, frequent travellers were encouraged to reflect on their expatriate experiences and their impact on their current performance as frequent travellers, as well as their contribution to organisational learning through sharing local knowledge. Additionally, short-term expatriates were asked to ponder their prior expatriate experiences and their influence on their current roles. Respondents were thereby invited to reflect on the intricacies of their expatriate experiences and perceptions, aiming to uncover relevant conditioning factors and effects. They were also explicitly questioned about their perceptions of how expatriation affected the knowledge they and the organisation acquired and applied.

The interviewees were encouraged to diverge from the questions, which yielded rich and detailed data on the phenomena under investigation (Collis & Hussey, 2003). The partly unstructured and semi-structured nature of the interviews formed the basis for developing an understanding of the tacit knowledge development of the expatriate, the expatriate's understanding of locally embedded knowledge, their comprehension of local culture, the expatriate's contribution to the development of locally embedded knowledge, and their sharing of such knowledge with the organisation, which is referred to as organisational learning.

Through interviews with different expatriates and repatriates, raw data was gathered to comprehend their involvement in the phenomena described later. The distinct expatriate experiences, as well as the sequential combinations such as long-term expatriates, repatriates, and frequent travellers, provided unique insights into their alignment with and contribution to organisational knowledge and learning phenomena.

Table 3.1 Overview of interviewees

Device	#	Coded Name	Place	Country	Occupation	Date
LS1	1	1FS-a	Kobe	Japan	Managing Director	2012
LS1	2	1KS-e	Kobe	Japan	Director	2012/2021-2024
LS1	3	1NS-a	Kobe	Japan	Senior Manager	2012
LS1	4	1FS2-o	Kobe	Japan	Board Member/ Former President	2012
LS1	5	1TS-o	Busan	Korea	Director	2012
LS1	6	1FS3-a	Busan	Korea	President (Transport)	2012
LS1	7	1OS-o	Yokohama	Japan	President (Group)	2012
LS1	8	1SS-i	Singapore	Singapore	Managing Director	2012
LS1	9	1KS2-a	Singapore	Singapore	Sales Representative	2012
LS1	10	1OS2-i	Spijkenisse	NL	Managing Director	2012
LS1	11	1FS4-i	Rotterdam	NL	General Manager	2012
LS1	12	1AS-i	Tokio	Japan	Senior Manager	2012
LS1	13	1IS-a	Tokio	Japan	Overseas Network Department	2012
LS1	14	2OS2-i	Karuizawa	Japan	Advisor/Supervisor	2012
LS1	15	2FS2-o	Kobe	Japan	Board Member/ Former President	2012
LS1	16	2OS-o	Kobe	Japan	President (Group)	2012
LS1	17	1IS2-a	Dubai	UAE	Deputy Manager	2013
LS1	18	1HS-i	Dubai	UAE	Director/Vice President	2013
LS1	19	2FS-a	Kobe	Japan	Managing Director	2013
LS1	20	2KS-e	Kobe	Japan	Director	2013
LS1	21	3OS-o	Kobe	Japan	President (Group)	2013
LS1	22	3OS2-i	Shinkansen Kobe-Tokio	Japan	Advisor/Supervisor	2013

Table 3.1 Continued

Device	#	Coded Name	Place		Country	Occupation	Date
LS1	23	40S2-i	Rotterdam/ Spijkenisse (driving)		NL	Advisor/Supervisor	2014
LS1	24	50S2-i	Amsterdam/ Spijkenisse (driving)		NL	Advisor/Supervisor	2014
LS1	25	1MS-i	Kobe		Japan	Forwarding Service Department	2015
LS1	26	3KS-e	Singapore		Singapore	Managing Director/ General Manager	2016
LS1	27	1KS3-i	Sea Japan 2016/Tokio		Japan	Manager	2016
LS1	28	4KS-e	Hotel New Grand Yokohama		Japan	Managing Director/ General Manager	2016
LS1	29	60S2-i	In the car driving to Mount Asama Magma		Japan	Retired MD Rotterdam	2016
LS1	30	1US-a	Houston		USA	General Manager	2016
LS1	31	2KS3-i	Kobe		Japan	Manager	2017
LS1	32	5KS-e	Kobe		Japan	Managing Director/ General Manager	2017
LS1	33	3FS-a	Kobe		Japan	President	2017
LS1	34	6KS-e	Kobe		Japan	Managing Director/General Manager	2019
LS1	35	1MS2-a	Kobe		Japan	Senior Manager	2019
LS1	36	2KS3-i	Kobe		Japan	Senior Manager	2019
LS1	37	2NS-a	Kobe		Japan	Director/Division Manager	2019
LS1	38	2FS4-i	Kobe		Japan	President (Transport)	2019
LS1	39	1US2-i	Kobe		Japan	Manager	2019
LS1	40	1SS2-o	Kobe		Japan	Division Manager	2019
LS1	41	1OS3-o	Kobe		Japan	Senior Manager	2019
LS1	42	1AS2-o	Kobe		Japan	Manager	2019
LS1	43	1NS2-i	Kobe		Japan	Senior Manager	2019
LS1	44	4FS-a	Kobe		Japan	President	2019

Table 3.1 Continued

Device	#	Coded Name	Place	Country	Occupation	Date
LS1	45	1MS3-i	Kobe	Japan	Advisor/Supervisor	2019
LS1	46	7KS-e	Delft	NL	Managing Director/ General Manager	2019
LS1	47	1OS4-a	Rotterdam	NL	Team Leader	2019
LS1	48	1SS3-i	Rotterdam	NL	Managing Director	2019
LS1	49	1NS3-o	Rotterdam	NL	Sales Representative	2019
LS1	50	1TS2-i	Rotterdam	NL	Spare Parts Department	2019
LS1	51	1YS-a	Rotterdam	NL	General Manager	2019
LS1	52	1SS4-a	Rotterdam	NL	Engineering Section	2019
LS1	53	1KS4-a	Rotterdam	NL	Manager Stores Department	2019
LS1	54	1MS4-k	Internet	NL/UAE	President/Owner	2021
LS1	55	1SS5-h	Singapore	Singapore	Manager Sales & Marketing	2022

3.5 Data analysis

Preparation for the analysis process began with the transcription of the raw interview data. The transcribed data were then coded using open coding to develop concepts and categories (Collis & Hussey, 2003). Following this, axial coding was employed to connect categories and refine conceptual properties (Collis & Hussey, 2003). Selective coding was subsequently used to extract themes aligned with the research objective, grounded in the initial data (Collis & Hussey, 2003). An initial theory was developed based on the analysed data. The presentation of the theory, referred to as 'the end result' of theoretical writing by Glaser (1978), in Chapter 4 follows a reverse order of the analysis. Initially, the core categories that emerged from selective coding are presented, followed by a narrative surrounding these categories based on the other axial and open codes from which they derived. This chapter illustrates the open codes alongside the experiences, arguments, considerations, descriptions, and reflections of the interviewees, supplemented by excerpts from the interviews.

During the partly unstructured and semi-structured interviews, additional themes or unclear matters that arose warranted further investigation through new primary data acquired from additional interviews. As noted earlier, these interviews spanned a period of ten years. The data collected from these interviews underwent the previously described process, which included data collection, transcription, analysis, and theory development. The analysis of data from the supplementary interviews yielded new insights that enhanced the initially developed theory. This inductive and deductive approach, characterised by continual reference to the data, facilitated the grounding of the theory (Collis & Hussey, 2003).

The work plan delineated a sequential process of data collection, transcription, analysis, and theory development. However, the categories and subcategories that emerged necessitated deviations from the original work plan, consistent with the grounded theory approach (Collis & Hussey, 2003; Glaser & Strauss, 2010). Glaser and Strauss advocate that theory generation is catalysed by the synergistic operations of data collection, coding, and analysis, indicating that the integration of data and theories from the initial interview sessions should align with subsequent follow-up sessions. Furthermore, memo-writing was incorporated into the research process, alongside data from ad-hoc email correspondence with the interviewees.

Throughout the data collection and analysis process, a written record of theory development was maintained. This entails documenting definitions of the categories, justifying the chosen labels, tracing their emergent relationships, and recording the progressive integration of higher and lower-level categories (Willig, 2013, p. 72). Such theoretical memos, as Glaser (1978) describes them, are crucial tools for illuminating the codes that underpin theory and for identifying how individual codes interrelate and convey meaning.



Chapter 4

Findings Chapter

4.1 Introduction

In the first chapter of this thesis, it is proposed that traditionally managed, internationally operating Japanese organisations referred to as J-form organisations depend heavily on learning from local embedded knowledge. These organisations are particularly skilled at diffusing knowledge throughout their organisation, which enhances their adaptability in dynamic environments. Moreover, it is suggested that the traditional expatriate cycles of Japanese management practices overseas play a significant role in facilitating this knowledge diffusion.

However, it is important to note that, in addition to these traditional cycles, various forms of Japanese expatriation also contribute to this process. To date, the coherence between these different phenomena has remained largely unclear. Specifically, the relationship between the various forms of Japanese expatriation and the traditional expatriate cycles, as they relate to organisational learning from local embedded knowledge, requires further exploration. To address this gap, this chapter will outline the data analysis processes derived from multiple cycles of data collection and analysis. These processes will result in the development of a theoretical framework aimed at explaining the coherence between these phenomena. Initially, the theoretical framework will be introduced and explained. In the subsequent sections, this chapter will delve into the sub-research questions, ultimately leading to the development of a theory that is guided by the principal research question.

Principal Research Question:

How do Japanese expatriate assignments in the traditional expatriate cycle and alternative expatriate forms contribute to organisational learning from locally embedded knowledge in geographically dispersed subsidiaries?

4.2 Theoretical Framework

Four core categories emerge from the collective interviews that are essential for understanding the role of expatriate assignments in shaping organisational learning within Japanese organisations. Figure 4.2 presents these concepts as the foundational elements of the theoretical model designed to address the research questions. The four categories, grounded in the interview data, are: (1) Cultural elements of traditional Japanese management, (2) Cornerstones of expatriate

assignment alignment, (3) Organisational Learning: Conditions and Context, and (4) Organisational changes. Each of these categories will be discussed individually, with further elaboration provided before exploring their interactions.

The theoretical model asserts that the first category, which comprises a considerable collection of cultural elements of traditional Japanese management, serves as a central pillar of organisational learning in J-form organisations. Changes to these cultural elements influence another pillar, the cornerstones of expatriate assignment alignment, and vice versa. Together, these two pillars and core categories establish the foundation for organisational learning in internationally operating J-form organisations. Organisational changes arise from this process of organisational learning, which, in turn, leads to alterations in the ways organisational learning occurs and adjustments to the cornerstones of expatriate assignment alignment, contributing to the (re)alignment of expatriate assignments.

A thorough understanding of the interactions between the core categories of the theoretical model requires a thorough study of each category alongside clear definitions of the relevant concepts. Consequently, the following sections of this chapter will engage in a comprehensive analysis and definition of these core categories.

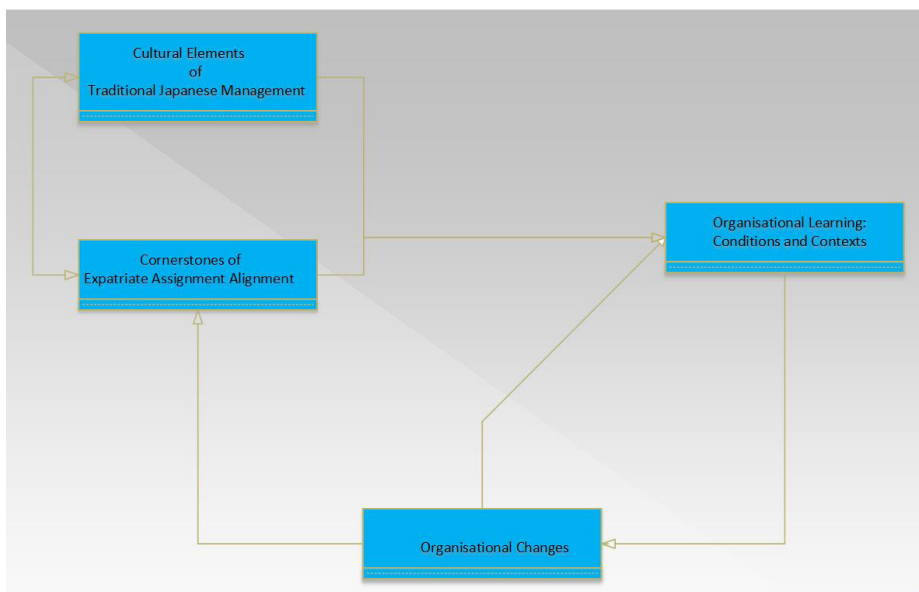


Figure 4.2 Theoretical framework: Organisational Learning in the Internationally Operating J-form Organisation

4.2.1 Cultural Elements of Traditional Japanese Management

In the first instance, the core category "cultural elements of traditional Japanese management" will be thoroughly examined and elaborated upon. Figure 4.2.1 presents the open codes depicted in light blue. From these open codes, four axial codes or subcategories have emerged, which are displayed in blue. The selective code, or core category, depicted in dark blue, emerged from the axial codes. The core category incorporates the following subcategories: (1) lifetime employment, (2) the seniority principle, (3) loyalty and obedience, and (4) job rotation. These subcategories are considered key cultural elements of traditional Japanese management because they are based on the core values and social structures of Japanese society and the J-form organisation, and they are strongly interrelated.

First, the practice of lifetime employment fosters a strong feeling of job security and a sense of community, creating a stable workforce. Employees are generally hired directly from college with the expectation that they will remain with the organisation throughout their working lives.

Second, together with lifetime employment, the seniority principle generally determines that employees receive pay raises and promotions based on their length of service rather than on performance alone. Third, the principles of lifetime employment and seniority are anticipated to be returned by employees through their loyalty and obedience to the organisation. The fourth subcategory, the Japanese principle of job rotation, serves as the connecting element between the other three subcategories. This principle demonstrates the collectivist culture in Japan, where the company's success is closely tied to employee development, teamwork, and loyalty. Employees are expected to focus on the needs of the organisation above personal goals. This practice enables employees to work in various positions within the company, allowing them to understand the different elements of the business. Therefore, job rotation aligns with lifetime employment and the seniority principle because it allows employees to develop a wide range of skills throughout their careers while taking advantage of the stability and development opportunities provided by lifetime employment. It also enhances cooperation and loyalty to the organisation as employees develop relationships across different functions and sections in Japan and in their overseas network.

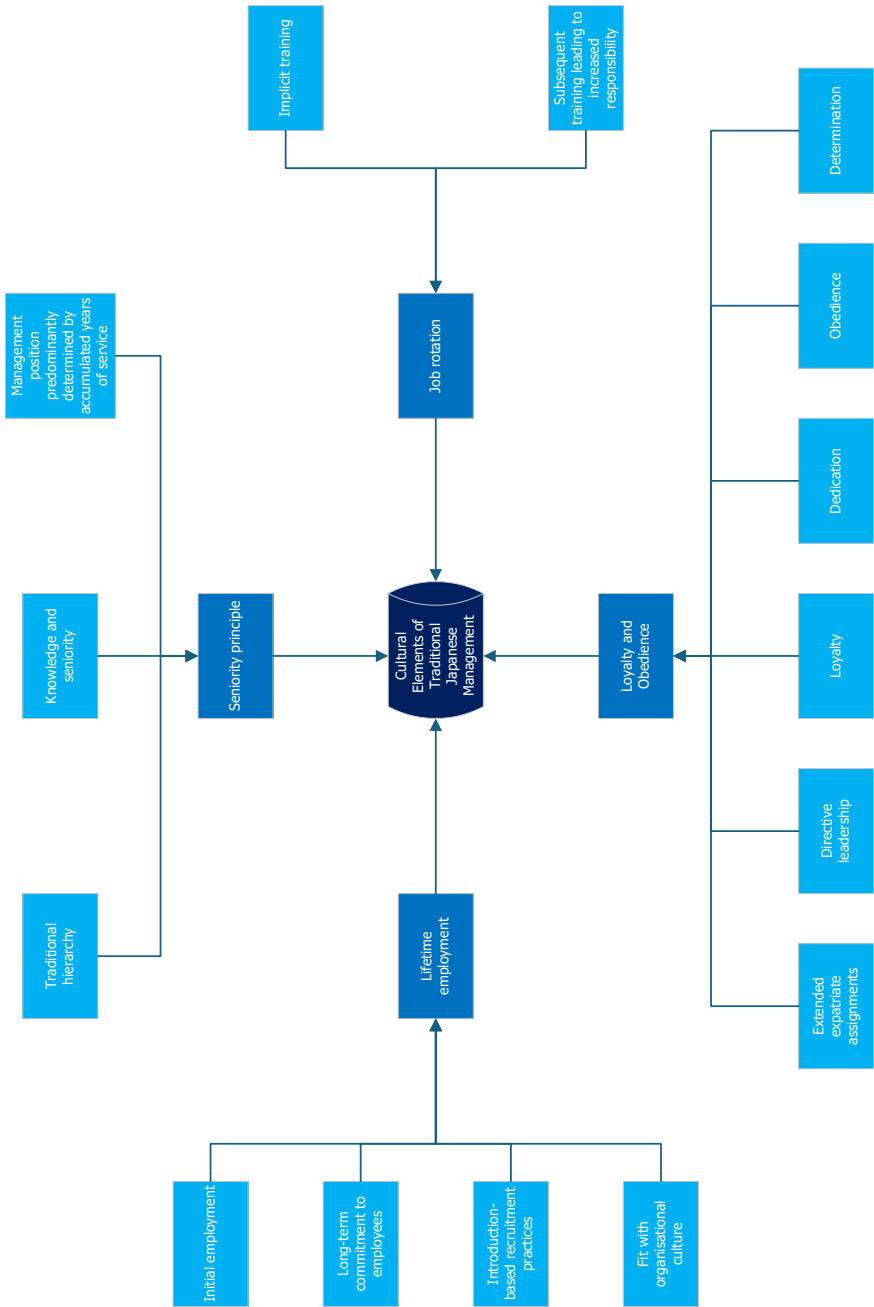


Figure 4.2.1. Cultural Elements of Traditional Japanese Management

These guiding principles highlight the necessity of prioritising experience, implicit knowledge, and a lifelong commitment to the organisation, grounded in the perspective that long-term employees are more valuable due to their accumulated knowledge and dedication. In Western contexts, there is usually a stronger emphasis on individualism, where personal career ambitions are given priority. Therefore, employees generally pursue rotation opportunities that support their personal development plans and aspirations. Conversely, in Japanese companies, job rotation is typically a more integral and systematic aspect of employee development, aimed at promoting organisational loyalty and a comprehensive understanding of the organisation. In contrast, Western firms frequently concentrate on the individual development of skills and career advancement within a more flexible framework. The subsequent sections will explore the sub-categories that collectively resulted in the core category of "cultural elements of traditional Japanese management."

4.2.1.1 Lifetime Employment

The first sub-category, presented in Figure 4.2.1.1, of the core category "cultural elements of traditional Japanese management", explores the concept of "lifetime employment", a common practice within traditional Japanese management. In J-form organisations, employees are recruited with the expectation that they will remain with the company for their entire careers. This concept is deeply embedded in Japanese culture, which values loyalty and the belief that employees should demonstrate commitment and dedication to their organisation as a means of expressing gratitude for the opportunities provided to them.

Under the lifetime employment system, employees are typically hired straight out of college or university and are expected to remain with the same organisation until retirement. In return, the organisation provides security, stability, and opportunities for development, which are primarily based on seniority and, to some extent, on performance. Lifetime employment represents a distinctive feature of traditional Japanese management, emphasising loyalty and stability in the workplace. As one of the senior directors argued:

'The Japanese mentality is based on loyalty. Loyalty to his own work and loyalty to the organisation. Loyalty to his own work means indirectly also loyalty to the organisation and society. It is important to keep and maintain the Japanese mentality in our organisation network because this is our right to exist.' (LS110161)

Although it has its pros and cons and younger generations have less commitment to stay at one organisation, lifetime employment continues to be a prominent feature of many J-form organisations today. Employees starting their careers with an organisation begin with a clean slate and go through a structured rotation programme from the beginning. As one of the senior managers explained:

'I was a college graduate in Yokohama. I was looking to find a trading company, but I did not know what Kobe trading was doing. When I joined after the first meeting I noticed people with boiler suits and helmets. The next day I was one of these people. That was after my start, I was taking care of what we refer to as "running vessel" the stores department for two years. After these years I was transferred to the LNG department.' (LS110198)

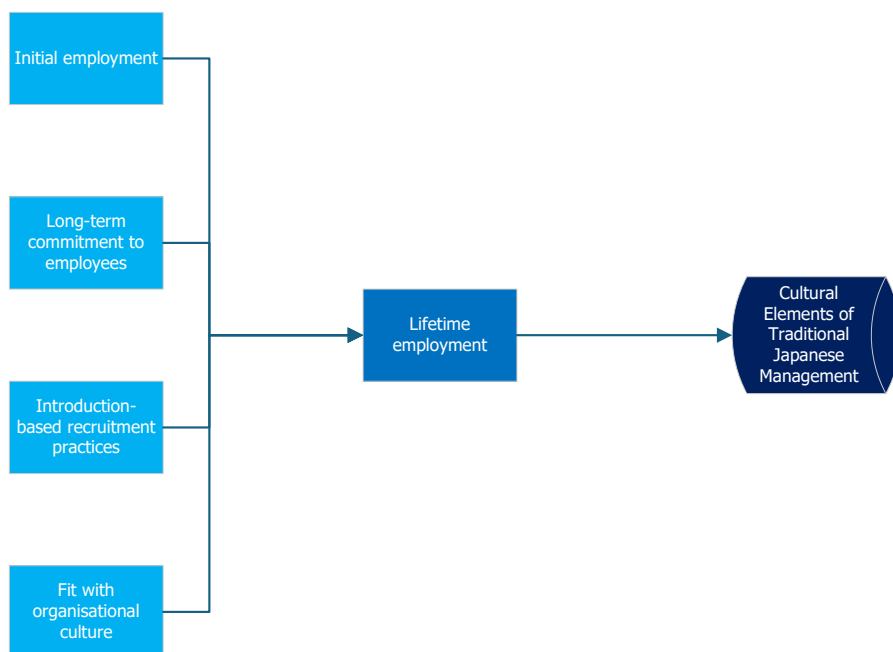


Figure 4.2.1.1 Lifetime Employment

These programmes are long-term investments that require retaining employees and matching their culture, so the J-form organisation prefers recruiting through referrals. In the Japanese J-form organisation, there is a strong emphasis on lifetime employment and continuous learning. The stability of lifetime employment allows employees to incrementally develop

their skills and expertise over time, leading to a culture of continuous learning and improvement. The combination of lifetime employment and continuous learning in the Japanese J-form organisation promotes a long-term, mutually beneficial relationship between employers and employees, resulting in a broadly skilled and motivated workforce. The formation of the sub-category "lifetime employment" is supported by the identified codes illustrated in Figure 4.2.1.1, derived from the open coding process. These codes include: (1) Initial employment, (2) Long-term commitment to employees, (3) Recruitment practices based on introduction, and (4) Alignment with organisational culture. A thorough analysis of these codes will be provided in the following section.

Initial employment

First, the principle of initial employment within the Japanese J-form organisation, in the context of life-time employment, entails the traditional practice of hiring employees directly from university and retaining them within the same organisation for their entire professional tenure. As several interviewees professed:

'Yes, my first job after graduation' (LS110115) In 2009. Yes, after university I came straight to Kobe trading' (LS110209) 'I started in 2010 in the Yokohama-office, I started as a freshman after my graduation from university' (LS110203) 'I forgot the actual years, but I started about 43 years ago when I joined the Kobe trading office in Yokohama' (LS110201) 'I have been in Kobe trading for 24 years now. I needed one year extra of study but I came straight from university to Kobe trading' (LS110175).

This approach fosters loyalty and stability within the organisation, given that employees are developed and cultivated internally, and are expected to stay with the organisation until retirement. This principle of initial employment is intrinsically linked to the concept of life-time employment in the J-form organisation, where the organisation provides a secure and predictable career pathway for its employees. As one of the directors maintained:

'You know, the Japanese employment system is quite unique. You see as far as they get out from university we hire them. They are like white boards, there is no knowledge but also no dirt, nothing. We can paint them from scratch. That is our aim, to put our company colour on them. Then, gradually they can feel and develop the loyalty to our company. While other companies hire

local staff not from scratch, they hire from different companies, it is a cultural difference.’ (LS110177)

In J-form organisations, the symbiotic relationship between employer and employee is grounded in mutual trust and commitment. The organisation provides job security, benefits, and opportunities for development, while employees correspond with their dedication and loyalty. The organisation seeks to identify suitable candidates who align with its distinctive organisational culture. Fresh graduates aim to secure positions with reputable firms that offer growth opportunities, stability, and prospects for career advancement. Japanese organisations place considerable emphasis on developing resilient relationships with their employees, valuing loyalty and particularly appreciating freshmen as they embark on their professional journeys in their first employment with the organisation.

Long-term commitment to employees

Second, the principle of long-term commitment to employees within the context of lifetime employment is significant. In Japanese J-form organisations, employees are regarded as essential resources whose knowledge, skills, competencies, and loyalty play a pivotal role in determining the J-form organisation's steady economic growth. Consequently, J-form organisations make considerable investments in training and development initiatives to promote the growth and advancement of their employees within the J-form organisational framework. As one director maintained:

‘I started with Kobe trading in 1983. In 1992 I was allowed to go to the United Kingdom to attend a special trainings programme which was developed by South Tyneside college in Newcastle and Kobe trading. The organisation and the university jointly tailored a course for single Japanese students. I have no engineering background, therefore the company decided on a basic engineering course yet also a captain’s course, navigation knowledge, maritime law, and power plant management. The course was initially designed for 8 months but I was allowed to stay for 12 months. I was the second student from our organisation, S1-san was first.’ (LS110105)

This loyal dedication to employee development cultivates a deep sense of loyalty and dedication among the workforce. The unwavering long-term commitment of the J-form organisation to its employees is clearly apparent

through the implementation of rotational programmes and international expatriate assignments tailored to enhance and support employees throughout their professional journeys. In addition to their focus on training and development, Japanese organisations demonstrate their dedication to staff by offering plenty of opportunities for career growth opportunities. Moreover, the traditional J-form organisations offer a guarantee of job security and stability, reinforcing their commitment to fostering enduring relationships with their employees. As one deputy manager explained:

'As you know Kobe trading is practicing lifetime employment. So once we join we can stay employed until retirement.' (LS110132)

Or as a board member and former president professed:

'We think the company is potentially for the employees. Off-course the shareholders are important but the employees are more important. We basically have to convince the employees that this is the the place for them to work their whole life. Once we get to work for the company we are going to stay for our working life our business life together. And therefore we are gradually developing into a family with a common understanding. When there are difficulties, if somebody has worries or whatever we always have an open mind to talk. At the same time we realise that the Japanese approach is sometimes too much focused on working and the company and less on the family at home.' (LS110127)

Introduction-based recruitment practices

Thirdly, the principle of introduction-based recruitment practices in the context of lifetime employment is meaningful. In Japanese J-form organisations, introduction-based recruitment practices are extensively employed for the selection of new employees. This approach relies on recommendations or introductions from current employees or trusted contacts. Given the importance of relationships and trust in business interactions in Japan, this method ensures a thorough review of new hires by individuals within the organisation or its network, who can verify their character, work ethic, and alignment with the J-form company culture.

Loyalty, teamwork, and the development of harmonious relationships are key focuses within Japanese J-form organisations. Recruitment through

introductions plays an essential role in fostering a sense of trust and camaraderie among employees from the beginning. This approach often leads to lifetime employment relationships, as individuals are more likely to remain with a company where they have been personally endorsed by a trusted connection, resulting in decreased turnover rates and a more stable work environment. The practice of recruiting through introductions is deeply embedded in Japanese J-form organisations. As one director and vice-president of the organisation stated:

'Actually I studied law. I did a major in Law. After I graduated I desired to go overseas to work in a company. My father is a very close friend of the managing directors F1-san, O1-san and M3-san. He introduced me to Kobe trading.' (LS110134)

Or as a deputy manager explained:

'It has been one of my friends since I was in university. I communicated with her regularly also when I was in Canada and she told me that she was working in the same industry as a shipchandler. She knew that I was planning to come back to Japan, she introduced me and helped me to get a job interview at Kobe trading.' (LS110132)

Or as a board member and former president professed:

'I joined Kobe trading in 1967. At that time the only business of Kobe trading was the shipchandling supply business, food and deck and engine supplies. When I graduated from university I was unable to speak proper English. I joined because I went to the same university as the founder of Kobe trading K0-san.' (LS110112)

A general manager maintained:

'During college I was a member of a sailing club, yacht club 470. They also participated in the Olympic games. There was a race in Yokohama between different university college teams. A senior member of my club was working for Kobe trading. After the race he came to the venue and introduced me to Kobe trading in Yokohama. After some general procedures I was told that I could join the organisation if I wanted to.' (LS 110121)

By utilising recommendations from existing employees, manufacturer partners, customers and other relevant connections, J-form organisations prefer to fill up their employee pool. This method not only guarantees that new employees align with the organisation's requirements and values but also enhances social cohesion and team unity within the organisation. Additionally, this recruitment strategy reinforces the established view of lifetime employment in Japanese organisations, where employees are valued and encouraged to progress in their careers within the J-form organisation.

Fit with organisational culture

Fourth, the essential element of fit with organisational culture and industry within the context of lifetime employment deserves specific attention. In Japanese organisations, cultural fit is prioritised over skills or knowledge when hiring new staff. Alignment with the organisation's values and work ethic is crucial for supporting teamwork and long-term employee loyalty. This emphasis on harmony ensures that employees can collaborate effectively and adapt to the organisation's initial training, as well as its rotational training and development practices. As one of the managers asserted:

'After a couple of months, many employees resigned and left the company. While people were aware that Kobe Trading was involved in the import and export of goods, few would have anticipated that, in some cases, we had to board ships using pilot ladders. Furthermore, it was not known in advance that we would need to carry goods on board ourselves up the gangway. Typically, new employees join in April; however, in some instances, the dormitory was already empty by May. Therefore, it is beneficial for newcomers to experience the culture and nature of work at Kobe trading before they begin their rotational training. Sending employees to Singapore for training proved helpful, as Singapore is a very busy port.' (LS110197)

A division manager explained further:

'To foster a better understanding of our industry and company culture, I believe F1-san aimed to provide them with the experience of working in one of our most active offices located in a very busy port. He hopes that this experience will boost morale and make the organisation more attractive for young employees, encouraging

them to stay. The Singapore experience encompasses working at one of the busiest ports in the world, as well as enjoying leisure and social time with colleagues.' (LS110195)

Furthermore, a cultural fit supports smooth integration into teams and helps maintain a cohesive workplace environment. In the end, strong cultural alignment is regarded as the cornerstone of organisational success. As a board member asserted:

'That is precisely the point. We are a unique company with aspirations to become a strong, international entity that provides an engaging environment for our staff. We must consider what sets us apart from others in the industry. Our goal is to differentiate ourselves significantly from our competitors, fostering a sense of pride among our employees in being part of Kobe Trading.' (LS110127)

4

4.2.1.2 Seniority Principle

The second sub-category, illustrated in Figure 4.2.1.2, of the core category "cultural elements of traditional Japanese management," examines the concept of the "seniority principle," which is an established practice within traditional Japanese management frameworks. This principle is a fundamental and deep-rooted aspect of J-form organisations. Specifically, the seniority principle rewards and recognises employees based on their length of service within an organisation, often prioritising this element over individual performance. Furthermore, within J-form organisations, the seniority principle emphasises loyalty and dedication, with the expectation that employees will remain with the organisation until retirement. In return, organisations typically offer job security and benefits as a means of reciprocating this commitment. Generally, employees advance through the organisational hierarchy based on their years of service. Additionally, the seniority principle contributes to a stable and harmonious work environment, as career progression is determined by length of service rather than personal achievements.

The seniority principle notably demonstrates the collectivistic nature of Japanese society, where values such as teamwork and organisational harmony are prioritised over individual accomplishments. However, the hierarchical structure of J-form organisations suggests the existence of competition at higher levels, as employees compete for limited senior management positions

based on a combination of performance and years of service. This competitive dimension within the hierarchy fosters motivation and incentivises employees to excel in their specific roles, with the ultimate aim of securing advancement to higher positions within the J-form organisation.

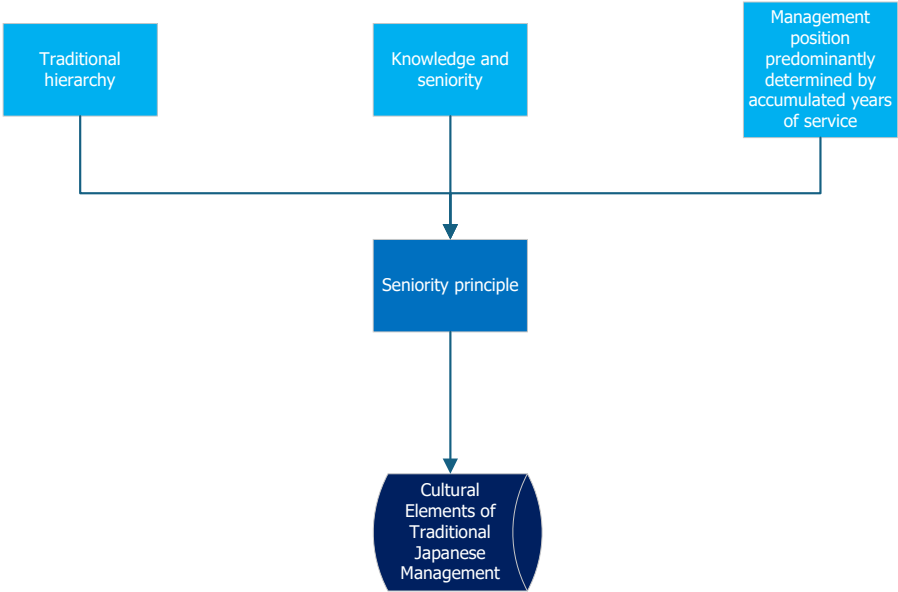


Figure 4.2.1.2 Seniority Principle

The emergence of the sub-category "seniority principle" is substantiated by the identified codes depicted in Figure 4.2.1.2, derived from the open coding process. These codes include: (1) traditional hierarchy, (2) knowledge and seniority, and (3) management positions predominantly determined by accumulated years of service. These elements have been extracted from the open coding process and will be further elaborated upon to elucidate the essence of the seniority principle in the following section.

Traditional hierarchy

First, the principle of the traditional hierarchy within Japanese J-form organisations, which is infused in Japan's cultural heritage, drawing upon distinct national cultural elements and traditional social norms that shape the organisational framework. This hierarchical structure is characterised by a clearly defined vertical arrangement, facilitating the downward flow of directives and decisions from senior management to middle management and subsequently to employees on the shop floor.

The vertical integration of this system is underscored by a deep respect for seniority, acknowledging the wisdom and experience that accompany age and tenure within the traditional J-form organisation. The hierarchy related to age is very strict as one of the directors explained:

'In a Japanese company the hierarchy the pyramid structure has been very clear and mainly related to age. If a younger person is going up quicker than all the senior staff is against this person. The organisation has a specific age structure for managers and senior managers. You cannot bring younger people to the top just like that, there will be a lot of conflicts with the seniors.' (LS110134)

Or as the president of the organisation professed:

'We do not have sufficient human resources in certain age groups available. For the past 13 years, we have been recruiting approximately 20 employees per year. However, prior to that period, the company was struggling and did not generate enough profit. During that time, we failed to recruit enough individuals. As a result, S1-san, H1-san, and others in that age group are scarce, and the organisation is suffering.' (LS110200)

Moreover, there is a notable emphasis on fostering harmony and unity within the organisation, prioritising positive relationships and consensus-building among team members. This focus on harmony combined with a clear hierarchy, and respect for seniority establishes a guiding framework for organisational dynamics and interactions, enhancing the overall stability and efficiency of Japanese J-form organisations.

Knowledge and seniority

Second, the principle of knowledge and seniority. In Japanese organisations, there is a strong belief that knowledge and seniority are closely interconnected. This belief is grounded in the traditional values of respect or seniority and the hierarchical structures deeply embedded in Japanese society. In Japanese culture older people are respected as their age is seen as a token of expertise, experience, and wisdom. In the workplace, seniority is typically associated with the skills and implicit knowledge developed through years of experience. As one division manager asserted:

'There was a lack of management staff in Japan and specifically in the supply department. There were only two managers for 60 to 70 employees, so we were in need of a middle manager. I requested a person with the right experience, so he was selected. His age at that time was 37 years old, so that is how K2-san was selected he had enough overseas experience.' (LS110192)

Or as the president of the group explained:

'Take the example of N0-san: he used to work for us in new York for a long time 7-8 years. After his time in New York he came back to japan, so he was the logical choice for follow up of senior management in Baltimore, the United States. His experience was important and the determining factor. Therefore the handover was smooth as he knew the area, so I decided to send N0-san. Sometimes it is not such a perfect fit, so we will have to send people to other areas to learn. But after a certain age it is better to utilise the abilities, knowledge and expertise that a person has in a specific field. However, the other problem that we have is that we have to keep these persons in that area for a long time. The business volume in the United States has been shrinking. There is not enough business to send another Japanese person. It used to be a bigger market, 20 years ago America was a big market for us. We could keep three Japanese in that location, top management, middle management, and a younger person.' (LS110130)

Consequently, senior employees are often viewed as bearers of knowledge and are treated with authority and respect within the J-form organisation. The development of knowledge in the J-form organisation is focussed on incremental implicit learning, which is revealed when employees commit to lifetime employment with the organisation. Employees in J-form organisations are promoted based on their years of service to the organisation. Japanese tradition sustains the idea that experience and tacit knowledge are accumulated over time. Committing to lifetime employment enables employees to gather knowledge through diverse and extended implicit experiences. As they progress through the J-form organisation, these employees develop into the main sources of organisational knowledge. A former managing director, retiree and advisor to the organisation maintained that the transfer of knowledge from seniors continues after retirement:

'Before, people would retire at 60 years old. The knowledge of these people is very important for teaching young staff. Also in Japanese shipyards there is less and less knowledge. So many companies will employ people after 60 on a yearly basis until they are 65.' (LS110125)

The seniority system in J-form organisations nurtures a culture of implicit learning and knowledge transfer through on-the-job learning, as well as daily formal and informal interactions. As a former president of the group explained:

'We use our seniors and for instance O2-san provides lectures about the company history. They explain the factors why we as a company succeed and why we fail. Explaining how we learn from past experiences. Furthermore, the seniors lecture us about our customers.' (LS110130)

Management position predominantly determined by accumulated years of service

Third, in a J-form organisation, the criteria for attaining management positions is predominantly determined by the gathering of years of service. This approach places considerable emphasis on experience, with seniority serving as a key element for promotion. It is widely believed that individuals who have dedicated more time to the organisation possess a more meaningful understanding of its culture, processes, and complexities. As a result, employees are typically expected to advance through the ranks in a sequential manner, with promotions generally given based on their length of service instead of just their performance or achievements. As a managing director professed:

'So, as manager you start from the bottom as assistant manager, manager, senior manager then division manager, general manager and then I came back to Japan as managing director.' (LS110105)

As a Director and Vice president to an overseas office asserted:

'My succesor candidates are basically inside the office already for growing and training in Dubai. So by the time that they are gettingready they have already passed the 5-years period when they start performing in their job-role. Taking higher positions in the organisation off-course they would have to stay longer and longer like me.' (LS110134)

Or as two senior managers and a director explained:

'Our job starts from being a boarding officer, start from boarding officer when we are young to study the job and study foreign life. The first time we took the knowledge of the experience and came back to Japan. We used the knowledge gained for the daily business and private life. This is the first step. After a few years of experience in Japan usually 3-5 years experience abroad there is a possibility to come back to a middle management position in Japan. The next step is a management position abroad. And then Top management is looking and assessing who is suitable a top management managing director position, this is the process that I went through. As I said I was a senior manager of the supply department for seven years, so that is the process that the company allowed for me before they gave me this role as director.' (LS110110, LS110192, LS110121)

4.2.1.3 Loyalty and Obedience

The third sub-category, illustrated in Figure 4.2.1.3, within the core category of 'cultural elements of traditional Japanese management', focuses on 'loyalty and obedience', which are fundamental elements in the functioning of Japanese J-form organisations. Renowned for their hierarchical structure compared to Western counterparts, Japanese J-form organisations consider very important the values of loyalty and obedience, as these values play a crucial role in nurturing balanced relationships and ensuring smooth operations. Japanese culture places great importance on loyalty, which extends into the workplace within a J-form organisation. Employees are expected to demonstrate dedication, commitment, and respect towards their superiors, colleagues, and the company as a whole. This loyalty includes prioritising the organisation's interests over personal ones. As one of the Director's and Vice-President in an overseas office explained:

'Yes I am planning to stay, yet if they request me to go back to Japan, if they require me back in Japan off-course we cannot choose. With the presidents stamp O1-san's stamp this is an order than we will have to move from here to there. Then we will move. That is the style in a Japanese company, that is a Japanese company. If the company needs my skills in Japan or anywhere else I will go.' (LS110134)

Moreover, obedience is important in a J-form organisation, where employees are required to follow the instructions and decisions of their superiors without hesitation. As a general manager declared:

'Employees are hired in the G-course or E-course. E means exception, G is general. With E-course employees we have an agreement that they can stay in the same department in the domestic market until retirement. We will not ask E-course employees to move around our offices. G-course employees have to accept assignments abroad, they have to accept the company's orders.' (LS110189)

Or as a senior manager asserted:

'I was just told you have to go to London. I was thinking I have no choice I have to go anywhere if the company is requesting.' (LS110190)

This reflects the hierarchical structure of the organisation, which emphasises the centralisation of authority at higher levels to maintain efficient operations and foster cohesive teamwork towards common objectives. The elements highlighted collectively illustrate the principles of loyalty and obedience within the J-form organisation. These principles encompass: (1) extended expatriate assignments, (2) directive leadership, (3) loyalty, (4) dedication, (5) obedience, and (6) determination. The subsequent section will provide a more detailed explanation of these elements.

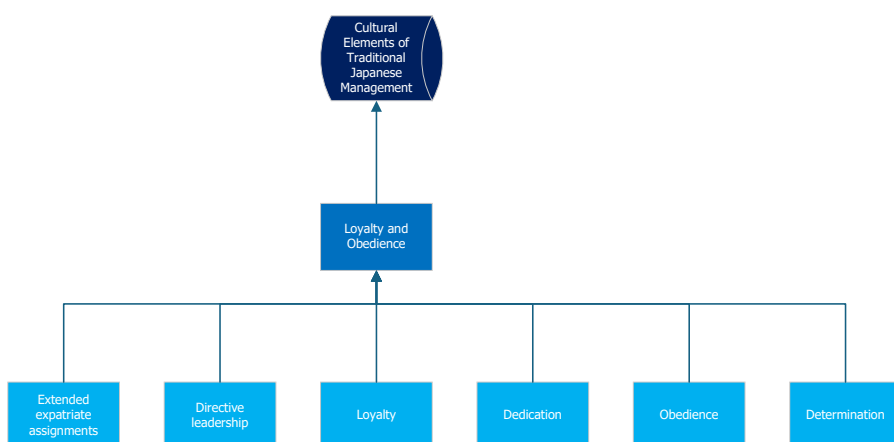


Figure 4.2.1.3 Loyalty and Obedience

Extended expatriate assignments

First, the phenomenon of extended expatriate assignments exemplifies a profound commitment characterised by loyalty, obedience, persistence, and dedication to the organisation, emphasising the prioritisation of organisational interests over personal considerations. These assignments, particularly within the context of Japanese expatriate assignments, illustrate the directive leadership embedded in J-form organisations, where employees are expected to accept these roles without question. Expatriates willingly undertake these assignments as a testament to their unwavering commitment and loyalty to the organisation, regardless of a clearly defined timeframe. Long-term expatriate assignments typically involve expatriates residing abroad for periods exceeding five years, and in some instances, extending to a decade or more. As the president of the group asserted:

'For example M0-san has stayed in Europe for almost 25 years. We could not send somebody to replace him.' (LS110161)

Such extended assignments, often in challenging and remote locations, highlight the loyalty and dedication demonstrated by Japanese expatriates. In certain situations, expatriates are stationed overseas while their families remain in Japan. Those engaged in long-term assignments develop a deep understanding of local customs and social norms, fostering trust and establishing strong relationships with local stakeholders. They serve as crucial ambassadors, bridging the gap between the headquarters in Japan and the local overseas organisation. As a board member explained:

'We have overseas subsidiaries. The local management is fully the responsibility of the top man in that location. For instance, whatever happens in Rotterdam is the responsibility of O2-san. We trust him and support him and we apply the same approach in other areas. We have to be able to trust the top man in a subsidiary because we cannot manage the day-to-day operation in Rotterdam or Singapore from Japan. We expect them to manage, but top management in the subsidiary will keep a close contact with top management in Japan.' (LS110112)

These expatriates play a pivotal role in ensuring that Japanese management principles are effectively integrated into local organisations while adeptly

adapting to local procedural requirements and cultural nuances. As one of the local partners and owner of a joint venture subsidiary explained:

'For them to accept new ideas or new ways is hard. It takes time for them to digest and accept new business philosophies, new ways of doing things. To me H1-san was the person who in the beginning had difficulties to adopt, but I pushed him and forced him to just follow, close your eyes and do what I tell you to do. Thereafter things started to change and I started to see results. I mean we as the Middle East Kobe trading group are probably the most diversified in the Kobe trading group because we are in the hospitality business, we are in civil maintenance, we are operating in the industry, the refineries, plant machinery, and off-course the maritime industry. The old traditional Japanese way of doing things is fine, the culture is fine but I think with him being here for all these years he started to adopt local ways of doing things.' (LS110213)

And as one of the Japanese Executive Directors in another subsidiary professed:

'My successor must be approved by H0-san (the local Chinese partner) because he is a particular person. None of the other Japanese that have been working here were approved, he basically said no. Senior management in Japan F1-san and O1-san fully understand this point. They understand that H0-san and me are cooperating very well and are like brothers.' (LS110118)

Directive leadership

Second, the principle of directive leadership is a defining attribute of the traditional J-form organisation. This leadership style is characterised by top-down decision-making, where decisions are disseminated through the organisational hierarchy. As one of the team leaders in the Rotterdam office declared:

'They just called me in the meeting room and told me: "ok, you will have to go to Rotterdam".' (LS110203)

Or as a Japanese director in the Korean office explained:

'I worked for the import section in Japan and then suddenly I was requested by F1-san to move to the Rotterdam office because the

wife of one of the managers got a health problem and therefore he had to go back to Japan. I have stayed in Rotterdam as operations manager for one year. After that I was requested to come back to the supply department operations manager so the same job as in Rotterdam. I stayed in Kobe for three years until 2007 when I was requested to move here to Korea.' (LS110113)

Japanese employees are expected to value and adhere to this approach, possessing a clear understanding of their positions, responsibilities, and obligations within the hierarchical framework. The intent of directive leadership in the J-form organisation is to ensure consistency in processes and practices while upholding the traditional Japanese business ethos.

Furthermore, this leadership style facilitates streamlined organisational communication channels, enhances operational efficiency, and fosters a collective approach towards achieving organisational goals. The top-down decision-making structure aligns with the cultural values of respect for authority and discipline, which are deeply embedded in Japanese business culture. As a senior manager in Japan professed:

'I was just told go to London. That is it. At that time I assumed that I would be there for four to five years. Later, the United Kingdom regulations for overseas employment changed, so there is a maximum of five years now. But normally we do not get information on how many years we are supposed to stay.' (LS110190)

And a general manager in Rotterdam declared:

'In Kobe trading, the European branches are very popular. The Asia branches are less popular yet if the company says I have to work in Korea and stay at the Pusan office than I obey this instruction.' (LS110209)

Overall, directive leadership plays a crucial role in nurturing a coherent organisational environment that is beneficial for achieving strategic objectives, particularly within the Japanese J-form organisation. This leadership style not only reinforces the hierarchical structure that characterises J-form organisations but also ensures that employees are aligned with the organisation's ethos and values. A deputy manager in an overseas subsidiary asserted:

'No information is given. Usually the office in Japan informs H1-san and the president M1-san if and when I have to go back to Japan. They will typically inform them two to three months before the date returning to Japan. I think F1-san in Japan is in charge of the administration.' (LS110132)

By clearly distinguishing roles and responsibilities, directive leadership facilitates a sense of order and purpose, enabling employees to work collectively towards common goals. Additionally, this approach helps to maintain stability and continuity, which are essential for the long-term success of J-form organisations in a competitive maritime business landscape.

Loyalty

Third, the principle of loyalty is a fundamental element of Japanese business culture, as supported by the data. Loyalty to the organisation is highly valued and expected, forming the foundation for the concept of lifetime employment, whereby employees often remain with their initial employer for the duration of their careers, demonstrating dedication and commitment to their organisation. As one of the board members declared:

'There are different incentives for people to work for a company. Some will say money, others will say because it is interesting, or improving themselves, or just to have a job. However, we started our company with the following philosophy: Kobe trading will be contributing to society, and will operate internationally, people will be determined and proud to work for Kobe trading. Kobe trading will be a unique and therefore strong company.' (LS110127)

Employees are expected to demonstrate enduring loyalty, with organisational needs prioritised over individual interests. An executive Japanese director in Singapore noted that the local partner attempted to influence his decision to remain in Singapore. However, the director expressed satisfaction with his role there while affirming his intention to follow the instructions of the company president in Japan. He stated:

'The president of Kobe trading Japan explained that the local partner H0-san requests me to stay in Singapore. The president F1-san was trying to explain that if I would come back to Japan I would get an even higher position because Singapore is only a

branch office, the head-office is in Japan. The president F1-san asked me if I would like to stay in Singapore or if I would like to come back to Japan. I told him, it is up to you as you are the head of the company. F1-san and H0-san had a meeting after my meeting with F1-san and decided that I would stay in Singapore as they cannot identify a successor.' (LS110118)

The emphasis on collective goals and teamwork fosters a strong sense of cohesion within the J-form organisation. Although contemporary generations may exhibit less commitment to long-term employment with a single employer, the principle of loyalty to one's employer remains deeply ingrained in Japanese corporate culture. As a senior manager in Japan maintained:

'Most people in Kobe trading will stay with the company. We are facing issues with the younger generations though and specifically engineering staff. Many of the engineering staff who have experienced an overseas assignment have left the company to join a shipowner or ship management company. Staff that does not have an engineering degree usually stays.' (LS110190)

Yet, an advisor and former senior manager to the organisation explained that the organisation is still depending on the loyalty and mindset of the older generations:

'The mentality of the Japanese is different now. My father told me you work for one company you never change. I have been working for the same company. People of my age, they have the same mentality and thinking process. Nowadays, young people do not have that same mentality.' (LS110201)

Dedication

Fourthly, the dedication demonstrated by Japanese expatriates and employees, in general, is profoundly rooted in their genuine loyalty and strong sense of duty towards their organisations. Japanese individuals pursue excellence in all their endeavours, which renders the principle of dedication highly esteemed within their business culture and an indispensable factor for success. Within this context, dedication is understood as an individual's unwavering commitment and loyalty to their work, company, and colleagues. A director and vice president of one of the overseas subsidiaries remarked

that the cultural differences, as well as the procedures and regulations in the Middle East, were markedly distinct from what he had been accustomed to prior to his arrival in Dubai. He stated:

'I received numerous questions from junior employees regarding regulations in Fujairah, which senior staff were unable to answer. I decided to study the specific section of the law myself and also consulted with the customs officer in Fujairah. Subsequently, I created a manual that I shared with new staff to provide them with a head start.' (LS110134)

Japanese employees are renowned for their strong work ethic and their willingness to exceed expectations in their roles. They are expected to demonstrate dedication through long working hours, a constant search for ways to develop their capabilities and performance and the prioritisation of the organisation's needs above their own. This sense of dedication is deeply embedded in Japanese society, where employees often perceive their jobs as lifelong commitments and sources of personal pride. However, the president of the organisation noted that while this principle continues to be valued and relied upon, there has been a noticeable increase in employee turnover. He remarked:

'We place significant emphasis on the personality of the employee. Those who remain with Kobe Trading enable us to maintain our systems and approaches effectively. Unfortunately, in Japan today, employees tend to move to other companies more easily and frequently. As a result, valuable information and knowledge are often lost to the company. Consequently, we strive to select individuals who demonstrate a commitment to staying with Kobe Trading.' (LS110161)

Obedience

Fifthly, the data reveal that the principle of obedience is deeply ingrained in the Japanese work ethic. Employees are expected to work diligently, respect seniority, and, most importantly, comply with the instructions of their superiors without questioning the decisions made. However, as a Japanese director based in Korea explained, while obedience is expected, employees are still permitted to pose questions.

'I did not apply for this job. I am now 47 years old I have been to Rotterdam and Singapore. I told F1-san that I would prefer to stay in Japan so that another person, a younger person can go to Korea. My family is in Kobe, my children are still students. He said: "you are still young, what do you think about O2-san (60 years old) and some of the other ones." I discussed it with my wife who told me that I could go as long as I would send money every month. Eventually I just followed instructions.' (LS110113)

While obedience to senior management is a fundamental concept within the traditional Japanese organisational structure, it is accompanied by a mutual respect between management and employees. As the previous president of the group explained:

'F2-san wanted to stay longer in London and the United Kingdom; I knew he was very disappointed to be transferred from London to Rotterdam. I spoke with him over dinner and drinks in Oslo and understood that he possessed the necessary initial physical experience for Kobe Trading (as a boarding officer) and some other relevant experience, but he lacked any management experience thus far. All his previous roles had involved the operations side of the business. Therefore, I decided to relocate him to Rotterdam to gain management experience, as I noticed his potential (F2-san eventually became the president of the group company). Fortunately, at that time, I was the general manager of the marine department, which allowed me to create a learning opportunity for him. I remember our discussions well, but as soon as I returned to Japan and learned of a vacancy in Rotterdam, I decided to send F2-san there to further his development. Although he did not wish to move from London to Rotterdam, I believed that F2-san was the right person for the relocation. Of course, I spoke with him and tried to explain that this move would be beneficial for his career.' (LS110112)

Furthermore, top management typically consults relevant stakeholders, and a process of consensus-building is employed prior to making important decisions. As a sales representative in Singapore asserted:

'I told S1-san that I would really like to stay in Singapore. He informed me that the decision is not solely up to him; it depends on the headquarters in Japan. When I asked the president O1-san and a board member F1-san during their visit to Singapore, they told me that it depends on the decision of the board members. As of now, there is no schedule for my return to Japan.' (LS110119)

Determination

Sixth, the principle of determination among Japanese staff in a J-form organisation is closely tied to the cultural elements of loyalty and obedience, which are foundational to traditional Japanese management practices. In a J-form organisation a structure that emphasises teamwork, consensus, and a collective approach to problemsolving determination occurs as a pronounced commitment to the group and its objectives. Employees frequently demonstrate steadfast determination in their duties and contribute to the organisation's success. This commitment to personal and professional development also requires determination. As a director and vice-president of the organisation explained:

'As junior staff you have to show commitment and determination. We are expected to use our own extra time after office hours to develop product knowledge, study customer requirements, and understand the customer base in general.' (LS110134)

He further elaborated on the traditional approach of implicit learning that was imposed on him by his manager when he was a junior staff member. He maintained:

'My manager was a very traditional Japanese manager. His way of teaching implied that we had to find the answers ourselves. He was teaching us to think for ourselves and develop into professionals, however as a freshmen you have no experience, you cannot judge what is right and what is wrong. I think with his approach he was indirectly teaching us the Japanese way.' (LS110134)

Another example of determination was provided by the director and vice-president he declared:

'My manager provided me with just the minimum requirements. To manage my learning process I voluntarily cleaned the warehouse early in the morning and late in the evening which allowed me to check the items in our warehouse and learn about them. In addition I was observing how we were managing and controlling our warehouse.' (LS110134)

The determination needed is underpinned by a deep sense of loyalty, which is cultivated through long-term employment, mutual trust, and a shared sense of responsibility towards the organisation and its members. Employees are not merely motivated by individual ambitions; rather, they are generally committed to helping their colleagues and really care about the overall spirit of the organisation. The loyalty and determination in succeeding requires sacrifices as one executive director maintained:

'My daughter was one year plus old and my wife was pregnant of our 2nd child. I was away from Japan and my family for a year, she was alone although she stayed with her parents. I missed my daughter for a year and my son was born in my absence. I only saw him for the first time when he was six months old. This is a Japanese company. This would never happen in a European company right?' (LS110118)

4.2.1.4 Job Rotation

In reference to the principles outlined in Figure 4.2.1.4, this fourth sub-category examines the Japanese principle of job rotation, emphasising the importance of experiential learning and the cultivation of a diverse skill set. Within the framework of the J-form organisation, job rotation plays a pivotal role in Japanese management philosophy. This principle prioritises the long-term development of employees, fosters teamwork, and encourages a culture of continuous improvement. By implementing job rotation practices, organisations in Japan aim to develop a workforce that is adaptable, engaged, and knowledgeable. A senior manager in the Tokyo office professed:

'First I was assigned to the Yokohama branch as a boarding officer. I had to attend ships and obtain orders on the ship. And I had to make deliveries, the ship stores on board. In the Yokohama branch the first year I worked for the general supply department, after

one year I was shifted to the LNG team, after another 1 ½ year I was transferred to Singapore.’ (LS110123)

This approach promotes collaboration and exposes employees to various departments and roles, enabling them to gain comprehensive insights into the business as a whole and aiding in the development of a broad range of skills. By assigning employees to diverse roles and environments while gradually increasing their responsibilities, organisations can support the development of a resourceful workforce. As the president of the group explained:

‘It depends on the experience of the person: if the person is older and more experienced, moving to another job will only cost a few weeks of training. It all depends on how long the person has experience within the organisation. When the employee has full understanding of the organisation moving to another job will be done within a couple of weeks or even days.’ (LS110130)

Therefore, a former president of the organisation asserted:

‘The first 4-5 years we try to give young people who join Kobe trading as much experience as possible.’ (LS110112)

Job rotation is deeply embedded in Japanese J-form organisations, viewed as fundamental for both employee development and organisational flexibility. This principle of staff development through engagement and experiential learning not only enhances skills but also works towards enhancing employee retention and a motivated workforce. Furthermore, the principle of job rotation serves as a connecting element among the other three subcategories, reflecting the collectivist culture prevalent in Japan, where the organisation's success is closely aligned with employee development, teamwork, and loyalty. Employees are continuously encouraged to focus on the needs of the organisation rather than just their personal ambitions. This mindset helps them take on different roles and better understand the various parts of the business.

Consequently, job rotation is coherent with the concepts of lifetime employment and the seniority principle, as it enables employees to build a diverse skill set throughout their careers while benefiting from the security and growth associated with lifetime employment. Additionally, it enhances cooperation and loyalty, as employees develop relationships across different departments.

These guiding principles underscore the significance of valuing experience, implicit knowledge, and a lifelong commitment to the organisation, based on the belief that longtime employees are more valuable due to their accumulated knowledge and dedication. In contrast, Western contexts often exhibit a stronger emphasis on individualism, wherein personal career objectives take precedence. Employees usually pursue rotational opportunities that align with their personal aspirations. In Japanese companies, however, job rotation is typically a more integral and systematic aspect of employee development, geared towards fostering organisational loyalty and a comprehensive understanding of the organisation. By contrast, Western companies often concentrate on the individual development of skills and career advancement within a more flexible framework.

The sub-category of job rotation emerged from the open coding process, revealing two key themes: (1) implicit training, and (2) subsequent training leading to increased responsibility. To further explore the concept of job rotation, an in-depth examination of these specific themes will be undertaken in the following section.

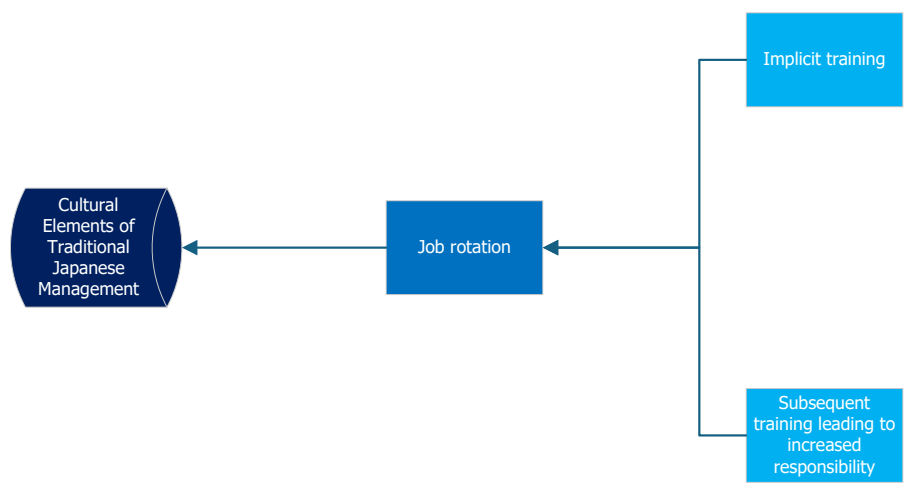


Figure 4.2.1.4 Job rotation

Implicit training

Firstly, the principle of implicit training is a defining feature of the J-form organisational structure commonly observed in Japanese organisations. The J-form structure places a dominant emphasis on implicit knowledge, which is regarded as more critical than explicit knowledge within the J-form

organisational context. Employees are expected to engage in experiential learning through hands-on practices and job rotations. This methodological approach not only facilitates the acquisition of a wide range of skills but also enhances employees' adaptability to diverse tasks, thereby fostering a deeper understanding of the organisational dynamics and the industry. As a senior manager to the organisation professed:

'Normally, we will assign them to the supply department for 1 ½ years because after their studies in business or engineering, they have to understand that the real world is completely different. We assign them to the supply department or machinery department to make them understand what Kobe Trading does on a daily basis first. They have to understand the processes and systems involved, for instance, to comprehend the roles of the pilot, tugboat, agent/agency, terminal situation, terminal location, how to make deliveries, and customs clearance; all these elements need to be studied. Working in the supply department allows them to obtain that knowledge. When they are ready, as soon as they have acquired that knowledge, we transfer them to my department, where they can start working as engineers. In the engineering department, we take care of annual inspections, ship repairs, machinery repairs, engineering arrangements, support with collisions, and, for instance, guarantee claim support.' (LS110198)

The emphasis on implicit training demonstrates Japan's commitment to quality and the principle of getting things right the first time. Working and developing in accordance with these principles enables employees to instinctively deal with issues as they arise. The organisation is trusting on the intuitive understanding and rapid response fostered by implicit training among its workforce. Influencing this specific Japanese approach to knowledge and learning are the Shinto reverence for nature, the integration of Zen Buddhism, and an emphasis on the unity of mind and body. Japanese culture particularly values the concept of implicit learning, which is unique to each individual; It develops within the individual employees and is not something that can be easily expressed in explicit terms. As a former president and member of the board of directors explained:

'Rob-san, you see, in a Japanese company, people generally join straight after graduation from university. As Kobe Trading will

provide the necessary education by ourselves, we will provide education according to our own standards and our own systems. In Japan and at Kobe Trading, every staff member, once they join Kobe Trading, must learn everything from the bottom. First, they must understand and learn what our business entails from the very beginning. Our daily business is a dirty job and a time-consuming job. But let them do it. We have done it as well.' (LS110127)

The emphasis on tacit knowledge development, which is inherently person-centred and grounded in experience, supports the belief that learning is a collaborative process between individuals and their environments, characterised by continuous trial and error. A division manager noted that the procedures for preparing new staff for their roles within the organisation, as well as for assignments in overseas offices, have been evaluated multiple times to enhance their effectiveness. He remarked:

'Nowadays, young staff work for three years in the stores department, three years in the technical spares department, and after that, they will engage in an expatriate assignment overseas.' (LS110195)

The restructuring of implicit training and rotation schedules is developed from insights obtained from past experiences, particularly when these schedules were more unstructured. Currently, Japanese staff typically accumulate around six years of experience before undertaking their first overseas assignment. In the J-form organisation's earlier years, it could take more than ten years for an employee to be deployed as an expatriate, during which the learning sequence was less structured. This may be attributed to the limited skills and competencies required at that time, as noted by one of the advisors to the organisation:

'I started about 43 years ago. I joined Kobe Trading and began as a water clerk. This position lasted about seven years, during which I performed the water clerk job as well as the administration for customs clearance. For one year, I was also involved in the warehouse operations. After that period, I moved to the Tokyo office in the overseas section, where I took care of Japanese customers. Japanese customers did not have their own facilities or offices overseas, and our business model was geared towards supporting them. We would visit them to obtain their provisions

orders and other ship supply orders and arrange their supplies overseas. Japanese customers did not speak English in those days (and many of them still don't), which posed a bottleneck for them; therefore, we acted as middlemen. When I was 30 years old, I was assigned to the machinery department in Kobe. When I was 34 years old, I was transferred to Rotterdam, where I started again as a water clerk.' (LS110201)

Subsequent training leading to increased responsibility

Second, the principle of subsequent training leading to increased responsibility is essential. The Japanese perspective on knowledge development is based on a long-term view, prioritising stability, and incremental improvements over time. Subsequent implicit training typically involves assignments that carry slightly greater responsibilities. This methodology fosters continuous learning, maintenance of learnings, and the constant upgrading of processes.

The concept of 'subsequent training with increased responsibility' underscores the idea that as employees acquire new skills through job rotation, they are charged with higher levels of authority and accountability. This progression is designed not only to further enhance employees' skills but also to prepare them for more senior roles within the organisation. As a division manager professed:

'K1-san and I were in charge of sales for Europe at that time, including Central Europe, Norway, Greece and the UK. I handled all the sales promotion tasks. When I returned to Japan, I came back to the spare parts and supply division in Kobe. In the first year after I returned, I worked on a specific project. The subsequent three years, I served as section manager in charge of European customers. After that, I became a senior manager for four years, and now I will become division manager, a position that normally takes about two years to attain.' (LS110195)

Or as a senior manager in Japan maintained:

'In Singapore, during my first year, I worked as a boarding officer. My responsibilities included attending to ships and checking their provisions and stores. After a year and a half, I was transferred to the agency department, where I held a position similar to the one I had when I was based in Tokyo, but now serving customers

in Singapore. There are many customers, including shipping owners and management companies, in Singapore. I handled coordination and representation tasks, promoting Kobe Trading Japan's machinery division, our Korean office, the Rotterdam office, and our group company. I was responsible for managing the customer relationships in Singapore. Subsequently, I was promoted to division manager of the supply department, where I managed the purchasers, boarding officers, and logistics department.' (LS110110)

By offering employees continuous opportunities for 'learning by doing' through training and increasing levels of responsibility, the Japanese believe that employees are continuously evolving and actively contributing to the J-form organisation. As a group vice president explained:

'I have held various positions here, including ship supply manager, senior manager, subsidiary director, and now group HQ vice president. I have remained in each of these roles for three to five years.' (LS110134)

Cornerstones of Expatriate Assignment Alignment

This paragraph will explore and explain in greater detail the second core category, 'cornerstones of expatriate assignment alignment,' within the context of Japanese J-form organisations. Figure 4.2.2 presents the open codes depicted in light blue. From these open codes, eight axial codes or subcategories have emerged, which are displayed in blue. The selective code, or core category, portrayed in dark blue, emerged from the axial codes.

The findings reveal that internationally operating J-form organisations are characterised by their significant reliance on expatriates, whose assignments are aligned with essential conditions, including industry dynamics, market conditions, J-form organisational network needs, market entry strategies, and network expansions. Expatriate assignment alignment in Japanese J-form organisations covers a complex process that includes strategic planning, employee development, and cultural integration. By effectively leveraging expatriates, J-form organisations can achieve success in global markets while ensuring alignment with organisational objectives, maintaining and enhancing organisational knowledge, and upholding consistent Japanese management practices across their global networks.

The concept of 'cornerstones of expatriate assignment alignment' represents a strategic approach to ensuring that overseas offices align with the headquarters' values, and goals. This responsibility typically falls to senior employees and seasoned expatriates, who are charged with the implementation of global strategies at the local level, adapting to local conditions while following the guidelines set by Japan. As a result, senior Japanese expatriates serve as cultural ambassadors and leaders, helping to maintain the J-form organisation's corporate identity and fostering a cohesive internationally operating J-form structure.

Additionally, the cornerstones of expatriate assignment alignment play an essential role in knowledge development among employees at various stages of their careers, facilitating knowledge transfer between Japan and the J-form global network. Japanese expatriates are strategically deployed to ensure continuity and stability, particularly when experienced local staff leave unexpectedly. Their previous experience in overseas offices equips them to address unforeseen challenges effectively, often managing local staff issues while acting as managing directors, typically serving extended terms of over ten years.

The core category "cornerstones of expatriate assignment alignment" emerged from the data through the processes of open and axial coding. This core category is supported by several sub-categories that merit detailed exploration. These sub-categories, identified through the axial coding process, include: (1) experienced senior staff as first-time expatriates, (2) expatriates as (temporary) replacements for local staff, (3) expatriate assignments as (first) implicit training, (4) maintaining and updating knowledge of overseas local markets and societies, (5) extended long-term expatriates, (6) frequent travellers/ short-term assignments, (7) focus assignments, and (8) expatriate assignments aimed at maintaining a Japanese presence and management practices. The following section will provide a thorough exploration of these sub-categories.

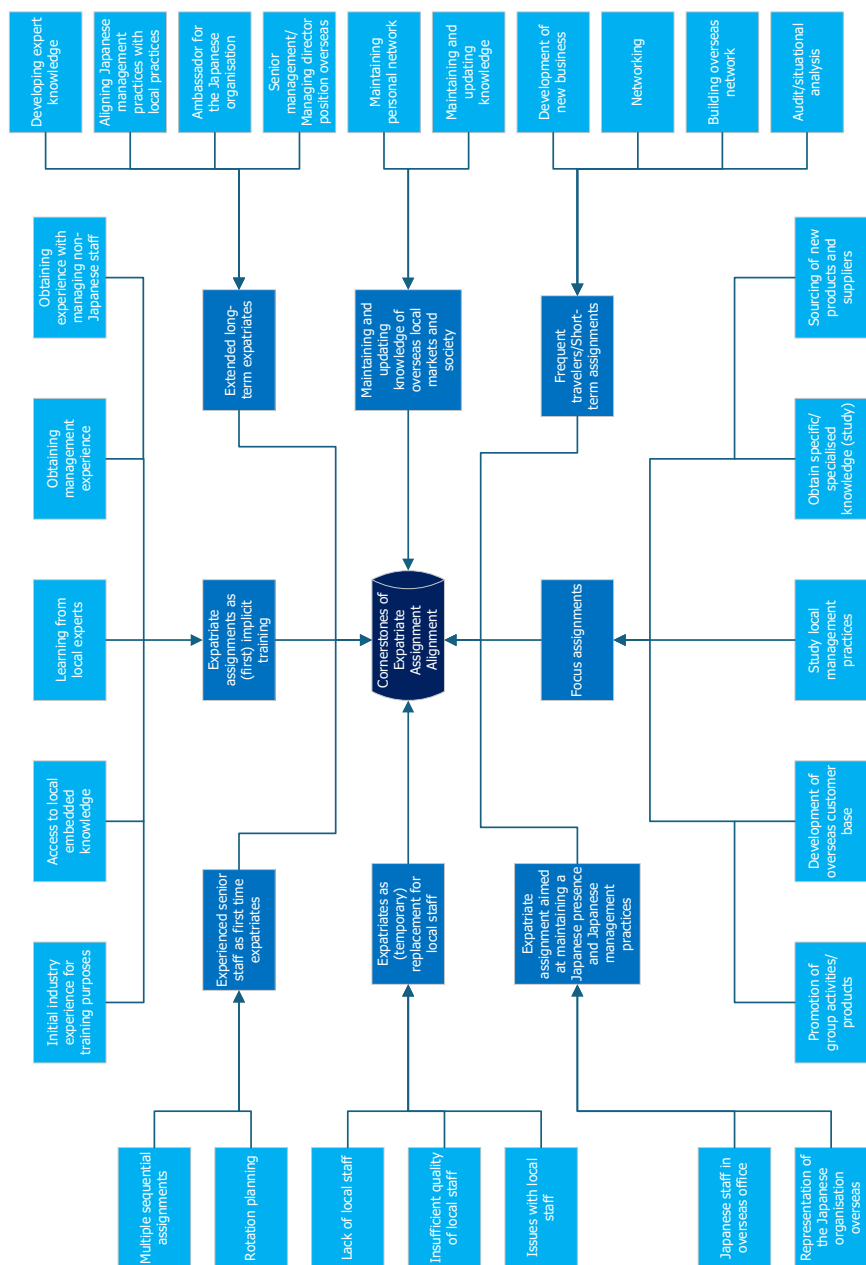


Figure 4.2.2 Cornerstones of Expatriate Assignment Alignment

4.2.2.1 Experienced Senior Staff as First Time Expatriates

The first sub-category of the core category 'cornerstones of expatriate assignment alignment,' illustrated in Figure 4.2.2.1, is titled "Experienced Senior Staff as First-Time Expatriates." This sub-category emerged in the post-war period when J-form organisations, which adhere to traditional Japanese management principles, began deploying expatriates. The seniority principle, as part of these management principles, resulted in these organisations selecting only seasoned personnel as expatriates. These senior employees possessed extensive industry experience, deep organisational knowledge, a thorough understanding of the company's culture, implicit work experience, and strong leadership skills. Such comprehensive insights into operations and strategic vision were considered essential for implementing and maintaining Japanese management practices and philosophies while also establishing and enhancing the organisation's presence in foreign markets. Furthermore, experienced senior staff were regarded as invaluable assets in host countries due to their knowledge, expertise, and seniority.

The first two post-war generations in Japan, often referred to as the 'Shōwa generations' include the Shōwa Baby Boomers, born in the late 1940s to early 1960s, who experienced Japan's rapid economic growth, and the Shōwa generation, who came of age in the 1960s and 1970s.

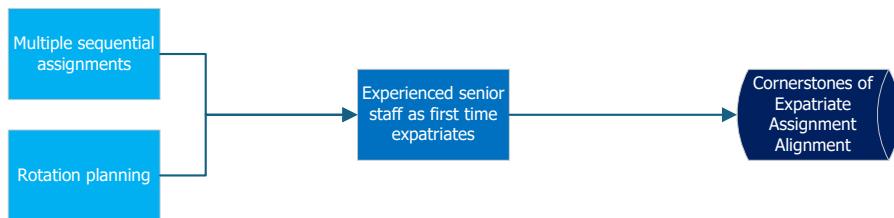


Figure 4.2.2.1 Experienced Senior Staff as First Time Expatriates

While these initial post-war generations brought valuable experience and determination to the workplace, their experiences did not fully equip them for the subtleties of modern international communication. Consequently, these issues, combined with their directive communication styles, complicated their effectiveness in expatriate roles. As a managing director of the organisation noted,

'K5-san came from Japan to Rotterdam as the new managing director for our Rotterdam branch. When K5-san worked in Japan

he worked in a completely different role. He brought a strong management style to Rotterdam. He was ordering people around you have to do this and you have to do that. His style was not accepted in the Netherlands and caused a lot of problems.' (LS110105)

A director of the organisation explained:

'If our selection process results in a failure, we will replace the individual. In the past, we have placed individuals in positions who ended up damaging the organisation.' (LS110154)

There were significant drawbacks to assigning post-war senior staff as first-time expatriates, particularly regarding language barriers and a limited understanding of overseas local practices and nuances, as a president of the organisation from the Shōwa generation declared:

'Our generations had problems with communication with foreigners. The younger generations have much better abilities and talents and communicate more easily.' (LS110193)

However, early development and international exposure of younger staff members have been largely overlooked during the initial decades in postwar J-form organisations, mainly due to the seniority principle and the hierarchical structure. This oversight, while senior staff from the Shōwa generation learned from local embedded knowledge and built overseas relationships, has occasionally led to stagnation, thereby limiting their ability to transfer knowledge effectively. Consequently, J-form organisations needed to find a delicate balance between ensuring sufficient seniority for roles overseas and avoiding the deployment of overly senior employees.

While J-form organisations were tied up in these traditional management practices, the lack of new hires during the economic crisis and the burst of the bubble economy in the 1990s led to a shortage of senior staff. This shortage forced the organisation to begin deploying younger expatriates as a president of the group professed:

'I have decided to shorten the cycle for the younger generations. Before, it would take between 10 and 20 years to develop these experts, but we need these experts quicker; we need them in 5 to

10 years. Normally, people would stay 3 to 5 years in a position, but now we move them after 2 years.' (LS110130)

Nevertheless, the emphasis on seniority remains deeply embedded in Japanese corporate culture and society.

The sub-category of 'experienced senior staff as first-time expatriates' emerged after the open coding process and consists of two labels identified during the open coding process. These open codes are: (1) Rotation planning and (2) Multiple sequential assignments. In the next section, these elements will be described in more detail.

Rotation planning

First, the principle of 'rotation planning' in a J-form organisation shows a carefully thought-out idea and process aimed at developing a workforce equipped with diverse skills, extensive experience, and enhanced problem-solving abilities. This strategic approach is integral to the Japanese methodology for cultivating a highly competent workforce capable of addressing the challenges within the international maritime industry. By facilitating exposure to a variety of roles and environments, rotation planning accelerates the acquisition of critical knowledge and expertise among employees, as a director explained:

'As you know, our company practices the principle of job rotation. A person will stay approximately three years in the same division. They will start in the supply department, then move to the machinery or spare parts department, after which they will go overseas for the first time. This is our basic job rotation routine. Generally, after ten years, staff will have experienced three division rotations and an overseas assignment.' (LS110106)

As employees gain insights from various functions, they develop a more holistic understanding of the J-form organisation's operations, which is essential for effective decision-making. This extensive experience not only enhances individual competency but also positions employees for senior roles, as those with extended knowledge are better equipped to lead teams and drive strategic initiatives. Ultimately, the emphasis on knowledge development through rotation planning fosters a culture of continuous learning, ensuring that seniority is achieved through experience and expertise, as the president of the group company asserted:

'The main element is their experience, experience and knowledge. To go outside Japan, someone who needs to represent the group company must know everything. If someone has experience in only one division or section, they can perform that specific job, but they cannot be the representative for the group company. Someone who goes outside needs to cover all our services.' (LS110161)

Multiple sequential assignments

Second, the principle of sequential assignments has become increasingly important. The challenges associated with senior first-time expatriates, including previous failures in expatriate assignments, have led to significant changes within the J-form organisation. While maintaining the principles of job rotation and rotational planning, senior staff deemed suitable for positions overseas are now required to undergo multiple sequential assignments regardless of whether these involve travelling back to Japan before being considered for the managing director position at an overseas subsidiary. This approach aims to strike a balance between seniority and cultural alignment with the host nation's culture before placing a senior employee in a leading role overseas. By participating in these sequential assignments, expatriates can gain deeper insights into the operational and cultural nuances of the subsidiary, facilitating a more effective transition into their roles. This strategic pivot was informed by lessons learned during earlier assignments, where a lack of adequate preparation and understanding of local cultures resulted in misunderstandings and reduced effectiveness. By ensuring that senior employees are well-prepared through these assignments, the organisation is better equipped to foster successful leadership in diverse maritime global contexts, as the managing director of the Dutch subsidiary of the network organisation explained:

'I had been in Rotterdam in a management role. I then moved back to Japan to work as a senior manager for four years as a division manager. After that, I engaged in a project sourcing lower-cost items from China. I travelled to China for a year in a row and eventually had an apartment in Shanghai, travelling back to Japan from time to time. Following that period, I was asked to return to Rotterdam as managing director.' (LS110120)

And as a subsequent Shōwa generation managing director of the Dutch subsidiary of the network organisation maintained:

'When I started with Kobe Trading, I worked as a boarding clerk, focusing on warehousing and order taking for a period of seven years two years for conventional ships and specifically five years for LNG ships. After that period, I was assigned to the Rotterdam office to work under managing director M0-san. Initially, I worked again as a boarding clerk, and afterwards, I became the manager of the stores department. I stayed in Rotterdam for five years. After returning to Japan, I held several management positions before coming back to Rotterdam as managing director in 2017.' (LS110206)

4.2.2.2 Expatriates as (Temporary) Replacement for Local Staff

The second sub-category of the core category 'cornerstones of expatriate assignment alignment,' illustrated in Figure 4.2.2.2, is entitled "Expatriates as (Temporary) Replacements for Local Staff."

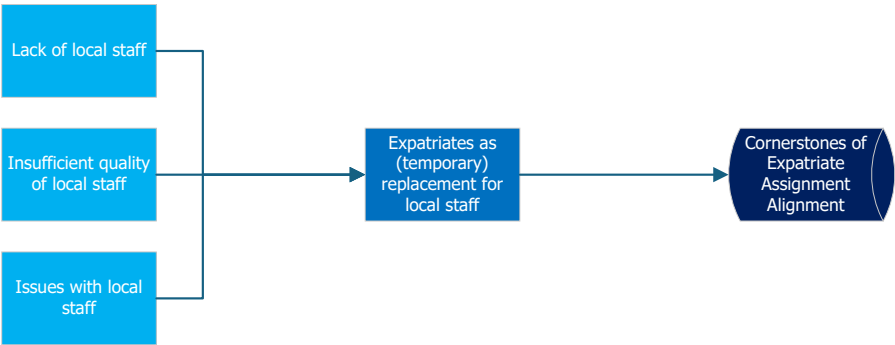


Figure 4.2.2.2 Expatriates as (Temporary) Replacements for Local Staff

The data indicates that the practice of employing expatriates as temporary replacements for local staff is prevalent in internationally operating J-form organisations. In traditional J-form organisations, senior management positions are primarily reserved exclusively for Japanese personnel. In contrast, other roles within the local offices in the J-form's overseas network are typically fulfilled by nationals of the respective countries or by other non-Japanese employees.

Japanese employees participate in rotational training, undertaking these roles either in Japan or within the organisation's global network. From the commencement of their employment, all new Japanese employees are required to engage in job rotation, thus ensuring that the organisation maintains a reservoir of redundant experience and knowledge that can be readily mobilised as needed. This sub-category emerged during the open-

coding process. The open codes that collectively constitute this sub-category include: (1) Lack of local staff, (2) Insufficient quality of local staff, and (3) Issues with local staff. These factors highlight the complexities of integrating expatriates into the workforce, potentially leading to an imbalance in employee dynamics. Furthermore, the reliance on expatriates raises questions regarding career development opportunities for local staff. It is imperative for J-form organisations to strike a balance between utilising expatriates and developing local talent to foster sustainable growth. The significance of these codes will be further elaborated upon in the subsequent section.

Lack of local staff

First, the shortage of a sufficient workforce is a persistent issue in many industrialised countries. Numerous countries within the J-form organisation's network are struggling with a lack of available workforce. Despite being a more costly alternative, J-form organisations deploy Japanese expatriates overseas to fill gaps in their network's offices on an ad hoc basis when necessary. As one general manager explained:

'Specifically in Holland, we have been facing many difficulties in finding the right person(s). It is quite challenging because it is such a competitive market. In Holland, companies are always looking for staff, making it easier for us to send Japanese people to Rotterdam, as they are loyal to our company, highly educated, and can speak English. These are some of the main reasons for sending people overseas, particularly to Rotterdam.' (LS110189)

The continual influx of new Japanese employees, who are trained through job rotations, ensures that the organisation can smoothly fill operational roles, including critical positions within the network, to guarantee seamless operations without significant disruptions. As a Senior manager in Japan asserted:

'I was assigned to the Rotterdam office for a period of three months due to a shortage of manpower. My experience was sufficient, as I had worked in Rotterdam before.' (LS110191)

However, the decision to utilise Japanese staff to replace local employees may become increasingly challenging, particularly as Japan's labour market is also facing challenges due to a shrinking population. As a director of the group company declared:

'The shortage of staff in Japan is becoming more severe, making it increasingly difficult for Kobe trading to extend assignments for Japanese expatriates. As the birth rate continues to decline, coupled with the trend of young people prioritising their personal lives over the growth of their company and their own careers, the challenge of talent retention and recruitment intensifies.' (LS110106)

Insufficient quality of local staff

Second, the issue arises from the insufficient availability of quality local staff or the perception that qualified local staff are lacking. The J-form organisation strategically deploys expatriates to enhance the skills and knowledge of local staff as needed. Through a rotational training programme, Japanese expatriates acquire industry-specific expertise, enabling them to provide on-the-job training that ensures alignment with the practices of the parent organisation. At the managerial level, senior Japanese expatriates offer leadership and guidance to support the development of local capabilities. As a managing director to the group company professed:

'The number of Japanese expatriates in the Houston office has grown from 1 to 5. This increase is primarily attributed to the challenge of sourcing suitable American staff. However, when faced with the issue of recruiting an adequate number of qualified local employees, the number of Japanese expatriates may be reduced again due to considerations regarding the expenses associated with expatriates from Japan compared to hiring local Americans.' (LS110107)

However, it is important to note that perceived quality issues related to local staff may be rooted in various factors. Observations and analyses of interviews reveal that the Japanese work ethic differs significantly from that of Western cultures. Japanese employees are renowned for their long working hours, dedication to their roles, and the widespread practice of working overtime. In contrast, Western cultures tend to prioritise work-life balance. Furthermore, Japanese culture places a strong emphasis on continuous improvement, with individuals consistently striving to enhance their skills and competencies each day. As a general manager to the group company maintained:

'If we can find a local person to manage affairs with Yanmar Almere, that would be acceptable. However, based on our experience, that

hasn't been the case; there are simply no suitable local candidates available. Japanese individuals are generally quite efficient in handling daily tasks, such as making quotations or processing orders accurately. When I was in Holland 20 years ago, the person in charge was local, but he made many mistakes and created a lot of confusion. After I was appointed as Yanmar staff, I corrected everything the programming, the pricing structure, and so forth. It is very difficult to find the right people for the job.' (LS110189)

Issues with local staff

Third, during the research process, it became evident that cultural differences, opposition to the Japanese principle of seniority, and resistance to Japanese management practices are fundamental factors contributing to resignations among local staff and defections to competitors. These dynamics have, in turn, led to a decline in the performance of overseas offices within internationally operating J-form organisations. The deployment of experienced expatriates, especially those with insights into the local office and its culture, has been shown to be effective in de-escalating such situations. As a former managing director of Rotterdam remarked following his repatriation to investigate various issues:

'F3-san was much younger than R0-san, which made it very difficult for him to control R0-san. When R0-san eventually retired from the organisation, F3-san approached matters quite differently. He replaced the Dutch managers, whom he found challenging to manage, and appointed Japanese staff as managers. This change resulted in a decline in the motivation of the local staff. During my tenure as managing director, I retained local staff in middle management because the Japanese employees typically stayed for a maximum of five years.' (LS110186)

The advisor and former managing director continued:

'Some staff had left the company, which served as a signal to the Japanese headquarters that something was wrong. My assignment was to assess the situation and report back. Of course, the mindset of the top management had changed, and the way operations were conducted was different as well. I had my own style, and F3-san had his. I believe the most important thing

is to maintain harmony within the group; otherwise, we cannot perform effectively and work toward a common goal.' (LS110186)

These seasoned expatriates can assist in stabilising the consequences of abrupt performance declines by providing interim leadership and operational support during unexpected disruptions. Utilising Japanese expatriates to address sudden, unforeseen issues with local staff has proven to be an effective strategy for quickly stabilising operations, resolving conflicts, and realigning with the parent company in Japan. As the advisor and former managing director professed:

'The report to senior management, 01-san in Japan, was a detailed representation of the situation. The problems I identified were mainly related to communication between top management and the staff; there were clearly issues to address.' (LS110186)

4.2.2.3 Expatriate Assignments as (first) Implicit Training

The third sub-category of the core category 'cornerstones of expatriate assignment alignment,' as illustrated in Figure 4.2.2.3, is entitled "expatriate assignments as (first) implicit training' and signifies a departure from the traditional practices observed within internationally operating J-form organisations. Historically, these organisations typically send only experienced senior staff to oversee the operations of foreign offices. However, in recent decades, less experienced personnel have also been deployed. In some cases, junior employees are now assigned to these foreign offices, marking a shift from conventional methodologies. The expatriate experience not only provides valuable implicit training but also facilitates industry exposure in overseas locations that can be seen as more beneficial for learning compared to Japan. Furthermore, expatriate assignments have been incorporated into the regular rotation scheme for Japanese employees within J-form organisations, highlighting a strategic approach to workforce development.

This sub-category was identified during the open coding process and is informed by the following open-coded labels: (1) Initial industry experience for training purposes, (2) Access to local embedded knowledge, (3) Learning from local experts, (4) Obtaining management experience, and (5) Gaining experience in managing non-Japanese staff. This approach not only broadens the skill sets of employees but also enhances cross-cultural competencies that are crucial for effective international collaboration. By immersing

junior employees in diverse cultural contexts, organisations can cultivate a more adaptable and competent workforce. Further exploration of these codes will be conducted in the subsequent section, thereby elucidating the impact of expatriate assignments on professional growth and organisational effectiveness in an increasingly globalised maritime business environment.

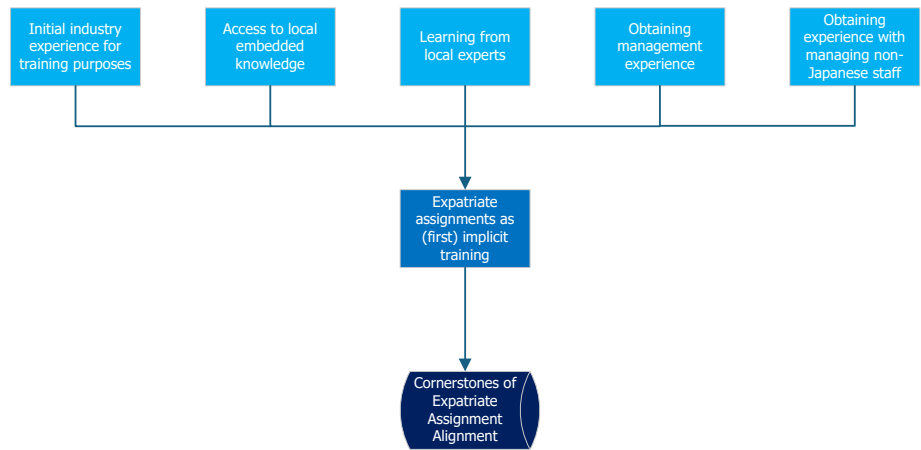


Figure 4.2.2.3 Expatriates assignments as (first) implicit training

Initial industry experience for training purposes

Firstly, the principle of initial industry experience for training purposes emerges as a key focus. The data suggests that a distinguishing feature of the Japanese J-form organisation is its utilisation of short-term expatriate assignments as a foundational form of implicit training at one of its overseas subsidiaries. This approach underscores the J-form organisation's ongoing commitment to cultivating expertise in the maritime industry while fostering a global perspective among employees shortly after their entry into the organisation. As a sales representative in Singapore asserted:

‘Every year, freshmen arrive in Singapore, typically numbering between eight and ten. Having lived here for six years, I have witnessed the transition of over 60 to 70 newcomers. You might wonder why I was transferred from being a boarding officer to a role in purchasing. Generally speaking, there is a significant difference between the roles in Singapore and Japan. In Japan, the position of a boarding officer is primarily held by freshmen. Once assigned to the supply department, all freshmen are

required to take on the responsibilities of a boarding officer, but they typically do so for no more than one year. In Singapore, however, boarding officers are permanent staff, and some remain in that role indefinitely. Therefore, Singapore is an excellent place for newcomers to learn, as there is a wealth of knowledge among the local staff, and Singapore is one of the busiest ports in the world.' (LS110119)

By providing newcomers with a comprehensive understanding and first-hand experiences in various aspects of the maritime industry, including challenges, cultural differences, and diverse markets early on in their careers, this strategy aims to enhance their learning journey. Furthermore, this immersive approach not only helps integrate new employees seamlessly into the organisation's global network but also promotes cross-border collaboration, motivates employees, and facilitates the exchange of knowledge. The initial training of freshmen newcomers in their twenties diverts significantly from the practices in the initial postwar period of the J-form organisation. As a former president of the organisation described:

'You see, after F2-san's years in Rotterdam, I ordered him to return to Japan and appointed him as the senior manager of the machinery department for spare parts. Upon his transfer to the machinery department, he became a senior, managing 4 to 5 people who reported to him. I was aware that this department was challenging to operate smoothly. When I moved him, he was in his forties. He was around 40 when I brought him back to Japan. I understood that managing more senior individuals would be difficult for him, primarily because of his young age. I reasoned that it was very important for him to learn how to manage more senior and challenging personnel.' (LS110112)

Access to local embedded knowledge

To understand the subcategory of expatriate assignments as a form of implicit training, the principle of acquiring industry experience for training purposes was discussed in the previous section. In this section, the second element access to local embedded knowledge will be examined. The experience of Japanese expatriates during their initial overseas assignments often presents a significant learning curve, which is significantly shaped by local embedded knowledge. This local knowledge varies in both type and depth, influencing

how expatriates adapt and develop in their roles. Traditionally, older generations of Japanese expatriates held more senior positions when assigned overseas, benefiting from extensive industry experience and mature insights. Their prolonged service often allowed them to assimilate local practices and establish meaningful relationships within the host country. These seasoned employees typically possessed a wealth of contextual understanding that they could leverage to navigate the complexities of the J-form's international operations effectively.

In contrast, younger generations of Japanese expatriates routinely set out on their foreign assignments soon after joining the organisation, sometimes within just a few weeks or months. While this model aims to promote rapid learning and adaptability, it may pose challenges for these younger expatriates due to their limited experience and understanding of the complexities of the maritime industry. As a sales representative in Singapore explained, the initial assignments of newcomers are opportunities for learning from local embedded knowledge, although restricted to operational knowledge:

'When new trainees arrive in Singapore for training, I escort them to the vessels. I share my experiences of how I began when I first arrived in Singapore, explain the equipment we deliver, and outline how we set up deliveries here. I also teach them how to read the delivery order (DO) and other relevant documentation.' (LS110119)

The sales representative continued to explain that the organisation distinguishes between providing expatriate assignments as training only and treating them as official assignments and transfers for older employees. He maintained that freshmen expatriates stay for a maximum of two months:

'My transfer was not for training purposes; it was an official transfer. When I first arrived in Singapore, I worked as a boarding officer. My current role is that of a marketing officer focused on Singaporean customers. When I joined the organisation, there was no overseas programme in Singapore. We were trained in Japan, so initially, I engaged with managers from various departments, including the spare parts department and the ship stores department. They taught us about our roles within the company. After we were introduced to the organisation, we then began on-

the-job training (OJT). As I explained to you, I joined the supply department in Kobe, and my senior escorted me to some vessels; this was my training, in fact.' (LS110119)

A manager of the organisation explains how valuable the overseas experience is when the employee has more experience:

'I believe it is important that you experience the machinery department, the spare parts department and the stores department prior to. I think that is necessary. When you are staying abroad when you are stationed there is the opportunity to meet the actual owner of the vessels or the management company. It is a very important experience to be able to conduct direct business with these people. I was very nervous to have that interaction but that experience has helped me once I came back to Japan. The experience helps you to be a manager or general manager and manage the people on such a department/the office. It is an essential experience to work overseas.' (LS110197)

A senior manager supports the assertions of his colleagues, declaring that:

'Of course, the shipchandling business or spare parts business can be conducted in Japan, but the ship supply business in Japan differs significantly from the ship supply business in Singapore. Therefore, staff must go overseas to learn about alternative methods of conducting business. This applies to the spare parts staff as well. If we send staff to our organisation in Rotterdam, they will gain insights into how the spare parts business operates there and how to interact with European manufacturers. Dealing with Japanese and European manufacturers requires knowledge and understanding, as their business practices and organisational cultures are entirely different. Consequently, the approach taken must also differ. We learn a great deal from overseas experiences.' (LS110190)

Consequently, the learning experience can differ based on both the specific job role and the type of local embedded knowledge available. Ultimately, the ability of Japanese expatriates to effectively leverage access to local

embedded knowledge is significantly influenced by their age, experience, and the timing of their assignments.

Learning from local experts

The third element that explains expatriate assignments as a form of implicit training is the distinction among Japanese expatriates at various stages of their careers specifically, those at the beginning of their careers, those who are midway through, and those who are more mature employees. Regardless of their career stage, all these expatriates actively engage and interact with local experts, from whom they gain invaluable insights and knowledge. For expatriates at the beginning of their careers, these assignments provide essential opportunities to learn the nuances of local business practices and cultural intricacies in the overseas network. They benefit from mentorship and guidance from local professionals, which helps them adapt to their new environments more effectively. Such interactions not only enhance their professional skills but also contribute significantly to their personal growth and cultural understanding.

Mid-career expatriates often possess a wealth of experience; yet, their interactions with local experts allow them to deepen their understanding of specific local market dynamics and operational strategies. This exposure can ultimately inform their decision-making processes and enhance their effectiveness in international roles. As a sales representative in Singapore stated:

'When I came to Singapore, I learned how to communicate and negotiate with Singaporean customers. All the Singaporean customers are staffed by locals, and there is a significant difference between Japanese and Singaporean cultures. I now understand how to engage with them effectively. Japanese individuals who have not been expatriated do not possess this knowledge.' (LS110119)

Mature employees, on the other hand, can leverage their extensive industry experience while continuing to learn from local experts. They may focus on strategic insights and high-level operations, further enriching their perspectives and enabling them to mentor younger expatriates upon their return. As a managing director of the organisation maintained:

'I have learned from the management failures in Rotterdam. The essence of successfully managing local staff lies in understanding the local culture, philosophy, and way of thinking. An understanding of local habits, behaviours, and motivations is essential for us to secure business both now and in the long term.' (LS110105)

And he continued with:

'The culture and way of working in Rotterdam are much more pragmatic than in Japan. When I returned to Japan, I implemented some of the Rotterdam pragmatism in the machinery department.' (LS110105)

Overall, Japanese expatriates derive substantial benefits from engaging with local experts. This interaction provides a form of implicit training that enhances their professional development, promotes cultural adaptability, and strengthens the organisation's capabilities in a global context.

Obtaining management experience

The fourth element that illustrates expatriate assignments as a form of implicit training is not related to freshmen but mainly for mid career employee expatriates. During their initial expatriate assignments, some expatriates are able to obtain management experience and are promoted to junior management positions. In Japanese expatriate assignments, which typically last around five years, the J-form organisation strategically promotes expatriates to management roles on a case-by-case basis. As a board member and former president declared about the learning journey of the current president of the organisation:

'I understood that he had already obtained the relevant physical experience. Of course, in London and Oslo, he had gained some knowledge of the business working style but lacked management experience. Therefore, I decided to move him to Rotterdam because I recognised his potential and he needed to gain management experience. Fortunately, at that time, I was the general manager of the marine department, which enabled me to decide and create a learning opportunity for him. I remembered our discussion, so when I returned to Japan and there was an opportunity for a replacement in Rotterdam, I recalled that

conversation and decided that F2-san was the right person for the opportunity. Although he was reluctant to move, I firmly believed that F2-san was the right choice and that he needed to relocate from London to Rotterdam. Of course, I made an effort to persuade him, as it would be beneficial for his future career.' (LS110112)

This approach aims to develop their leadership abilities in practical situations. By providing expatriates with valuable experience in handling real-world scenarios, it also helps them improve their cross-cultural communication skills and adaptability. This focus on developing leadership skills lays a strong foundation for expatriates to excel in their future roles and contribute effectively to the J-form organisation's success.

Obtaining experience with managing non-Japanese staff

The fifth element that explains expatriate assignments as a form of implicit training, while maintaining traditional Japanese management practices within the internationally operating J-form organisation, is complex due to several practical issues. One such issue involves interacting with foreigners and managing non-Japanese staff. The Japanese population is predominantly homogenous, with few to none opportunities for interactions with non-Japanese in an average Japanese office. Therefore, expatriate assignments are crucial as they provide an initial implicit experience and play a key role in leadership development within the internationally operating J-form organisation. Holding a supervisory or management position in a subsidiary within the network offers exposure to managing non-Japanese individuals and emphasises cross-cultural and communication elements. Expatriate assignments play a vital role in developing a global mindset, which is essential for managers in an internationally operating J-form organisation. As one of the director's maintained on his experience overseas and specifically in the Netherlands:

'I had experience working in Singapore and Japan, but Europe was my first encounter with a different working culture. Of course, there were many Dutch and Filipino colleagues in the Rotterdam office, and sometimes I had to liaise with one of our agents in Germany, Belgium, or Spain. In some cases, I encountered problems with language and communication.

I'm sorry to say that managing Dutch people can be quite challenging. For instance, in Japan, when I instruct my staff or

reports to complete a task, I can simply tell them, "Please do this and that," and I do not have to check on them again; they will execute the job until it is finished.

However, with Dutch colleagues, it is different. They will start the job, but when it is five o'clock, they will say, "Sorry, it is five o'clock; I am going home." This situation means that I often have to take back part of the work, or even the entire job, myself.' (LS110113)

4.2.2.4 Maintaining and Updating Knowledge of Overseas Local Markets and Society

The fourth sub-category of the core category 'cornerstones of expatriate assignment alignment,' as illustrated in Figure 4.2.2.4, is titled "Maintaining and Updating Knowledge of Overseas Local Markets and Society." This category is significant in demonstrating the success of Japanese expatriates within an internationally operating J-form organisation. As the president of the group company stated:

'Of course, our personnel department collects all the personal information. However, individuals who gain experience outside of Japan accumulate a wealth of knowledge and experience. Not only that, but they also build important personal relationships and develop local networks. These personal networks are essential.' (LS110161)

Seasoned Japanese staff members, who possess a deep understanding of the organisational structure and policies, are able to stay informed about local overseas conditions, market trends, and regulatory changes. As the managing director of the organisation asserted:

'I went to China this week and had an extensive discussion with I2-san. The growth of our Chinese office is very slow. During our conversation, we agreed that we should send someone from Japan who understands the Chinese market and/or can speak Chinese. This is how we build and maintain our network and knowledge.' (LS110152)

Furthermore, by actively maintaining and updating their knowledge of overseas markets and societies, senior Japanese expatriates can adeptly adapt to

evolving business environments and make well-informed strategic decisions. This continuous learning process enhances the overall competitiveness and success of the internationally operating J-form organisation and Senmon Shosha within the maritime industry.

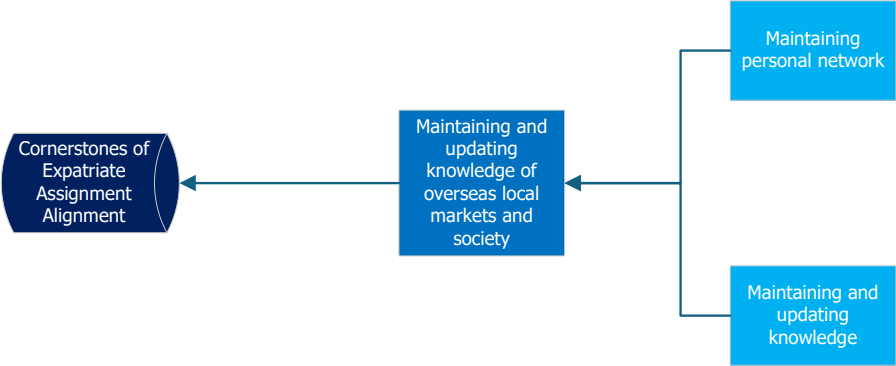


Figure 4.2.2.4 Maintaining and updating knowledge of overseas local markets and society

This sub-category emerged from two codes identified during the open coding process: (1) Maintaining personal network, and (2) Maintaining and updating knowledge. The exploration of these codes will be undertaken in the subsequent section. Understanding and decomposing these codes in the following section will provide a comprehensive analysis of their relevance and impact for understanding of the sub-category.

Maintaining personal network

The first element that sheds light on the importance of maintaining and updating knowledge of overseas local markets and societies is the aspect of maintaining one's personal network. Japanese expatriates and repatriates frequently sustain their professional networks through short-term assignments and business trips, which serve as vital tools for fostering connections and improving their understanding of both local and global markets. These interactions play a crucial role in the overall success of their organisations. As the president of the group company explained concerning a Japanese director in Dubai:

'He has been there for quite a long time. Once back in Japan, I will request H1-san to look after Middle East Kobe and to visit from time to time.' (LS110200)

Maintaining and updating knowledge

From the data, the second element that clarifies the importance of maintaining and updating knowledge of overseas local markets and societies emerges: the head office in Japan recognises the significance of understanding local conditions in overseas offices. For the Japanese, continuous access to locally embedded knowledge is crucial for successfully navigating the international maritime industry. This access not only enhances their competitiveness and strengthens their networks but also ensures a substantial understanding of local regulatory requirements and the maintenance of a symbiotic relationship between traditional Japanese management practices and local adaptations. Fostering a culture of knowledge sharing and collaboration between headquarters and overseas offices facilitates the transfer of best practices and innovative ideas, ultimately leading to more efficient and effective global operations. As a Japanese sales representative in Rotterdam asserted:

'When I return to Japan, I always think about what kind of experiences I can bring back for my colleagues. Of course, many managers in Japan have experience working abroad, such as in Rotterdam, so they are already familiar with it. I will share the new situations and information I have encountered, and what I want to prioritise is how I can pass on my knowledge to those who have yet to gain any experience of working abroad. That will be particularly interesting for them.' (LS110207)

Embracing locally embedded knowledge and incorporating it into decision-making processes can result in more informed and culturally sensitive business practices, ultimately enhancing the overall success and sustainability of the J-form organisation within the international maritime industry. Consequently, the J-form organisation benefits from a continuous influx of freshmen and therefore Japanese expatriates, which serves as a mechanism for consistently refreshing and enhancing its understanding of local knowledge. Actively involving local non-Japanese colleagues and fostering ongoing relationships and partnerships with local businesses ensures that the organisation retains its knowledge, competitiveness, cultural connections, and reputation. By maintaining a diverse workforce that includes both Japanese expatriates and local staff, the organisation gains a blend of perspectives, experiences, and expertise, leading to enhanced innovation and problem-solving capabilities. Promoting collaboration and knowledge transfer between Japanese expatriates and local colleagues supports mutual learning and development,

contributing to a more dynamic and effective form of Japanese management within the international maritime industry. As a Japanese sales representative in Singapore explained:

'Kobe Trading dispatches many people to branch offices, like myself, not only managers but also younger individuals. The purpose is not to make locals into managers; we will be staff members for Singapore. The reasoning is that, as a Japanese company, the staff from Kobe Trading Japan understand the concepts and company policies 100 percent. In Singapore, local staff frequently change, as they resign and join other companies, leading to continuous turnover. Therefore, it is not easy to leave everything in the hands of local employees. Someone must manage to maintain the Kobe Trading Japan style and identity. I believe this is the main reason. The same applies to other Japanese companies; at least one manager should be present in the branch office.' (LS110119)

4.2.2.5 Extended Long-Term Expatriates

The fifth sub-category of the core category 'cornerstones of expatriate assignment alignment,' as illustrated in Figure 4.2.2.5, is titled "Extended Long-Term Expatriates." From the data emerged that this phenomenon represents a unique and strategic aspect of the internationally operating J-form organisation. The Japanese have faced significant challenges in aligning Japanese management practices, especially in societies that are culturally distant from Japanese cultural norms. Extended long-term expatriate assignments typically exceed ten years and represent a phenomenon that was initially overlooked. These expatriates are usually deployed to critical overseas locations and often manage to develop deeper relationships with local management than usual, eventually integrating deeply into the local environment. As a manager of the organisation asserted:

'In Singapore S-san is expatriated for over 22 years and in Dubai H1-san has been expatriated for over 15 years. I think that the case of S1-san and H1-san are both based on the good connection with the local directors. They developed such a good relationship that they do not let them go back to Japan.' (LS110197)

Or as a board member of the organisation explained:

'It is very difficult but we have overseas subsidiaries. The local management of that subsidiary is fully up to the top man. For instance, whatever happens in Rotterdam is the responsibility of O2-san. We trust him and support him and we apply the same approach in other areas. We have to be able to trust the top man in a subsidiary because we cannot manage the day-to-day operation in Rotterdam, Singapore or wherever from Japan that is impossible. We ask them to manage, but the top management of the subsidiary will stay in touch with top management in Japan. We do not know how the individual personnel in Rotterdam is doing, although we know off-course the performance of the seniors like C0-san and C1-san and the engineers, but not all staff. It is very difficult to manage.' (LS110112)

And a deputy manager professed:

'Honestly speaking there are no replacements for them for S1-san in Singapore, H1-san in Dubai and F4-san in Korea.' (LS110132)

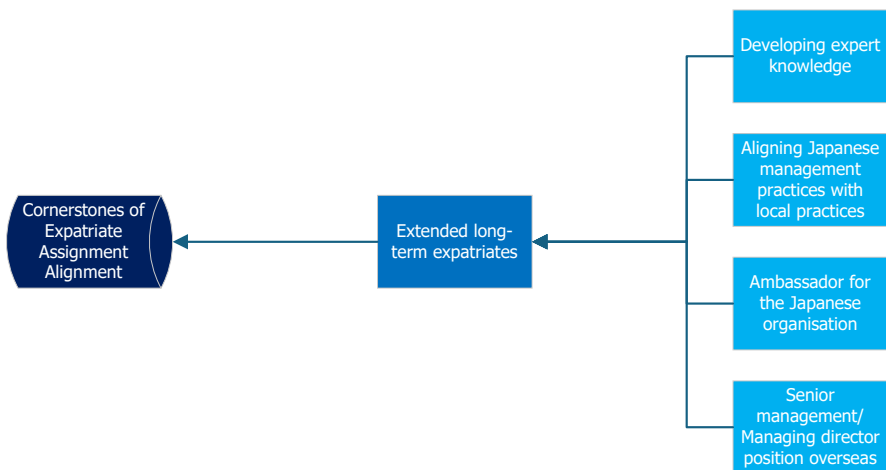


Figure 4.2.2.5 Extended long-term expatriates

Despite these practices deviating from the traditional sequence and causing issues with seniority-based promotions, they are maintained and even expanded due to their strategic importance and success for the J-form organisation. As the president of the group company maintained:

'As the Japanese Yen was getting stronger and stronger it damaged the figures of our company. Initially we had 350 people working only in Japan, so we had enough people to do the shuffling. Yet gradually we shrunk, we reduced the number of personnel, we stopped recruiting, we hired maybe only 1-2 people per year. So we could not maintain the pyramide shape, the construction that we had before. This is part reason that when it is time to change people who have stayed overseas for 6-8 years, we do not have replacement for those people. Also because we have opened new units overseas. Before we only had Rotterdam. But now, once we have opened a new office, we have to send a person from Japan. So therefore it is very difficult to maintain the regular rotation schedule of exchange of people.' (LS110161)

This evolved topic and unplanned phenomenon emerged from the following open codes: (1) Developing expert knowledge, (2) Aligning Japanese management practices with local practices, (3) Ambassador for the Japanese organisation, and (4) Senior management / Managing director position overseas. To provide more understanding of the sub-category these codes are seperately inquired into.

Developing expert knowledge

The first element that emerges from the data is the principle of nurturing and developing expert knowledge, which constitutes a crucial category within the phenomenon of long-term expatriates. Expatriates engaged in long-term assignments will develop an in-depth understanding of local customer behaviour, alongside insights into the dynamics of both local and regional markets. As the Sales and Marketing Manager in Singapore articulated:

'I have been in this role for ten years now, and I believe that it is not suitable for our junior staff. The position requires extensive experience and knowledge to fully grasp the various requirements and quality standards expected by different shipowners. The supply chains involved are complex, presenting a continuous balancing act between the specific demands, preferences, and costs associated with individual shipowners. I have learned that each shipowning customer necessitates a tailored approach to meet their unique needs.' (LS220725 0007)

They will develop robust relationships with local managers, employees, partners, suppliers, and relevant government agencies. The primary challenge lies in upholding the organisation's Japanese management principles while simultaneously adapting to local customs and behaviours to align with Japanese practices, all while ensuring that local needs and expectations are met. Acclimating to and interpreting local laws and regulations in the Middle East can prove to be both time-consuming and complex. A long-term expatriate and director with a background in law, currently working in Dubai, noted a notable lack of understanding among both junior and senior Japanese expatriates and local personnel. He asserted:

'After working in the Middle East for several consecutive years, I was promoted to manager. I observed that my Japanese colleagues frequently struggled to understand the rules and regulations in Fujairah. Requests for assistance from senior staff often did not lead to greater clarity. To address this issue, I utilised my knowledge and reached out to customs in Fujairah to develop a local manual, which served as a reference for both myself and new staff joining our Middle East subsidiary.' (LS110134)

Acquiring this specialised knowledge is a time-consuming process that often spans several years. Moreover, achieving a harmonious balance between diverse cultural practices and Japanese management principles is essential for the success of the organisation's global initiatives while safeguarding its distinctive identity. Long-term expatriates and their access to locally embedded knowledge are vital assets. As one of the owners and directors of the company illustrated with an example:

'We recognised the necessity of acquiring the expert knowledge developed overseas. In terms of catering and provisioning supplies for the ships, we found ourselves almost entirely reliant on the catering companies. We were acutely aware of the risks and dangers inherent in this situation. Consequently, N2-san, a long-term expatriate in Rotterdam who was responsible for provisions, was tasked with establishing our own support centre for catering and administration in Manila, Philippines.' (LS110106)

Aligning Japanese management practices with local practices

The second element that emerges from the data is the principle of aligning Japanese management practices with local practices, which represents another crucial category within the phenomenon of long-term expatriates. Aligning Japanese management practices with local customs and traditions is essential for fostering cultural sensitivity and enhancing interpersonal relationships within diverse workplaces. This alignment not only increases employee engagement and retention but also ensures that local staff feel valued and understood. In certain contexts, such as Singapore, this alignment may involve a very close working relationship between a Japanese long-term expatriate director and a locally appointed director. As articulated by a general manager of the organisation:

'To effectively conduct business in Singapore, it is essential to engage local individuals. Although S1-san came close to becoming a local, serving under H0-san, a local Singaporean Chinese, our experience indicates that it is more effective to have a local individual managing interactions with the Chinese market. Thus, S1-san is responsible for upholding Japanese business principles, while H0-san manages the relationships with Chinese business partners.' (LS110189)

Moreover, exposure to a variety of management styles can stimulate innovation and provide fresh perspectives for problem-solving. Notably, the essence of the J-form organisation, which is fundamentally grounded in Japanese management practices, relies on the successful integration of these practices with local customs. As a director and division manager in Japan explained:

'The staff members who return to a subsidiary in a senior position are those who are familiar with the subsidiary's operations. S2-san was selected because he understands the specific job requirements in Rotterdam and is also well-versed in the system and management practices in Japan. This selection process involves careful consideration of who is most suitable for the position.' (LS110192)

This approach ensures that the company's core values are maintained while adapting to various contexts. The distinctiveness of Japanese companies can be attributed to their unique management practices. Japanese values and business

methodologies play a crucial role in attracting customers and fostering strong business relationships. As the president of the company asserted:

'The Japanese mentality and business principles are founded on loyalty, loyalty to one's work and loyalty to the company. This mentality must be exhibited by both Japanese staff and non-Japanese staff within our network. Adhering to this principle ensures that we can maintain the Kobe trading approach in delivering our services and performance to our customers.' (LS110161)

Ambassador for the Japanese organisation

The third element that emerges from the data is the principle of Japanese expatriates serving as ambassadors for their organisations, representing another important category within the phenomenon of long-term expatriation. Japanese long-term expatriates in J-form organisations are identified as essential ambassadors for both the group company and the Japanese parent company. As asserted by a former president of the organisation:

'The position is of paramount importance; the expatriates serve as the face of Kobe Trading. Consequently, their performance is crucial. If they do not perform effectively, Kobe Trading risks losing both credibility and reputation.' (LS110127)

They serve as cultural connectors, effectively bridging the gap between Japanese and local corporate cultures to facilitate seamless communication and collaboration. Their responsibilities include transferring knowledge of Japanese management practices to local teams, thereby ensuring that core organisational values are successfully integrated within the local context. Furthermore, they grow and maintain relationships with key stakeholders, which in turn enhances the organisation's reputation and strengthens business development efforts. By adapting management practices to align with local conditions, they promote innovation and responsiveness in the overseas market. Ultimately, they provide invaluable feedback to headquarters, thereby informing strategic decisions and ensuring that practices remain relevant in an increasingly global maritime environment. Consequently, these employees are highly senior and experienced, as highlighted by an advisor in Japan:

'The top management at overseas locations should consist of individuals with considerable experience, particularly previous inter-

national exposure. This is why senior employees are often dispatched to these locations.' (LS110201)

Senior Management/Managing Director Position Overseas

The fourth element that emerges from the data is the principle of Japanese expatriates serving in senior management or as managing directors for Japanese organisations operating abroad. This represents another important element within the broader phenomenon of long-term expatriation. The findings of this study suggest that Japanese expatriates on extended assignments are highly valued for their international experience and understanding of global markets upon their return to Japan. These individuals typically spend substantial periods overseas, during which they develop important connections and acquire insights that are crucial for the network organisation. Their deep understanding of diverse markets and cultures affords them a unique perspective that assists the organisation in adapting to and thriving within the increasingly globalised maritime business environment. As such, it is essential for internationally operating J-form organisations to have seasoned professionals in senior management positions in Japan, who possess extensive experience abroad in order to maintain their international focus.

Moreover, expatriates on extended assignments often have prior experience working abroad and frequently advance into senior roles, such as managing directors in the network organisation. The Japanese head office relies heavily on these directors, strategically selecting experienced managers to oversee overseas offices in alignment with the organisation's objectives in Japan. As explained by a board member and former president of the organisation:

'I trusted O2-san as the managing director for Rotterdam due to his character and, specifically, his actions. His reporting skills and the quality of his reports were commendable. Although there is approximately a five-year age difference between us, I have worked with him for many years and am familiar with his character, which I trust. At that time, it was also going to be O2-san's second assignment in Rotterdam, as he had previously worked there for six to seven years.' (LS110127)

Expatriates on long-term assignments demonstrate their capability to align the goals of the organisation in Japan with local nuances, drawing on their

thorough market knowledge, skill in addressing cultural challenges, and ability to support cohesion within the organisation.

4.2.2.6 Frequent Travellers/Short-term Assignments

The sixth sub-category of the core category 'cornerstones of expatriate assignment alignment,' as illustrated in Figure 4.2.2.6, is titled "Frequent Travellers/Short-Term Assignments." This sub-category represents another essential element in the international J-form organisation. Japanese expatriates who operate as frequent travellers or on short-term assignments enable the organisation to maintain oversight between the head office in Japan and its network subsidiaries. These expatriates are often seasoned employees who facilitate effective communication between the network and the head office, ensuring alignment of operational practices. Expatriates on short-term assignments are typically tasked with identifying and establishing new business opportunities, conducting market research, and assessing the performance of local operations in overseas subsidiaries where they have previously been assigned.

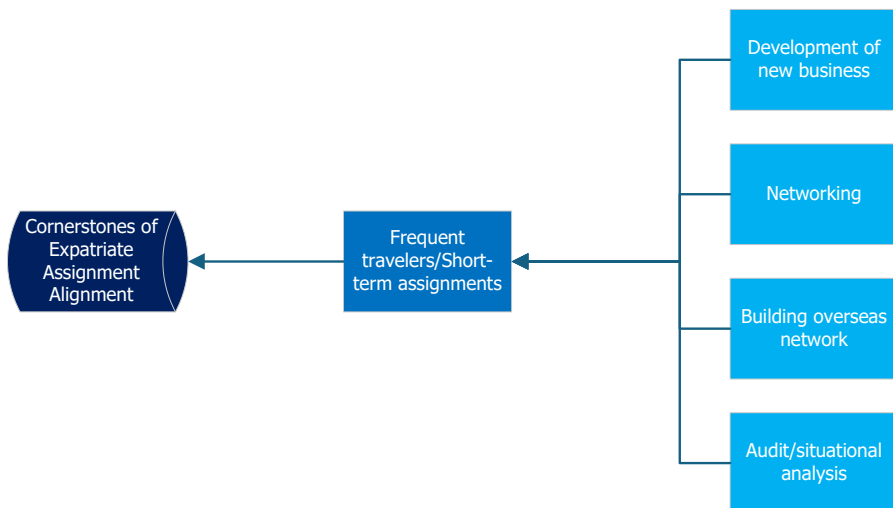


Figure 4.2.2.6 Frequent travellers/short-term assignments

The deployment of expatriates in these roles constitutes a strategic approach to enhancing global integration within the organisation, fostering collaboration and the exchange of information between different offices. As a Japanese team leader in Rotterdam asserted:

'S3-san arrived in the Netherlands a couple of months ago to enhance our workflow in spare parts, as the Japanese head office believed that our services were unsatisfactory. His primary objective was to improve the workflow due to low sales figures. However, he quickly discovered that our workflow is actually more efficient than that of the Japanese operations. He was thoroughly impressed and subsequently submitted a report to K1-san, concluding that Kobe Trading Rotterdam employs a highly efficient working process, including a paperless system. He recommended that the Japanese office has much to learn from our practices.' (LS110203)

Additionally, their experience and expertise contribute significantly to the successful establishment of new subsidiaries and partnerships, as well as to the evaluation of operational performance in international maritime settings, thereby driving the organisation's overall performance. This sub-category emerged from the following open codes: (1) Development of New Business, (2) Networking, (3) Building Overseas Network, and (4) Audit, Situational Analysis. A comprehensive analysis of these codes will be conducted in the subsequent section to provide a detailed understanding.

Development of new business

The first aspect that arises from the data under the sub-category of Travellers/ Short-Term Assignments is the principle of promoting new business development. Japanese expatriates, who often travel or are assigned to short-term roles, are vital to the growth of Japanese J-form organisations. These expatriates frequently visit both integrated and non-integrated countries within the J-form organisation's network to identify and seize business opportunities, establish partnerships, and build relationships with new customers and suppliers. As a managing director at the Rotterdam office articulates:

'I clearly remember that the price of an immersion suit ranged from approximately \$106 to \$180, multiplied by 30,000 pieces. We achieved significant sales; over the course of two years, I sold 30,000 pieces. During that time, we collaborated with a Japanese manufacturer, Takashina Life Preservers Co. We travelled to numerous countries to visit shipping companies, taking samples of the immersion suits with us. I spent a considerable amount on travel, airfreight, and accommodation; however, this investment resulted in substantial sales.' (LS110206)

Or as maintained by a division manager:

'I travel for five weeks each year to visit regular customers and, primarily, to develop new markets for us, such as Taiwan, China, and India.' (LS110195)

Furthermore, by collaborating closely with experienced employees, these expatriates are instrumental in gathering market intelligence for the organisation. Their cross-cultural proficiency and language skills enhance communication and improve negotiation processes with potential business partners across various overseas locations. As explained by a general manager:

'We have one dedicated individual who travels to Brazil three times a year for one month at a time. He checks the accounts and profit and loss statements, evaluates performance, and assesses the situation with our business partners.' (LS110189)

Additionally, their firsthand knowledge of local customs and practices offers strategic advantages in navigating the complexities of the global maritime business landscape.

Networking

The second element that emerges from the data in the sub-category of Travellers/Short-Term Assignments is the principle of networking. The findings of this study highlight the crucial role that expatriate frequent travellers and short-term assignees play within Japanese J-form organisations. These individuals are instrumental in promoting networking and communication among international subsidiaries, joint ventures, and the organisation's headquarters in Japan. As the president of the group company stated:

'My trips are primarily for networking purposes. I need to put a face to the name for the people in the company. Additionally, I attend board meetings in various locations, including the Middle East, Singapore, and China.' (LS110200)

Their responsibilities embrace attending trade shows, liaising with suppliers, engaging with customers, and fostering partnerships that are vital for the success of the network organisation. As one managing director of the company explained:

'The primary purpose of my business trips is to maintain relationships with our customers. I travel for approximately three months each year, which includes trips within Japan. Of this time, I spend around two months travelling outside of Japan. My destinations include Europe, Dubai, Singapore, the Philippines, Hong Kong, and essentially anywhere we can conduct business.' (LS110189)

Additionally, expatriates provide valuable cross-cultural perspectives and facilitate knowledge exchange within the J-form organisation, assisting in connecting diverse cultures and establish strong connections among stakeholders. These functions are essential for maintaining a robust global network.

Building overseas network

The third element that emerges from the data in the sub-category of Travellers/Short-Term Assignments is the phenomenon of utilising short-term expatriation for the purpose of development and the establishment of an overseas network. It is evident that Japanese expatriates who are frequent travellers and short-term assignees play a crucial role in the development of the J-form organisational network. This was clarified by a former president and board member of the organisation, who stated:

'Initially, Japanese manufacturers were reluctant to collaborate with Kobe Trading because we began as ship chandlers. In the beginning, we were always required to conduct business through an agent, who was appointed by the manufacturers. However, as we developed our network of overseas shipowning customers, we gradually managed to convince the manufacturers to engage in direct business with us. This shift enabled us to enhance our status as a Senmon Shosha.' (LS110112)

Their extensive experience working in overseas locations equips them with a deep understanding of local cultures, business practices, and regulatory requirements, giving them a distinct advantage in navigating the complexities of the international maritime marketplace. As a managing director of the company maintained:

'When repatriates return to Japan, they remain actively involved in the operations of the subsidiary to which they were expatriated. Although there may not be any visible connection at the moment,

they will continue to engage with the subsidiary's operations and will make regular visits to it.' (LS110152)

Therefore, repatriates will remain connected and will regularly visit the subsidiary that they worked for performing as valued ambassadors for the network organisation, these seasoned professionals adeptly establish and sustain relationships with key stakeholders, including partners, government officials, suppliers, and customers. By representing the organisation's culture, vision, values, and business practices, these expatriates significantly contribute to the success and expansion of the global network of the J-form organisation. As a board member asserted:

'Initially, our network was too small. We undertook business trips lasting 45 days to develop a global network of customers and suppliers.' (LS110112)

Audit/Situational analysis

The fourth element that emerges from the data within the sub-category of Travellers/Short-term Assignments is the use of travellers and short-term expatriates for the purposes of audit and situational analysis. Japanese expatriates on short-term assignments are strategically deployed for these analyses in situations when the Japanese headquarters is concerned about the financial performance and operations of an overseas subsidiary. As an advisor to the organisation explained:

'Last year, performance declined, prompting management to investigate whether there is an underlying problem. Are there personnel issues, or is it something else? Could there be communication issues between the managing director, the managers, and the staff? I need to investigate and determine what actions are necessary to restore 'normal' conditions. This is the primary purpose of my visit. Consequently, I was asked to interview the managing director and some managers as well. There is, of course, one concerning decision: F3-san reports to F2-san from time to time, but this is only one method of assessment.' (LS110170)

The advisor continued:

'Some people have left the organisation, and others have complained about communication and cooperation in the office. I have assessed the situation to understand how we can rectify the issues affecting the remaining Dutch and Japanese staff. On the stores side, complaints were made regarding the need for more support from C0-san and T0-san, the Japanese individual who has worked here for four years. Communication must be improved to prevent misunderstandings and mistakes.' (LS110171)

'My assessment needs to clarify how we should proceed. I expect that F3-san is doing well, but if the staff and line managers do not accept his approach or management style, he will need to rectify that.' (LS110171)

Or as a managing director of the organisation asserted:

'These were emergencies. They will assess the numbers, evaluate the capacity of the managing director, and review the performance and capacity of the staff, along with the overall performance of the company. The report will be presented at our board meeting to discuss the next steps to take. For instance, we will determine whether we should replace the managing director or certain individuals.' (LS110189)

Additionally, they serve as valuable resources for strategic decision-making and effective problem-solving. Drawing on their extensive experience within the overseas subsidiary and a comprehensive understanding of headquarters' expectations, these expatriates are well-equipped to identify issues, conduct root cause analyses, and propose effective solutions. As explained by an advisor to the organisation:

'Some staff members had left the office in Rotterdam, prompting Japan HQ to suspect that something might be wrong. My assignment was to assess the situation. Of course, the mindset of the top manager has changed, and the style of operations has also evolved.' (LS110186)

Having worked in the local office before, these individuals possess a refined understanding of operational bottlenecks, nuanced cultural factors, and a broad perspective on the operational landscape. As articulated by a retired managing director and advisor to the company:

'Actually, the situation in Shanghai was more serious. In Rotterdam, there were still positive figures, but in Shanghai, there were negative figures. At that time, the top individual was Y0-san, who has since returned to Japan. Of course, he faced numerous challenges in understanding the Chinese approach to business because he does not speak the Chinese language. Furthermore, regarding the accounting system, they were using a local system.' (LS110186)

Consequently, they play a pivotal role in driving operational enhancements, fostering cross-cultural understanding, and improving overall performance within the organisation's global network operations. As the managing director of the Rotterdam office emphasised:

'S3-san wrote a report following his stay of ten days, during which he conducted thorough research. He interviewed all the staff in the spare parts department individually to understand their roles and workflows in detail. Initially, the productivity appeared to be subpar, prompting K1-san to instruct S3-san to remain on-site to investigate the productivity of the spare parts department at Kobe Trading Rotterdam. The purpose of this investigation was clear. Ultimately, S3-san discovered that productivity was, in fact, quite good, better than in Japan. The department managed to accomplish more work with fewer people and virtually no paperwork.' (LS110206)

4.2.2.7 Focus Assignments

The seventh sub-category of the core category 'cornerstones of expatriate assignment alignment,' as illustrated in Figure 4.2.2.7, is titled "Focus Assignments."

This sub-category, highlights the benefits of Japanese rotational training, job rotation, and Japanese expatriation within the J-form organisation. Employees who have completed these phases are highly skilled and adaptable, making

them valuable assets to the J-form organisation. Focus assignments are typically shorter in duration compared to traditional expatriate assignments, lasting from a few months to a year. They serve various purposes, such as introducing new products, evaluating local management practices, identifying new suppliers and products, and establishing strategic partnerships in specific regions. As one of the boardmembers professed:

'We had to set up our own company in Qatar. To support Qatar national shipping company, Nakilat. Nakilat is a shipping company with a very large fleet of LNG ships. They were planning to have their own sort of forwarding company/logistics company and they approached us for this setup. Their procedures and systems were setup by the government. For their logistics they were trying to push the same system as we had. We needed somebody strong to negotiate with the gentlemen in Qatar. M2-san is a very strong character which seemed suitable for our project in Qatar.' (LS110127/28/29)

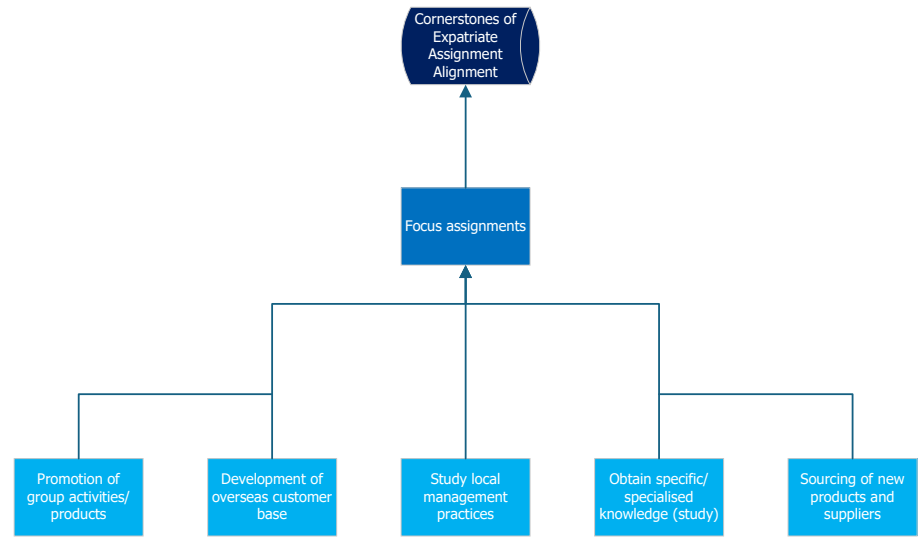


Figure 4.2.2.7 Focus assignments

Additionally, focus assignments play a crucial role in the growth and diversification of the network organisation. They are essential for promoting group activities and products, fostering relationships with business partners, exploring new business opportunities, studying local management practices, acquiring specialised knowledge, and sourcing new products and suppliers.

As J-form organisations continue to expand globally, the importance of focus assignments is expected to increase, contributing to the organisation's overall success. This sub-category is based on the following open codes: (1) Promotion of group activities / Products, (2) Development of overseas customer base, (3) Study local management practices, (4) Obtain specific / Specialised knowledge (study), (5) Sourcing of new products and suppliers. For a more comprehensive insight into the sub-category, these codes will be individually elaborated in the subsequent section.

Promotion of group activities

The first element that emerges from the data within the sub-category of focus assignments is the expatriate assignment for the promotion of group activities. Focus assignments of Japanese expatriates involve the promotion of new products and group activities, drawing upon their in-depth organisational knowledge and cultural alignment with both the local office and the head office in Japan. As an advisor to the company explained:

'I was assigned a project when there were new Solas regulations. New Emergency Position Indicating Radio Beacon (EPIRB). I was charged with the promotion of these materials to our customers around the world. After the promotion tour I went back to Japan.' (LS110201)

Or as a director to the company asserted:

'I have spent three years in Rotterdam mainly as our company's representative for Kobe trading Japan and other overseas companies. My main job was to promote our group activities to our overseas customers and specifically customers in Scandinavia, Norway, Holland, Belgium and so on except for the UK.' (LS110106)

These seasoned expatriates possess a thorough understanding of the organisation's strengths and weaknesses, enabling them to provide training and guidance to local staff members. For example, a Japanese expatriate may have the task of training local employees on the complex details of a new product launch, ensuring they comprehend the target market and key selling points. Typically, these expatriates, along with local sales employees, visit customers in international locations, tailor marketing and sales strategies to local preferences, and adapt to cultural nuances.

Development of overseas customer base

The second element that emerges from the data within the sub-category of focus assignments is the expatriate assignment designed to develop the overseas customer base.

In the context of international business operations, focus assignments have become a strategic mechanism employed by Japanese expatriates to nurture and expand the overseas customer base. As a board member and president of the organisation explained:

'In America, we do not want to set up a large operation before we have a certain level of confidence. We will send a number of people because, otherwise, it is very difficult to establish an operation. We are considering having a permanent base in Houston for shipchandling and offshore supplies, which partly depends on Shell. To this end, we will attend a major conference and exhibition in Houston, the Offshore Technology Conference (OTC).' (LS110130/LS11012)

These assignments often involve the short-term transfer of senior individuals to international markets, with the clear objective of strengthening customer connections and fostering sales expansion. Japanese expatriates, drawing on their unique insights and understanding of both Japanese corporate culture and local market dynamics, play a crucial role in bridging the gap between headquarters and international customers. Their presence enables J-form organisations to tailor products and services to better meet the specific needs of local customers, thereby fostering a more responsive and effective approach to particular market demands. As a board member of the organisation remarked:

'In fact, the Chinese possess entirely different characteristics compared to the Japanese. This is despite our cultural proximity and the fact that many of our cultural elements have been influenced by China over the years. However, the manner in which they conduct business and their daily behaviours differ significantly. Thus, I believed it was prudent for us to adopt a slow approach. If we gain confidence, we can expand operations further. From Shanghai, we aim to develop a robust presence

there; otherwise, we risk losing a great deal. This approach mirrors the strategy we employ in America.' (LS110127)

Study local management practices

The third element that emerges from the data within the sub-category of focus assignments is the expatriate assignment as a tool for studying local management practices. In some exceptional cases, expatriates are deployed to work overseas alongside a local manager, enabling them to study and learn from a non-Japanese perspective. These expatriates immerse themselves in the local business culture to understand how the local manager operates and how they form and maintain relationships. By observing local leadership styles and techniques, they can identify what approaches are most effective and how these can be integrated with Japanese management principles. Japanese firms have faced significant consequences for failing to meet local expectations. Experienced expatriates within the Japanese-form organisation have learned to incorporate local management practices to align with the organisational context. Such failures to meet local expectations have proven costly for Japanese businesses. As one director of the company explained:

'Our office in the Philippines, which previously handled administrative tasks, now serves as a large office within the network organisation. One Japanese expatriate is stationed in the Philippines to assist N2-san and to learn local management practices from him.' (LS110106)

Obtain specific/specialised knowledge (study)

The fourth element that emerges from the data within the sub-category of focus assignments is the expatriate assignment aimed at acquiring specialised knowledge or conducting research. Japanese expatriate assignments not only facilitate business operations but also enable individuals to gain specific cultural knowledge relevant to a particular region. As a Japanese general manager in Houston explained:

'The information I received before being expatriated was that I was going to assist O3-san, the partner of our venture in the United States and the Greek/American director, primarily with his daily operations. I was provided in advance with some information on how the Houston office was functioning, as well as details about customers that needed to be visited in Houston.' (LS110187)

These assignments allow expatriates to acquire valuable insights into local customs and practices, which can significantly impact business negotiations and operations. As a deputy manager in Dubai stated:

'Actually, before, a senior officer was responsible for the Japanese naval ships, but he was about to retire. As a result, the organisation needed a replacement to manage the Japanese naval ships in Djibouti. Yes, we went to Djibouti together several times, and he explained and showed me how to perform the required logistics services. He detailed how to arrange supplies in Djibouti and described what the location is like. Essentially, what we do in Djibouti for the Japanese naval ships involves coordinating with the local agent and the harbour master to arrange the berth, as well as the tugboats all necessary logistical aspects. During my trips to Djibouti with senior staff, he demonstrated how we coordinate with the local agents, local ship suppliers, and third parties, such as port authorities and the harbour master. Initially, it was very challenging to understand all the tasks involved, but after nearly ten joint trips, I developed a solid understanding of my job responsibilities and the type of coordination required to ensure everything runs smoothly.' (LS110132)

Additionally, expatriates frequently participate in university programmes, allowing them to gain general technical knowledge while also networking with other professionals and executives in their field. As a managing director in Japan and executive director in Singapore articulated:

'Both expatriates were given the opportunity, separately and in different years, to study abroad for a year-long executive programme at a university. These programmes were customised for employees identified as potential future senior management, presidents, and directors. Such investments effectively enable employees to enhance their skills and knowledge. Participating in a year-long executive programme at a reputable university in Europe provided the expatriates with a platform to interact with business executives, professors, and local students, thereby creating valuable connections for future business ventures. In addition to academic knowledge, participants in these programmes acquire management expertise, networking skills,

and technical knowledge relevant to their field. Furthermore, they develop crucial cross-cultural communication skills, which are vital for navigating the complexities of an internationally operating J-form organisation.' (LS 110105/LS110118)

This networking fosters valuable relationships that can lead to collaborative opportunities and partnership initiatives. Ultimately, these assignments enhance expatriates' understanding of the local business environment, thereby positioning the network organisation for greater success.

4.2.2.8 Expatriate Assignment Aimed at Maintaining Japanese Presence and Japanese Management Practices

The eight sub-category of the core category 'cornerstones of expatriate assignment alignment,' as illustrated in Figure 4.2.2.8, is titled "Expatriate Assignment Aimed at Maintaining Japanese Presence and Japanese Management Practices.' From the data emerged that another important reason for expatriation is the expatriate assignment aimed at maintaining Japanese presence and Japanese management practices. The practice of sending expatriates to maintain Japanese presence and management practices in overseas locations is deeply rooted in Japanese corporate culture of the J-form organisation. This in this study last sub-category of expatriate assignments serves a crucial role in ensuring the continuity of the organisation's values and practices across borders of the network organisation. As a sales representative in Singapore asserted:

'Kobe trading dispatch many people to branch offices, like me, not only managers also young men like me. The purpose is not to be a manager (for locals). We will be staff for Singapore. The reason is that we are a Japanese company, so at least Kobe trading Japan staff know/understand the concepts or/and company policies 100 percent. In Singapore local staff is frequently changing. They resign and join other companies, people are joining and resigning continuously. Therefore it is not easy to leave everything to locals. Somebody has to manage to keep Kobe trading style (Kobe trading identity). For other Japanese companies the same. At least one manager should be in a (the) branch office.' (LS110119)

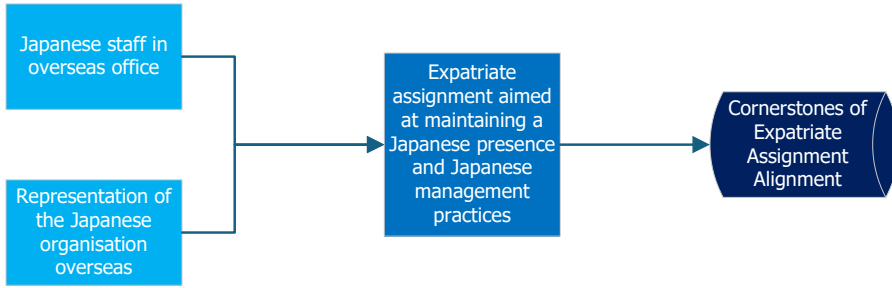


Figure 4.2.2.8 Expatriate assignment aimed at maintaining a Japanese presence and Japanese management practices

Expatriate rotation, particularly through focus assignments, is seen as a strategic approach to bridging the gap between the headquarters in Japan and its subsidiaries overseas. The concept of focus assignments, which involves educating local staff on Japanese management practices and introducing new products and services, is a key element in the J-forms' expatriation strategy. By embedding their corporate culture and best practices in overseas subsidiaries, internationally operating Japanese J-form organisations aim to maintain consistent standards and oversight across their global network. This traditional approach to expatriation highlights the importance of preserving the Japanese identity and values in a global maritime business environment. The traditional sub-category of expatriate assignments focusing on maintaining Japanese presence overseas is supported by two central open codes, namely (1) Japanese staff on overseas offices, (2) Representation of the Japanese organisation overseas. These codes exemplify the strategic significance of expatriate assignments in upholding the values and practices of Japanese J-form organisations within a global maritime setting. In order to gain a deeper insight into the core category, a more detailed exploration of these codes is warranted.

Japanese staff in overseas offices

The first element that emerges from the data within the sub-category of expatriate assignment aimed at maintaining Japanese presence and Japanese management practices is the expatriate assignment to maintain and have Japanese staff in overseas offices. As the president of the organisation maintained:

'The main purpose of sending the engineers to Rotterdam is to maintain the engineering function in Rotterdam. Yes, simply,

our company's philosophy is that we send Japanese people, Japanese business people and Japanese engineers.' (LS110200)

Traditionally, the Japanese employ a consistent rotation of expatriates to their overseas subsidiaries in order to oversee the Japanese workforce and maintain Japanese management practices within the network organisation. This process is essential for maintaining a distinctive corporate culture, ensuring a high level of Japanese quality service and consistency, promoting Japanese work ethics, highlighting the importance of attention to detail, as well as emphasising collaboration and transparency within the team dynamics. The expatriate team assigned to an overseas office is carefully selected, comprising both junior and senior employees. The senior expatriate staff take the time to mentor local employees, helping them understand and follow the J-forms' practices and expectations

In addition, this approach supported by the presence of expatriates helps to facilitate cross-cultural understanding, maintain Japanese management practices, and enhance communication within the network organisation. The exchange of knowledge and skills between expatriates and local staff enables a mutual exchange of best practices, fostering a collaborative and inclusive work environment beneficial to primary operational processes in the organisation. As the former president of the organisation explained:

'We appreciate the local way of management. That is the main thing as long as we are a local company anywhere in the world. We appreciate the way they want to organise things, working behaviour, or whatever. The Japanese employees do not want to have any quarrel with the local staff but they will have to try and show the Japanese way, our behaviour, to the people. We should not push too much. We cannot display the typical Japanese style, the same as in Japan, because we work abroad. So first of all we try to appreciate the local way of management. But the Japanese must show what they have learned from Japan and what the Japanese way of thinking is.' (LS110127)

Representation of the Japanese organisation overseas

The second element that emerges from the data within the sub-category of expatriate assignments aimed at maintaining a Japanese presence and Japanese management practices is the role of expatriates in representing

the Japanese organisation abroad. Within the Japanese J-form organisation, experienced employees and senior expatriates act as key representatives of the organisation in overseas markets. As a board member asserted regarding the deployment of senior managers abroad:

'We have overseas subsidiaries, and the local management of each subsidiary is fully the responsibility of the top manager. For instance, whatever happens in Rotterdam falls under the jurisdiction of O2-san. We apply this principle in all locations; we trust and support them. We must rely on and trust the top manager in a subsidiary because it is impossible to manage the day-to-day operations in Rotterdam, Singapore, or elsewhere from Japan. We ask them to manage and report to top management in Japan on a regular basis.' (LS110112)

These expatriates play a crucial role in maintaining Japanese management practices, organisational coherence, cultural uniformity, quality assurance, and strategic alignment. Acting as a liaison between corporate headquarters and overseas network subsidiaries, their selection goes through a detailed and time-consuming process that highlights the importance of their leadership. It is imperative that these individuals maintain a delicate balance between adhering to Japanese management principles and efficiently managing resources within diverse cultural contexts. The success of a J-form organisation heavily depends on the expertise and adaptability of these senior expatriates as they navigate the complex international maritime business landscape. Consequently, the J-form organisation occasionally extends the assignments of these individuals, as the president of the group transport company articulated:

'It depends on the position. As a managing director, finding a replacement overseas can be challenging; this is why, in certain cases, we retain the individual in that location.' (LS110193)

Moreover, their ability to communicate effectively and facilitate collaboration across diverse teams is crucial for driving organisational success. As the president of the group company asserted:

'The individuals we deploy to represent the Kobe Trading Group need to possess comprehensive knowledge. If someone has experience only in one division or section, they may be able to

perform that specific job, but they cannot act as a representative for the group. A representative overseas must be capable of covering all our services.' (LS110161)

4.2.3 Organisational Learning: Conditions and Contexts

This paragraph will explore and explain in greater detail the third core category, 'Organisational Learning: Conditions and Contexts,' within the context of Japanese J-form organisations. The emphasis on tacit learning within Japanese culture highlights a distinctive approach to knowledge acquisition, where practical experiences are considered the main way of learning. This method contrasts with more explicit forms of learning, as it relies heavily on personal engagement, observation, and the development of skills through practical experience.

In the context of this study, the inquiry into the conditions and contexts of organisational learning is particularly relevant, as it aims to identify the elements key to developing an effective learning environment. In this section of the study examines the dynamic between human resource management practices and management strategies in creating conditions that promote organisational learning. By focusing on the importance of tacit learning derived from practical experiences, it underscores the need for organisations to adopt holistic approaches that integrate various human resource and management elements to effectively guide, manage, and support the learning process. Human resource management in the J-form organisation plays a pivotal role in shaping and guiding these learning conditions.

In this section of the study, the researcher has chosen to deviate from the conventional sequence of open coding, axial coding, and selective coding by introducing an intermediate stage termed "transitional coding." This adjustment is necessitated by the significant number of open codes generated during the initial phase of analysis, which highlighted the need for an additional layer of coding to better organise and connect these concepts.

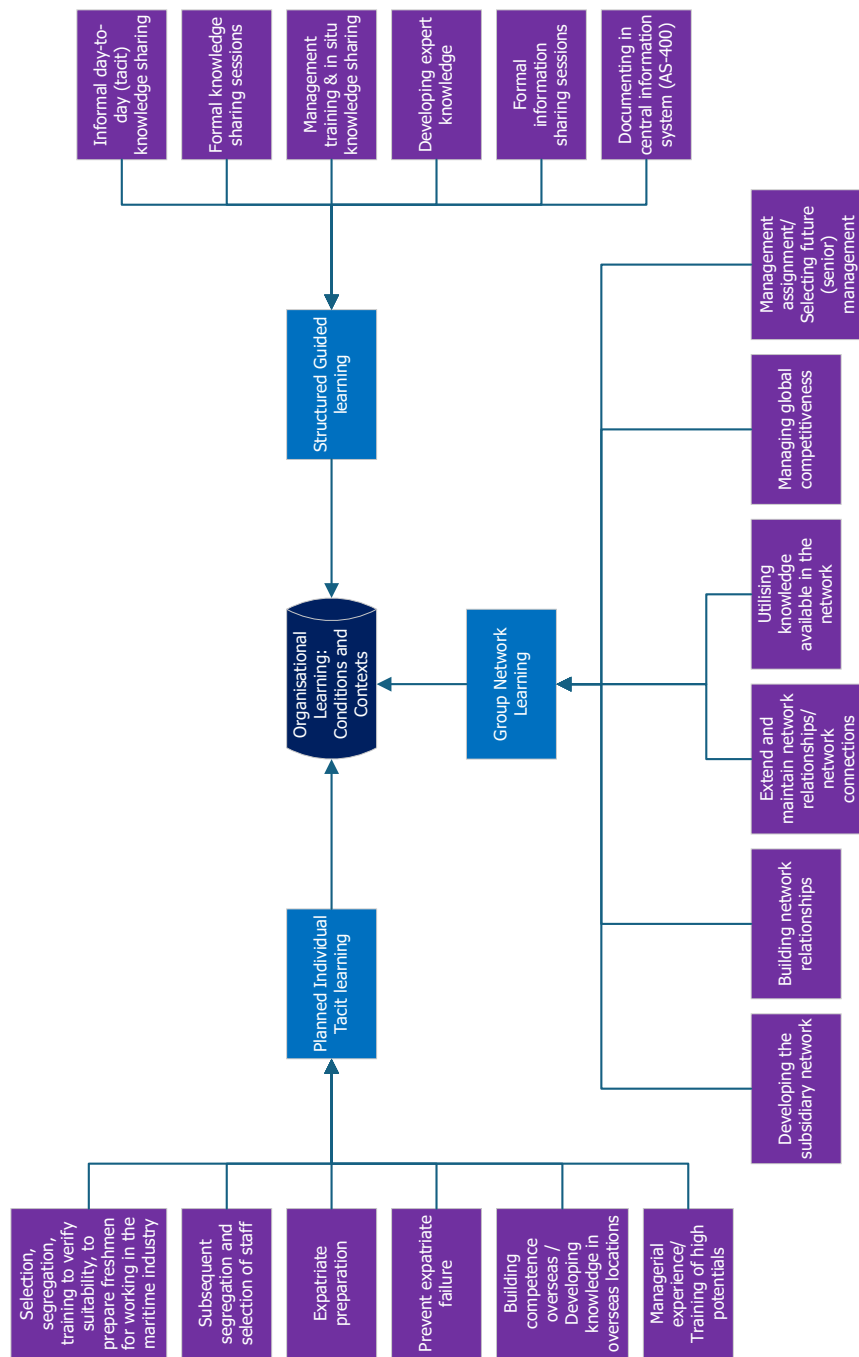


Figure 4.2.3 Organisational Learning: Conditions and Contexts

By incorporating transitional coding, the researcher aims to create a clearer pathway for synthesising the intricacies of the data before progressing to axial coding. Ultimately, this approach enhances the robustness of the analysis and supports the development of more coherent selective codes. Figure 4.2.3 presents eighteen transitional codes depicted in purple which emerged from the open codes. From these transitional codes, three axial codes or subcategories have emerged, which are displayed in blue. The selective code, or core category, portrayed in dark blue, evolved from the axial codes. To gain a comprehensive understanding of this core category, three subcategories will be explored. These subcategories include: (1) Planned individual tacit learning, (2) Structured guided learning, and (3) Group network learning. These subcategories will be further examined in the subsequent section.

4.2.3.1 Planned Individual Tacit Learning

The first sub-category of the core category 'organisational learning: conditions and contexts,' as illustrated in Figure 4.2.3.1, is titled "Planned Individual Tacit Learning." The subcategory of 'planned individual tacit learning' within the core category of 'Organisational Learning: Conditions and Context' highlights the Human Resources (HRM) processes employed by J-form organisations to cultivate the skills and expertise of their workforce. This subcategory begins with the transitional code of *selection, segregation, and training* to verify suitability and prepare freshmen for roles in the maritime industry. Potential recruits are evaluated through motivational letters, English proficiency, and specifically cultural fit to ensure they have the qualities needed for success in the J-form organisation. Once selected, staff is subject to *subsequent segregation and selection* based on various criteria such as performance, work ethic, and alignment with organisational culture, allowing for specific development initiatives. Furthermore, a crucial aspect of this subcategory is *expatriate preparation*, which promotes knowledge transfer and organisational growth while helping to *prevent expatriate failure*. This proactive approach ensures that expatriates are equipped to thrive in diverse environments. Additionally, *building competence overseas* plays a significant role in developing professional skills and insights in global contexts. Finally, the focus on *managerial experience and training of high potentials* reinforces the importance of cultivating future manager and leaders who can focus on incremental growth to sustain the business of the J-form organisation. The transitional codes will be explored in the next sections.

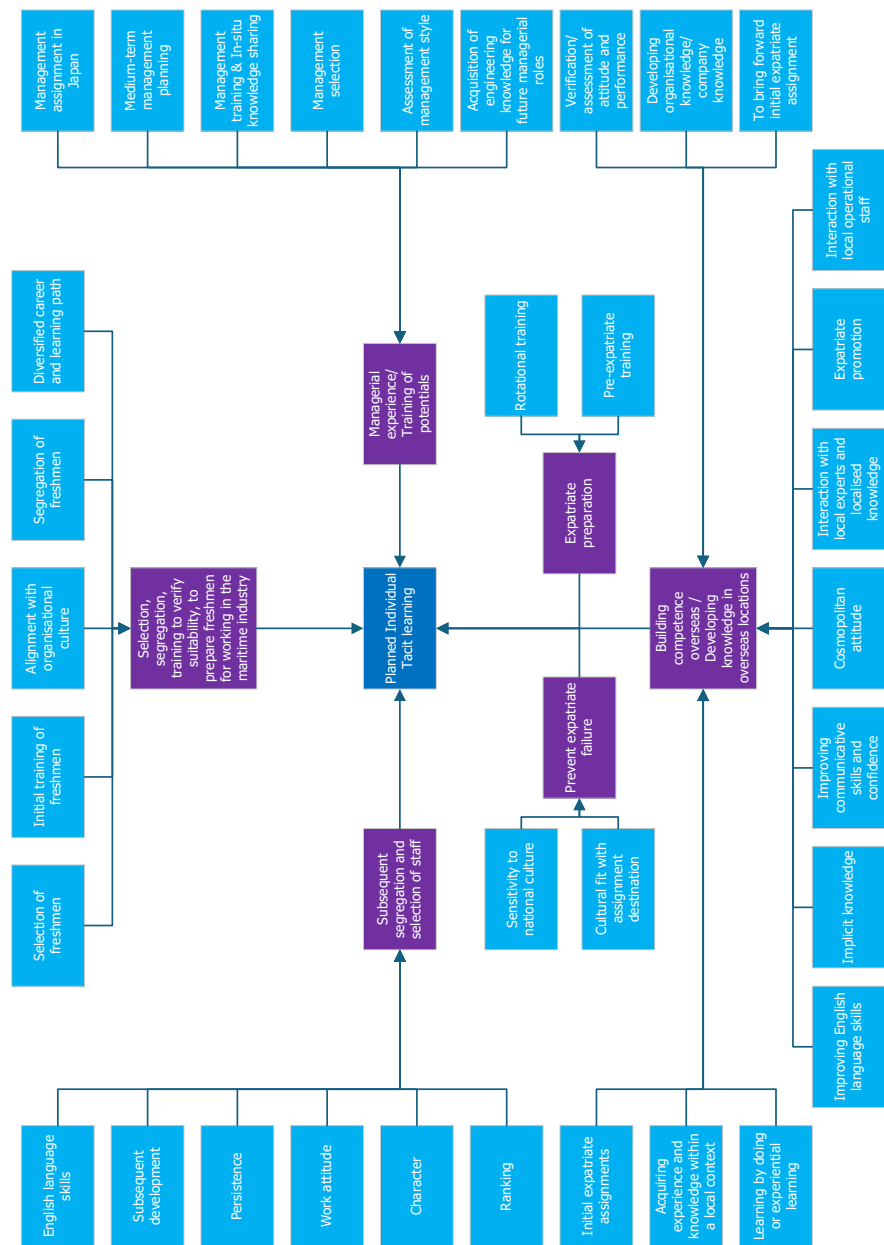


Figure 4.2.3.1 Planned Individual Tacit Learning

4.2.3.1.1 Selection, segregation, training to verify suitability, to prepare freshmen for working in the maritime industry

The first transitional code within the subcategory of planned individual tacit learning, as depicted in Figure 4.2.3.1.1, is titled “Selection, segregation, training to verify suitability, to prepare freshmen for working in the maritime industry.” In the J-form organisation, the selection process for freshmen begins with the submission of applications, which are primarily evaluated based on motivational letters and proficiency in English. This initial selection aims to identify individuals who demonstrate the necessary drive and skills to thrive in the maritime industry and contribute to the organisation. Cultural fit is a key criterion for evaluating candidates.

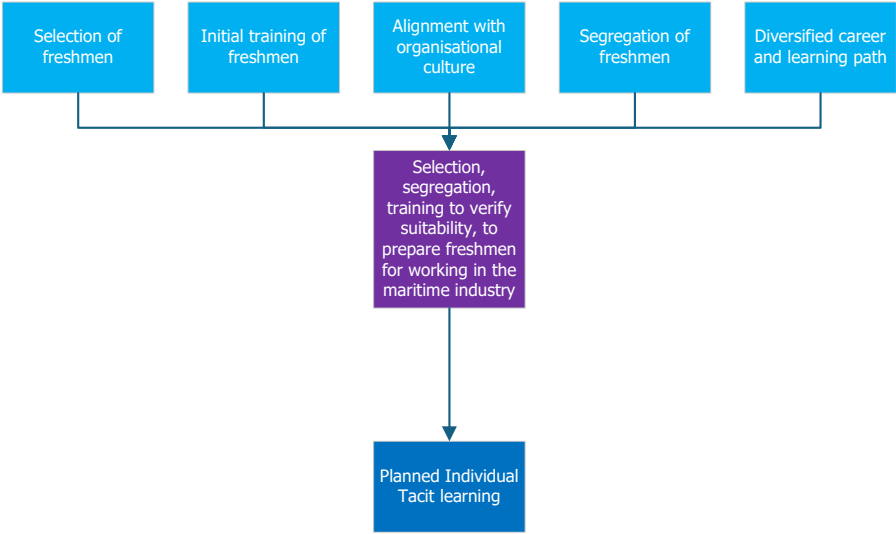


Figure 4.2.3.1.1 Selection, segregation, training to verify suitability, to prepare freshmen for working in the maritime industry

Once selected, candidates are categorised into two distinct groups based on their roles within the organisation: engineering/technical functions and all other functions. This segmentation is essential for ensuring that planned individual tacit learning occurs effectively, as it enables targeted development tailored to specific job requirements. After being assigned to their respective roles, freshmen undergo comprehensive training designed to equip them for their responsibilities. This training programme includes classroom instruction, hands-on experience, the development of business communication skills, and training in safety procedures. These fundamental principles are crucial

for the successful continuation of the process within this subcategory of planned individual tacit learning. The open codes that inform this preliminary classification include: (1) Selection of freshmen, (2) Initial training of freshmen, (3) Alignment with organisational culture, (4) Segregation of freshmen, and (5) Diversified career and learning path. Notably, due to a current shortage of staff and issues with engineers leaving after the initial period, the sequence of the career path has evolved. J-form organisations are increasingly adjusting their development strategies to speed up training and placement, making sure that employees can quickly take on essential roles while still benefitting from a varied journey and learning experience. Each of these open codes will be examined in the following sections to provide a rationale for the transitional code.

Selection of freshmen

The first element that surfaced from the data within the transitional code of 'Selection, segregation, and training to verify suitability, to prepare freshmen for working in the maritime industry' is the principle of selecting freshmen. In Japan, the practice of hiring recent graduates for J-form organisations is common and relies heavily on personal introductions from employees, relatives, and business partners, along with selection from specific universities closely affiliated with the organisation and its management. As a board member and former president of the organisation explains:

'I was introduced to Kobe trading by the son of the founder of the organisation. We went to the same university, we studied together.' (LS110112)

This process is deeply embedded in Japanese business culture, where interpersonal relationships and endorsements notably influence employment opportunities. When a relative, employee, or business partner introduces a candidate to the organisation, it is regarded as a valuable endorsement of the candidate's character and cultural fit, often carrying more weight than a conventional application. As the managing director in Rotterdam maintained:

'I decided to pursue this path at the age of 25. At that time, there was a company advisor who recommended Kobe Trading. He knew some of the people at Kobe Trading and had graduated from the maritime university, which allowed him to establish connections there. I knew him personally. During my time playing baseball,

December was the only month we had off, and attendance at the office was not mandatory. If you didn't want to go, you were free during that period. However, at that time, the company requested me and a few others to attend the office because there were some tasks to be completed. I developed a friendly relationship with the company advisor. The secretary of this company advisor had previously worked as a seaman on K-Line vessels, and they all attended the same maritime university. He had sailed as a chief engineer, and when he was still a first engineer, his chief engineer left to join Kobe Trading to set up the engineering division. He recommended that this chief engineer hire me. I was required to attend the Kobe office, where the branch manager was F1-san. At that time, I was only focused on playing baseball and did not know much about the industry. I had not officially graduated from university and had not taken the examination. F1-san wrote a letter to the Yokohama office, which I took with me for an interview. During the interview, the manager asked me to take an English test, but at that time, I did not speak any English and could only write my name. I returned home to Kobe, where I was living at that time. After ten days, F1-san called my house and asked me to attend the Kobe office. After that, I started working for Kobe Trading' (LS110120)

While personal introductions and the selection from universities particularly tied to the J-form organisations continue to prevail in the hiring process, the J-form organisation has recognised that relying solely on these methods is insufficient for securing enough freshmen each year.

Thus, they have adopted a more diverse approach to recruitment. Though they maintain strong relationships with particular universities linked to senior management, the J-form organisation understands the importance of expanding their recruitment strategies to ensure a sufficient flow of potential candidates. This change isn't just about keeping up with the changing job market but also aligns with their need to attract culturally suitable individuals, particularly as students increasingly choose to apply on their own. As a sales representative of the organisation professed:

'Yes, I took a test in Japan, where it is common for university students to begin job hunting before graduation. Nowadays, the internet is often utilised for this purpose. I used online resources

to search for a position at a trading company, with Kobe Trading being one of the options. I applied to as many companies as possible and took the examination for Kobe Trading in Kobe. Subsequently, I was invited for two or three interviews, while the examination only took place once. Ultimately, I received confirmation from the company and promptly accepted their offer to join Kobe Trading.' (LS110119)

Initial training of freshmen

The second element that emerges from the data within the transitional code of 'Selection, segregation, and training to verify suitability, to prepare freshmen for working in the maritime industry' is the principle of the initial training of freshmen. As a Japanese general manager in Houston explained:

'No, we were brought in in April. We received training for a week, and after that week, we were sent for training to Singapore for two months. Upon returning from Singapore, we were assigned to specific departments. I was assigned to the Yokohama office, while some of my cohort were assigned to the Kobe office.' (LS110187).

Within the Japanese J-form organisation, the initial training of freshmen holds a essential role in their onboarding process. During the training programme, freshmen are usually tied to seasoned employees who act as mentors, providing guidance and support as they adapt to their responsibilities. These seasoned employees often mentor several freshmen at once, drawing on their extensive experience to enhance the training process. As a marketing officer in Singapore asserted:

'I arrived in Singapore and worked as a boarding and marketing officer until 2009. Currently, I hold the position of marketing officer, but now my focus is on Singaporean customers, which means I seldom go to the ships. I want to share about my initial experiences in Singapore and how I started my journey here. In 2007, new freshmen began arriving in Singapore for training, and I was responsible for escorting them to the vessels. During that time, I explained the equipment we deliver and how we set up deliveries. I also taught them how to read the Delivery Order (DO) and other documentation. This was how I provided training to the freshmen from 2007 to 2009.' (LS110119).

The marketing officer belonged to a generation before the implementation of the Singapore training programme. He explained that in Singapore, there are highly experienced boarding representatives, some of whom have served in this role for their entire careers. In contrast, in Japan, the position of boarding representative is typically regarded as an entry-level job, with a duration limited to one year. He maintained:

'Once you belong to the supply department, all the freshmen are required to fulfill the role of boarding officer, but generally, they do not take on this position for longer than one year. After one year, new freshmen arrive. Therefore, once I entered my second year, I had to take on the role of teacher for the freshmen. The newcomers would then become the boarding officers and go on board. This is actually a natural progression from boarding officer to purchaser. I never questioned it; I just saw it as a natural part of the process.' (LS110119)

A team leader in Rotterdam professed:

'I noticed that the main job of Kobe Trading is marine service, which includes stores, spares, and engineering. However, I didn't know much about this before I joined Kobe Trading. We went to Singapore for training, and that's when we began to slowly understand what shipchandling is like and how challenging life in Singapore can be for the shipchandlers. You asked if they employed me as a boarding clerk. Yes, they did.'

Kobe Trading wanted me to study the field and experience the shiphandler's life because it's an unusual job in Japan. The Japanese ports for chandling are not particularly busy. In fact, I had never heard about shipchandling before I joined Kobe Trading, and most of the newly joined people don't know anything about it initially.' (LS110203)

The thorough and supportive nature of the initial training programme equips new staff with the skills and knowledge necessary for success in their near future roles. Furthermore, this emphasis on mentorship and guidance not only facilitates the integration of new employees but also supports a culture of continuous learning and development within the J-form network. The

structured approach of pairing freshmen with experienced employees, along with the involvement of repatriate mentors when applicable, ensures that valuable skills and insights are passed down to the next generation of employees. This collaborative effort contributes significantly to the ongoing success and development of the J-form organisation.

Alignment with organisational culture

The third element that unfolds from the data within the transitional code of 'Selection, segregation, and training to verify suitability, to prepare freshmen for working in the maritime industry' is the principle of alignment with organisational culture. The J-form organisation places significant emphasis on organisational culture and values, positing that new employees who align with these principles are more likely to succeed and remain committed to the organisation. As a manager in Kobe declared:

'When I was a freshman, that practice did not exist. After a couple of months, many people resigned or left the company because Kobe Trading is a trading company that handles imports and exports. However, we never thought about carrying potatoes and tomatoes and putting them on board while climbing up the pilot ladders, which is quite a dangerous job (laughs). This was something I never expected, and it is also something that young people do not anticipate.'

Normally, freshmen start in April, but by May, in some cases, some of them have already left, leaving the dormitory empty (laughs). This has happened before. Therefore, it is a good experience to understand what Kobe Trading is doing, as Singapore is a large market for stores and provisions. It provides valuable insight into the role of Kobe Trading.'

Experiencing the job at Kobe Trading at the beginning is beneficial; while the machinery department does not operate in the same manner, the stores department still sends employees on board for the delivery of stores and provisions. It might be better for newcomers to first experience the role at Kobe Trading, after which they can move to the stores department, the liquor department, or the spare parts department, following the normal sequence. I believe this approach has been effective. Nowadays,

we do not have people leaving after just a couple of months, except for engineers, so this approach has proven to be very good.' (LS110197)

Or as the president of the group explained:

'Yes, it is primarily training. This training provides them with a shock, both a culture shock and a language shock. Additionally, the work in Singapore is fairly straightforward, primarily focusing on shipchandling and some logistics. They do not handle technical supplies or spare parts; the main business is shipchandling, which is the original focus of Kobe trading. If we were to train freshmen here in Kobe or Yokohama, they would not gain the same experience. Singapore is a very busy port, offering a comprehensive experience that exposes them to many different circumstances. In Japan, they might encounter only one ship per day, whereas in Singapore, the training environment is much more conducive to learning. Overall, Singapore provides a better and more effective training experience (LS110130)

When hiring new employees, J-form organisations look beyond just academic qualifications and skills, placing a higher emphasis on candidates who likely share a similar work ethic, values, and approach to teamwork. Therefore, cultural fit is essential in J-form organisations. Values like harmony, respect for hierarchy and authority, and a good sense of group cohesion are highly valued. J-form organisations strive to ensure the seamless integration of new employees into the existing teams, this helps create a work environment that fosters a sense of harmony and teamwork. Furthermore, J-form organisations that operate internationally offer orientation and training for new employees to help them adjust to the dynamic nature of the maritime industry, as well as the organisational culture and expectations. Specifically, experience in the maritime industry and overseas is regarded as especially important in these training programmes.

Segregation of freshmen

The fourth element that emerges from the data within the transitional code of 'Selection, segregation, and training to verify suitability, to prepare freshmen for working in the maritime industry' is the principle of segregating freshmen. The data reveals that, during the initial stages of recruitment at the J-form

organisation, segmentation among incoming freshmen tends to occur based on various criteria. This includes proficiency in English and communication skills, as well as initial performance, which is observed by seasoned managers. Such observations often lead to an early segregation of candidates into different roles and responsibilities, with a particular emphasis on academic discipline (e.g. engineering or economics). As one managing director asserted:

'For all non-engineering graduates, such as those from my university course in economics, or others who studied finance or law, the initial programme is typically the same. Freshmen commence their roles as boarding officers or begin creating quotations in the machinery department.' (LS110105)

'When I started, everyone had to undergo some form of training period. The approach to training varied depending on the department to which one was assigned. In the supply department, nearly everyone was designated as a boarding officer and given an additional training assignment in the warehouse. In contrast, those in the machinery department began training by immediately engaging in preparing quotations. I was assigned to the supply department, so my colleagues and I served as both boarding officers and warehousemen, working in the warehouse.' (LS110105)

Or as a senior manager explained:

'Kobe Trading is actively recruiting recent university graduates, specifically engineers, to join the team. These new hires undergo specialised training at the manufacturers' facilities before being assigned to work overseas. This approach is particularly beneficial as some of our subsidiaries serve as local offices for various manufacturers.' (LS110196)

Within the hierarchical structure of the J-form organisation, particularly in a Senmon Shosha, there are distinct roles that require a high level of technical insight and specialised knowledge, especially in fields such as marine engineering and shipbuilding, which are particularly appealing to engineering graduates. In contrast, non-engineering students are typically hired for general commercial roles within the J-form organisation. A senior manager explained that the process of segregation changed in the last decade, he maintained:

'Typically, we assign new hires to the supply department for a duration of one and a half years. This placement is essential, as there is often a significant difference between academic training and practical experience in the business world. By beginning their journey in the supply or machinery department, these employees gain a foundational understanding of Kobe Trading's daily operations. Through this experience, they learn about critical processes and systems, including the roles of various entities such as pilots, tugboats, agencies, and terminal operations. They also gain insight into logistics, including delivery methods and customs clearance procedures. Working in the supply department is instrumental in equipping them with this essential knowledge.'

Once they have successfully acquired the necessary expertise, we transition them to my department, where they begin their work in engineering. Within this role, we focus on several key responsibilities, such as conducting annual inspections, overseeing ship and machinery repairs, coordinating engineering arrangements, and providing support during incidents like collisions or claims under guarantees. This structured approach ensures that our engineers are well-prepared to contribute effectively to our operations.' (LS110198)

And as as the new president of the organisation declared:

'The initial two months in Singapore are dedicated to training purposes. During this period, S1-san closely observes the new recruits on a daily basis, assessing their individual characteristics and potential contributions to the company. Based on these observations, he may recommend certain individuals for specific divisions; for instance, he might determine that one candidate is particularly suited for the wine division, while another may excel in the machinery department. S1-san serves as my first filter in this process, providing valuable guidance as I evaluate the newcomers.' (LS110200)

Diversified career and learning path

The fifth element that emerges from the data within the transitional code of 'Selection, segregation, and training to verify suitability, to prepare freshmen

for working in the maritime industry' is titled "diversified career and learning path." In contrast to earlier generations, current freshmen are following a more diversified and distinct learning path, as indicated by the changes outlined in the fourth element. Importantly, current generations are once again being trained in Japan, allowing them to gain essential experience within the local Japanese context. After the initial rotation, employees may be directed towards various career paths based on their abilities and the operational needs of the J-form organisation. As the current president of the organisation maintained:

'At a minimum, newcomers must stay in Japan, either in the stores department or the machinery department, and some individuals are engineers. They are required to remain in Kobe trading, Japan, for 3 to 4 years, with a maximum of 5 years. After this period, we can assess which individuals are suitable for specific roles. For instance, we might determine that one person is well-suited for Hong Kong while another is a better fit for the US. Throughout these years, we conduct a pre-selection process based on their performance and daily contributions.'

Sometimes, employees are exceptionally skilled, like the key figures in a particular department, which makes it difficult to relocate them immediately. While we might not be able to move a certain individual this year, we can consider them for relocation the following year or the year after. Our approach involves shuffling personnel, for instance, keeping them in the stores department for 5 years before transitioning them to the machinery department for another 5 years, and then sending them overseas. Both O1-san and I are committed to allowing young staff to gain experience in various divisions, not only in Japan but also internationally.' (LS170824 0005)

And as the former president of the group explained:

'Our problem is the structure of our personnel. We do not have enough employees in the 50-60 age group. Additionally, we are expanding and establishing many units outside of Japan, which necessitates a greater number of representatives. I believe that now is the time for the younger generation to step up and learn to fulfil these positions, particularly because we are experiencing a shortage of senior and middle management. The number of

middle managers is insufficient, and we can no longer adequately cover the entire organisation with advisors who can help young staff develop their knowledge more quickly. Currently, we are rotating new employees first, school leavers who start in the ship chandling business in Yokohama or Kobe for one or two years before moving internally to the machinery department or the transport department.' (LS110130)

Furthermore, this approach to career progression ensures that employees gain a comprehensive understanding of the organisation's functions and are well-prepared for potential management and leadership roles in the future. As the former president of the group asserted:

'Personal character and abilities play a significant role in determining an individual's success. There are many different types of people, and numerous factors influence how successful a person can be. One important factor is organisational skills, alongside leadership and specialised knowledge in particular areas. These aspects, combined with a person's character, become especially relevant once they return from an assignment.

We typically rotate employees after five years, which is another factor that influences our decisions. Additionally, there is often a specific demand for managers in certain departments or divisions. Based on the information we have; we endeavour to identify the most suitable person for each position from our records. Ultimately, the key question is: Who is the most suitable candidate for that role?' (LS110130)

4.2.3.1.2 Subsequent segregation and selection of staff

The second transitional code within the subcategory of planned individual tacit learning, as depicted in Figure 4.2.3.1.2, is titled "Subsequent segregation and selection of staff."

From the data emerged that following an initial training and orientation period for new recruits, a process of staff segregation and selection follows. This segregation is based on various criteria, including English language proficiency, persistence, work ethic, and alignment with the organisational culture. Furthermore, staff segregation is influenced by individual performance

levels, with rankings assigned that can impact future expatriate assignments, career development opportunities, and additional training opportunities. These rankings assist senior management in establishing organisational hierarchy and play a crucial role in the identification of suitable candidates for specific roles within the organisation. The key open codes leading to this preliminary classification code include: (1) English language skills, (2) Subsequent development (3) Persistence, (4) Work attitude, (5) Character, and (6) Ranking. To further elucidate the progression from the initial open codes to the subsequent second preliminary classification code, a detailed analysis of each code will be performed in the subsequent section.

English language skills

The first element that arises from the data within the transitional code of 'Subsequent segregation and selection of staff' is titled "English language skills." From the data emerged a noticeable distinction in English language proficiency between different generations of Japanese individuals within the J-form organisation.

As one of the former managing directors in the Netherlands and a retiree from the organisation stated.

'At that time, I did not speak any English, so I assumed I would get a warehouse job. However, I was appointed as a boarding officer. A colleague trained me for three months, during which we would attend the vessel together. After that, I worked in incoming goods for four months before moving on to operations. The operations manager would instruct me to attend vessels A, B, and C for the delivery of goods. Of course, I didn't know much about this job at first, but I would go to the captain's room and say, "Good morning, I am from Kobe trading." This was one of the few phrases I could manage to say. When the bosun asked for his stores, I could only respond with, "I do not speak any English." This marked the beginning of my journey.' (LS110120)

'I was 33 years old at that time, and I still had a lot of difficulty understanding English! laughs During my time in Kobe, while I was working as a boarding officer, I attended a special night school for about two to three years after my daily work. I started from zero so not just as a beginner, but completely from scratch.' (LS110120)

The older generations generally have a lower command of English, with some exceptions, while younger generations tend to exhibit better proficiency, sometimes even achieving fluency. This difference can be attributed to the initial post-war limited exposure to the language in Japanese society. However, recent advancements in technology like the internet, social media, films, and the international programs offered by J-form organisations have played a considerable role in improving English proficiency among younger generations. Despite these advancements, many Japanese individuals continue to have insufficient opportunities to practice and enhance their English speaking skills regularly, which hinders their overall language proficiency. As a manager maintained:

'Not only that, but it was also my first time staying in a country outside of Japan. I learned a great deal about both the culture and the language. In fact, when I joined Kobe Trading, I did not speak any English at all... laughs ... I became somewhat accustomed to speaking English in Yokohama, but that was not sufficient. It was in Singapore that I truly developed and polished my English speaking skills.' (LS110183)

On top of that, the differences in grammar and pronunciation between English and Japanese can make it particularly challenging for Japanese speakers to master the language. Furthermore, traditional Japanese values like humility and politeness may often prevent individuals from expressing themselves confidently and assertively in the English language. In the context of the globally operating J-form organisation, proficiency in the English language is crucial given the necessity for collaboration and international communication with foreign customers, partners, and suppliers in the international maritime industry. As a general manager explained:

'As you can see, the manufacturers lack the capacity to send people abroad. Firstly, they do not speak English, and secondly, they do not know how to deal with foreign customers regarding paperwork, taxes, and other related matters.' (LS110189)

Or as a team leader maintained:

'My feeling is that they want to identify staff who have the potential to become managers or take on other significant positions in the future.'

To grow into these roles, employees must learn a great deal not only in Japan but also about the challenges of management in different countries. Communication can be particularly difficult for Japanese people, as some may struggle with English or may not speak it at all.

However, for those who need to move abroad, speaking English is essential. Therefore, they may need to study English for 1 to 2 years, which would ultimately benefit the Japanese office. Those who achieve proficiency in English can potentially become managers in various branches.’ (LS110203)

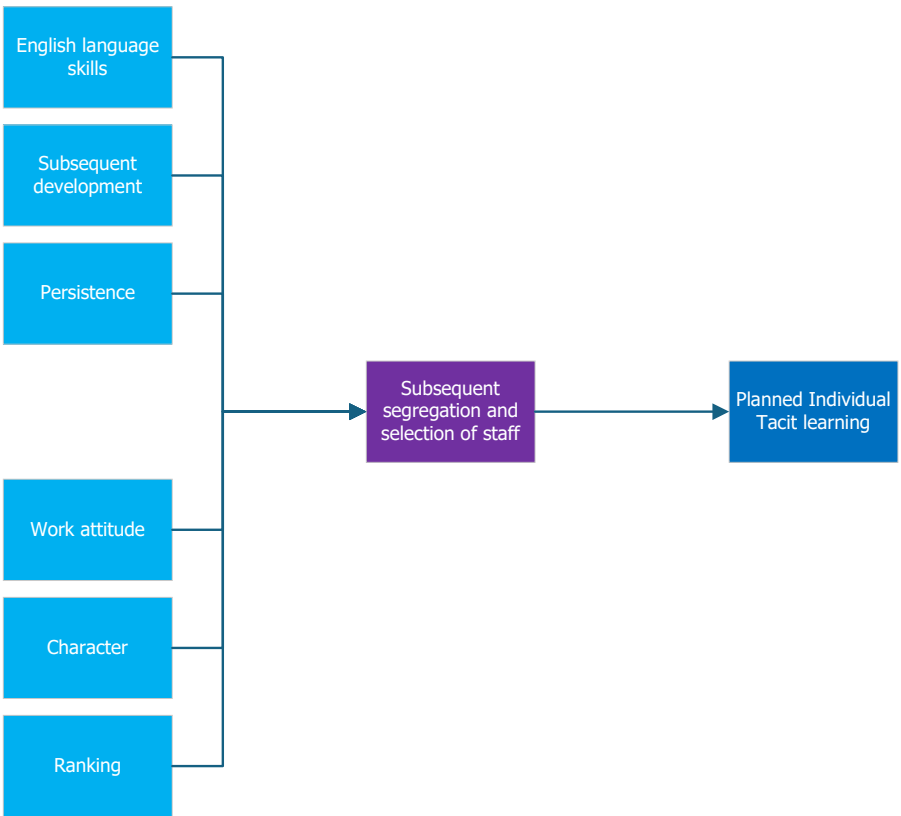


Figure 4.2.3.1.2 Subsequent segregation and selection of staff

Employees who demonstrate proficiency in English are more likely to be assigned roles that involve frequent interactions with non-Japanese individuals, while those with limited English skills may find themselves in

positions requiring more domestic interactions. As the current president of the group organisation asserted, he explained the selection of a Japanese managing director for overseas positions.

'Yes, he has experience in Kobe trading and knows more about the business there. He understands how he should position himself and which areas he should focus on. Although he is primarily a stores specialist and has not worked in the machinery department in the past, he has learned that it is important to train people in both disciplines. He knows how we need to treat different customers and how to handle requests for spare parts, as well as store-related inquiries. Additionally, his command of the English language is very important. For these reasons, I chose him S2-san because he may be the most suitable person among his peers.'
(LS170824 0005)

Subsequent development

The second element that emerges from the data within the transitional code of 'Subsequent segregation and selection of staff' is designated as "Subsequent Development." The subsequent development of employees is essential for cultivating a capable and adaptable workforce. Engineers and managers within the J-form organisation emphasise a structured approach to professional growth that includes both practical and managerial training. One engineer shared his experience starting as a boarding officer, where he acquired firsthand knowledge through training from Japanese manufacturers and coordinating vessel support. He asserted:

'I worked as a boarding officer for half a year before being assigned to the engineering section. During that time, I received training from Japanese manufacturers and made arrangements for other makers and subcontractors. I also coordinated support for vessels. After that, I came here, where I am currently working.' (LS110210)

A manager from the stores department reinforced this, highlighting the value of experiential learning for boarding clerks and the necessity of acquiring operational and warehousing skills. He maintained:

'Most of us learned about the role of a boarding clerk primarily by being boarding clerks ourselves. We gained an understanding

of what a vessel is and what activities occur on board, as well as how we should behave, react, and take action in that environment. This was the main focus of our training. There was also some job rotation involved; while our primary role was that of a boarding officer, we gained experience in warehousing tasks, such as receiving goods, checking items, and constructing pallets to facilitate deliveries to the ship. Although we acquired skills in these areas, our primary emphasis remained on the duties of a boarding officer.' (LS110211)

'When I returned to Japan, I was assigned to the Kobe supply department, where I worked for four years. My customers were located all over the world. In the supply department, I was in the stores department, dealing with consumable items and technical items, rather than spare parts or engineering products.' (LS110211)

'Initially, I worked for four years, mainly as a boarding officer; almost every day, I would visit a vessel. In the following year, during my second year, I became more involved in scheduling, focusing on planning and managing our delivery plans. This required me to arrange trucks for deliveries to distant locations, and sometimes I coordinated trucks for deliveries to Kobe, for instance. In addition to these logistical tasks, I was also engaged in sales. As you mentioned, I was in sales, which meant I was responsible for both arranging deliveries and maintaining communication with customers.' (LS110211)

Additionally, transitioning to the Kobe supply department illustrated the importance of adaptability in serving a global customer base. The president of the group company further emphasised the importance of preparing younger employees for core positions, asserting that practical skills must be complemented by management training, particularly in financial principles, to ensure future leadership within the organisation. As the president of the group company explained:

'We need to replace these core individuals with younger employees who are growing and gaining experience. They must learn about management, not just practical work. It's essential for them to develop an understanding of management principles,

including financial figures, as this knowledge and experience will be critical for the future leadership of the company. That is why, for now, we need to maintain the current situation.' (LS110161)

Persistence

The third element that emerges from the data within the transitional code of 'Subsequent segregation and selection of staff' is titled "Persistence." The data reveals that Japanese culture places significant emphasis on persistence among employees, regarding perseverance and dedication as fundamental virtues his cultural expectation is deeply embedded in the workplace, where employees are encouraged to face challenges and obstacles with resilience and patience, a reflection of the principles of Japanese Zen Buddhism. As a vice president in Dubai maintained:

'He was, in fact, very much in line with the traditional Japanese management style. He was a very traditional Japanese manager. We were expected to find the answers on our own. However, when we are taught everything from A to Z, we become unable to create our own systems or to question whether certain things are right or wrong. This inability hinders us from adapting to new methods and prevents us from judging what is right, what is wrong, and what the associated risks may be. In this way, he was indirectly teaching us to think critically and to be professional. Even though you might be a freshman with little or no experience, if you are receiving a salary, you are expected to contribute. You need to think, perform, and add value to the organisation. Reflecting on this now, I understand that perhaps he wanted to convey this message to me.' (LS110134)

Insights from senior executives within the organisation reveal a desire for a "samurai spirit," highlighting an expectation of strong dedication and commitment that is nostalgic of the samurai code. As a board member explained, the qualities of character, persistence, and dedication are essential, which he illustrated with two examples:

'02-san's case is completely different from what we are used to. He was exceptionally strong, almost like a semi-professional baseball player, which is quite unique. For instance, 01-san used to be a runner, and such experiences are somehow interconnected.

Once employees join the company, I believe their philosophy is already embedded within them. When they become part of the organisation, they fully embrace this philosophy. As president, I frequently encouraged my colleagues, especially the younger employees, with my motto: "Action first, think later." I emphasised that without action, there is nothing. However, it is equally important for the company to maintain a strong philosophy, as understanding the purpose of work is vital.' (LS110127)

Moreover, J-form organisations tend to prioritise long-term commitment and stability in their employee relationships. When employees demonstrate persistence and enduring commitment, they not only confirm their loyalty to the organisational culture but also display their willingness to invest in their career development while supporting the organisation's objectives. These expressions of persistence and dedication often lead to the establishment of respect and trust from both employers and colleagues. Ultimately, the degree of persistence displayed by employees appears to play a crucial role in determining their success or failure within the J-form work environment. As the former president of the group company professed:

'You know, we are a service provider, and the Japanese approach is highly regarded by many. My understanding is that it emphasises honesty, clarity, transparency, and a commitment to continuously enhancing service. Specifically, for ships arriving at the port, we are dedicated to providing the best possible service around the clock, whether it's day or night, weekday or weekend. We strive to maintain our high performance until the ship departs, giving our best right up to the last minute. This mindset, which I believe is characteristic of the Japanese approach, is significant to me. Therefore, for someone Japanese, maintaining this standard is more straightforward. I have no preference when it comes to nationality; what matters is whether they possess this kind of mindset and management style. However, this has proven to be quite difficult so far.' (LS110117)

Work attitude

The fourth element that emerges from the data within the transitional code of 'Subsequent segregation and selection of staff' is titled "Work Attitude." In the hierarchical structure of the J-form organisation, teamwork, a strong sense

of responsibility, and a positive (Japanese) work ethic are essential qualities for employees. Japanese employees are expected to approach their roles and duties with seriousness and dedication. By exhibiting a positive work attitude, employees demonstrate their commitment to fulfilling their responsibilities carefully. This practice promotes trust and dependability among colleagues, fostering a cohesive work environment. Maintaining a positive work attitude also signifies a willingness to align with the organisation's leadership and culture. The J-form organisation maintains strong corporate values that employees are required to uphold. As the president of the group company asserted:

'In the case of Kobe Trading, once an employee starts working there, it is expected that they will dedicate their entire career to the company. If someone is sent overseas, they are expected to work hard while also managing family responsibilities. However, Japanese employees often demonstrate a different approach. When they are assigned overseas, they are willing to work diligently, even during nighttime if necessary, and may sacrifice family time as a result. They are focused on completing their tasks and proving their capabilities. This mindset differs from that of many European workers, who might prioritise family commitments more heavily. For them, the thought of sacrificing family life can lead to reluctance, while Japanese employees tend to approach their work with a different perspective.' (LS110200)

A senior manager in Kobe explained that work attitude and dedication are essential drivers of success, and he emphasised that the company is equally committed to these values.

'When employees are young, they have the opportunity to study not only their jobs but also foreign cultures. Additionally, we had the chance to meet with representatives from overseas subsidiaries, as well as expatriates from other Japanese companies in both the same and different business fields. During our initial experiences, we took advantage of this knowledge and brought it back to Japan, applying what we learned to both our daily business and private lives, which marked the first step in our development.

The second step involves individuals stepping into management positions, reflecting a significant shift in business responsibilities

during the second or third assignment—from operational tasks to management duties. This approach of allowing multiple returns has developed over the past ten years; previously, assignments typically allowed employees only one opportunity to serve as expatriates at a particular location.

These adjustments have been driven by financial considerations. However, the decision to implement this process was made because it provides insight into who is suitable for management roles, allows for the direct application of experiences, and serves as effective training. I believe this approach creates a positive cycle, enabling younger employees to envision their future as seniors within the company. They can see what their senior years might look like and understand that with hard work, they can aspire to become senior managers or even the president of the company. This clarity likely enhances their motivation as well.' (LS110198)

Character

The fifth element that becomes evident from the data within the transitional code of 'Subsequent segregation and selection of staff' is titled "Character." In the J-form organisation, employees progress based on their character, which emphasises the importance of personal qualities, values, and behaviours in determining an individual's advancement within the J-form organisation. This principle is deeply rooted in Japanese cultural values, such as diligence, humility, respect, and harmony, which are considered essential aspects for success in the workplace. Employees are expected to demonstrate a strong sense of responsibility, reliability, and commitment to their work, as well as show respect towards their colleagues, managers, and the organisation as a whole. Consequently, in the J-form organisation, employees are often evaluated based on their character and potential for personal growth and development, rather than their technical skills or job performance. A board member of the organisation explained that these assessments or evaluations begin during the application process and continue throughout the initial phase of employment:

'During the interviews for new graduates and applicants, board members, including the president of the company, must be present. We typically have 10 to 12 male candidates, and we talk to each one for about 15 minutes to half an hour during the interview. This time allows us to assess the differences in the characters of each

individual. Of course, we sometimes notice discrepancies between our initial assessments and their performance once they join Kobe.

However, our first impressions are crucial for us to understand. From the 10 to 12 applicants, we aim to select 3, 4, or 5 individuals, and we rely on our intuition, hoping that our instincts are correct. This process is essential, and we then implement a basic training routine, which includes two months of training in Singapore. During this time, we gather initial impressions and insights about the character and personalities of these young individuals, which allows us to better understand their potential and fit within the organisation.’ (LS110127)

Ranking

The sixth and final element that emerges from the data within the transitional code of ‘Subsequent segregation and selection of staff’ is the phenomenon of “Ranking.” In the context of the J-form organisation, senior management commonly implements a formal complex slightly qualitative ranking system for employees after their initial period. This system is based on various criteria, including behaviour, persistence, attitude, and performance. Employees are categorised into distinct levels within this framework, which in turn affects their advancement within the organisation and the assignment of job roles. The resulting hierarchy established by these rankings is important in the J-form organisational structure. Furthermore, the ranking system plays a crucial role in determining promotions and incentives for employees, thereby serving as a fundamental component of the organisation’s culture. As the president of the group company explained:

‘Overseas, the process is similar. For example, S1-san, as a manager, closely monitors his younger staff using Management by Objectives (MBO). He assigns them grades based on a checklist he maintains. In this system, Mr. A might receive a mark indicating he is particularly good above average while Mr. B is marked as average, and Mr. C is deemed slightly below average. This grading system is applied to every employee, and the compiled list is sent to the head office. When we refer back to the evaluations, we look at the marks assigned; for instance, S1-san may have a score of 78 points, while another individual might have 65 points. These evaluations are classified as A or B, and this list is then distributed to the directors during the board meeting, where decisions

regarding salaries and bonuses are made. Thus, the evaluation process encompasses not only MBO but also performance marks, particularly for those in sales, which are all taken into account in the final assessment.' (LS110200)

'The assessment and grading system is primarily based on personal evaluations. Each employee is assigned a grade from 1 to 5, with younger staff being graded accordingly. In addition, management is categorised as S1, S2, S3, and there are directors as well. Each individual has a specific grade assigned to them. For instance, I cannot promote a grade 3 employee to a managerial position; I need to select someone with a grade of 5 or an S1. Only then can they be eligible to become a manager.' (LS1101200)

And as a division manager in Japan asserted:

'We have an evaluation system that is not only applicable for overseas staff but also for those in Japan. Currently, this system is primarily for Japanese employees. Twice a year, we use an evaluation sheet that outlines various abilities. All managers, including senior and division managers, participate in this process. Typically, two or three managers discuss the evaluations and provide comments on each employee's abilities.' (LS110192)

And as a senior manager in Japan professed:

'Of course, we cannot observe day-to-day performance from the Japan side, but Kobe Trading utilises Management by Objectives (MBO). Each staff member has specific targets, and based on these, we assess their performance every six months. Additionally, typically once a year, employees return to Japan for a medical check-up or after completing a two-year assignment.

During this visit, they are required to deliver a presentation to Kobe Trading staff, explaining what they have accomplished over the past two years and describing their daily operations in a 30- to 40-minute presentation. This process allows us to evaluate their experiences, which is quite insightful. It is a standard practice for our company to provide annual leave for employees to return to

Japan, after which they must give their presentation. It is generally very interesting to see how they have been working and what they have encountered.’ (LS110190)

4.2.3.1.3 Expatriate preparation

The third transitional code within the subcategory of planned individual tacit learning, as depicted in Figure 4.2.3.1.3, is titled “Expatriate Preparation.” This code explores the concept of expatriate preparation within the context of planned individual tacit learning. The Japanese approach to expatriate preparation is closely aligned with the utilisation of expatriates as bridges for knowledge transfer and organisational development within J-form organisations. This perspective acknowledges that expatriates can provide fresh, diverse viewpoints, cross-cultural insights, and innovative ideas that can considerably enhance, expand, and sustain the J-form's competitive advantage.

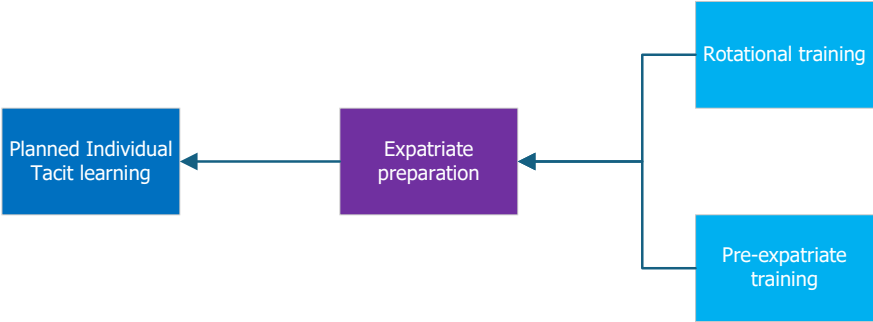


Figure 4.2.3.1.3 Expatriate preparation

The Japanese approach to expatriate preparation is characterised by a comprehensive and integrated strategy that emphasises implicit training in maritime industry-specific skills, customer interaction, and job-specific training. During the typical duration of several years, expatriates are mentored and supervised by former expatriates or repatriate managers. The open codes that have emerged under this preliminary classification code include: (1) rotational training, and (2) pre-expatriate training. To further explore how these codes have contributed to the transitional code, the open codes related to the topic will be analysed in the subsequent section.

Rotational training

The first element that emerges from the data within the transitional code of ‘Expatriate Preparation’ is titled “Rotational Training.” Japanese culture places significant emphasis on harmony, reverence for tradition, and continuous

improvement. Harmony and tradition are embodied in the practice whereby all individuals commence their careers from the ground level, as asserted by a board member:

'Rob-san, in Japanese companies like Kobe Trading, individuals typically join the organisation after graduating from university. Kobe Trading provides the necessary education according to our own standards and systems. In contrast, I believe that Europeans and Americans often enter a company at a specific position, such as a managerial role or a project or product manager. However, in Japan, specifically at Kobe Trading, everyone must start from the bottom. They need to understand and learn about our business from the ground up. Our business involves daily, labor-intensive tasks that are time-consuming, but it is essential for them to engage in these activities as part of their learning process. We have experienced this ourselves.' (LS110127)

This cultural spirit is evident in rotational training, a process in which individuals engage in different roles and responsibilities to develop a diverse skill set and attain a thorough understanding of the J-form organisation's overall operations. As a director in Japan asserted:

'For instance, if they were to focus solely on machinery spares, they would never learn how to handle deliveries on board, nor would they gain knowledge about provisions, wires, or other essential items, including general consumer goods. These items are closer to the front line, where they need to engage with the captain and negotiate effectively. Therefore, we implement a rotation system. Of course, operational efficiency in the office is also quite important.' (LS110154)

Or as the current president of the group company maintained:

'We aim to shuffle personnel, with employees spending five years in the stores department, followed by another five years in the machinery department, and then moving overseas. We believe in providing young staff with the opportunity to experience various divisions, both in Japan and abroad, and I know O1-san shares this perspective as well.' (LS170824 0005)

Rotational training provides employees with insights into different departments and processes, making it essential for developing an understanding of how the various functions connect. As the president of the group company declared:

'They will be shuffled across each area. However, before they go overseas, we try to ensure they experience ship chandling and spare parts management, so this shuffling occurs already in Japan. Only after gaining this experience will they be sent overseas.' (LS110200)

This approach enables employees to gain a holistic perspective of the J-form organisation. This is a prerequisite to represent the group company as a former president of the J-form group company explained:

'One important factor is the individual's experience, particularly the length of time they have worked at Kobe trading. This experience and knowledge are crucial for someone who needs to represent the Kobe trading group outside of Japan. If an individual has experience in only one division or section, they may be capable of performing that specific role, but they cannot effectively represent the entire group. A representative who ventures overseas must have a comprehensive understanding of our total services.' (LS110161)

Furthermore, in the context of J-form work culture, it is believed that employees trained in multiple areas are better equipped to adapt to changes within the industry. Additionally, those with rotational training can be deployed more effectively and are able to take on new responsibilities with less effort.

Pre-expatriate training

The second element that emerges from the data within the transitional code of 'Expatriate Preparation' is titled "Pre-Expatriate Training." The J-Form organisation has implemented various approaches to pre-expatriate training. Historically, expatriates were typically senior employees with extensive experience. However, as J-form organisations evolved, they recognised the value of providing multiple subsequent assignments to enhance the learning experience. Consequently, business travel and short-term assignments were identified as effective methods of implicit training for employees. As a manager in Japan maintained:

'I joined Kobe Trading in 1982 and was assigned to the machinery section here in Kobe. Alongside A1-san, S3-san, and M2-san, I am part of the machinery section. I have been responsible for the purchasing department, where my role involved managing relationships with leading Japanese manufacturers such as Daihatsu, Yanmar, and Akasaka. I worked in the purchasing department for a considerable time before transitioning to the business section in 1999, where I handled customers in America and Greece. I spent about five or six years in that role, and during that time, I undertook business trips to the Americas to meet with clients.' (LS110194)

Immersing employees in overseas environments for short periods allowed them to gain insights into the impact of cultural differences on business operations and local supply chains. These short assignments partly serve as transitional expatriate experience and stepping stone towards a more traditional longer assignment. Over time, the J-Form organisation transitioned to a hybrid approach that combines elements of both traditional and progressive methods. Under this revised strategy, employees spend approximately three years working in the organisation's offices in Japan, guided by repatriates. As an employee of the overseas network department in Tokyo asserted:

'The next step after Tokyo is to go abroad to one of the branch offices. I have not yet been informed of which country I will be assigned to, but I have been told that I am expected to work in an overseas location within one or two years. However, before I can work abroad, I need to learn how to meet and communicate with customers face to face. When I was in the spare parts department, I had no opportunity to meet customers directly because most of them were overseas. In Tokyo, however, it was very easy to contact and meet with Japanese customers.'

Thus, the reason I am here is to learn effective face-to-face communication with customers. Additionally, I came here to gain knowledge about store supply. After one or two years, I will be assigned to an overseas branch.' (LS110124)

Following this foundational period, they are then prepared for their first expatriate assignment abroad. This integrated approach to pre-expatriate

training aims to amplify the learning potential of employees by providing them with a combination of hands-on experience in Japan and experience in global environments. As the president of the organisation explained:

'At a minimum, newcomers must spend three to four years (up to five years) in Japan, either in the stores department or the machinery department, while some may work as engineers. After this period, we will identify which individuals are best suited for specific locations.' (LS170824 0005)

By merging elements of traditional senior leadership training with modern experiential learning practices, the J-form organisation seeks to equip its employees with the skills and knowledge necessary to succeed in overseas assignments.

4.2.3.1.4 Prevent expatriate failure

Preventing expatriate failure is essential for the success of J-form organisations like Kobe Trading and their broader network organisations. The fourth transitional code within the subcategory of planned individual tacit learning, as depicted in Figure 4.2.3.1.4, is titled "Prevent Expatriate Failure." The open codes that have emerged under this transitional code include: (1) Sensitivity to national culture, and (2) cultural fit with the assignment destination.

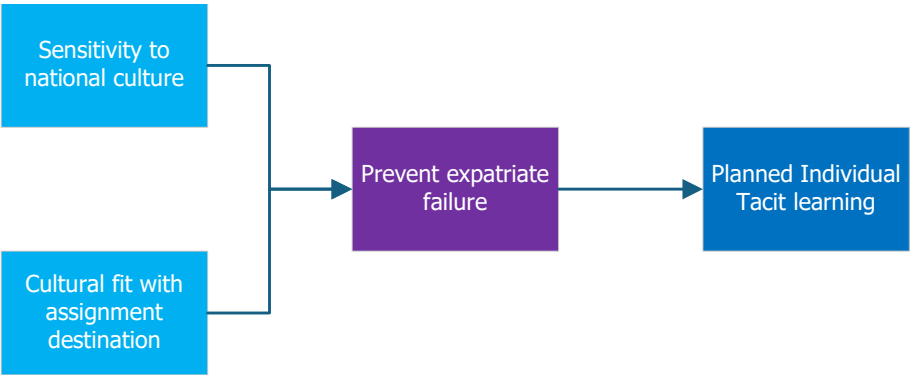


Figure 4.2.3.1.4 Prevent expatriate failure

Being sensitive to national culture means being aware of and understanding the host country's cultural values, norms, and practices. This awareness helps expatriates navigate social interactions more effectively. At the same time, making sure that there is a cultural fit with the destination helps

expatriates adjust to their new environment, improving their communication and development of relationships with local colleagues. These elements are essential in contributing to the successful integration of expatriates, thereby minimising the risks associated with international assignments and promoting a more cohesive and productive global network organisation. To further explore how these codes have contributed to the preliminary classification code, the open codes related to the topic will be analysed in the subsequent section.

Sensitivity to national culture

Japanese society is often characterised by its homogeneity and strong adherence to traditional cultural norms, which can present challenges for expatriates assigned to international roles, particularly within traditional J-form organisations like Kobe Trading. Acknowledging the significance of cultural fit with assignment locations, it becomes essential for Japanese expatriates to understand and adapt to the diverse cultural landscapes of their host countries. As highlighted by a managing director who derived valuable lessons from management failures in Rotterdam, comprehending local customs, philosophies, and motivations is crucial for securing business success both now and in the long term.

'Of course, the shipchandling business or spare parts business can be conducted in Japan; however, for instance, the ship supply business in Japan, compared to the ship supply business in Singapore, is completely different. Therefore, if staff have the opportunity to go overseas, they learn about other ways of doing business. This also applies to spare parts staff. If we send staff to Fuji Rotterdam's spare parts business, they will understand what Fuji Rotterdam is doing and how to engage with European manufacturers. Dealing with Japanese manufacturers and European manufacturers requires knowledge and insights because the mentality, approach to business, and organisational structures are entirely different. Thus, the approach that must be taken is completely different. We can learn from the overseas experience.' (LS110190)

The structured and hierarchical nature of Japanese society often limits opportunities for individuals to interact with foreigners, especially in business contexts. This situation underscores the necessity for cultural sensitivity training tailored to expatriates, aimed at developing awareness and

appreciation for cultural differences. Similarly, a division manager emphasised the importance of understanding the distinctions between Japanese and foreign cultures, noting that such knowledge is vital for effective interaction with customer overseas and interaction with local staff in the J-form network.

'What I mean is that the way we conduct business with overseas customers is crucial. If we were to rely solely on local staff without sending people from Japan, we would manage to survive, but our head office is, of course, located in Japan, and we need staff who are knowledgeable about overseas markets specifically in the Netherlands, the Americas, and Singapore. These cultures are different, and it is important for us to understand the differences between Japan and Singapore, Japan and Rotterdam, and Japan and Dubai. We need to be aware of these distinctions. Furthermore, we must collaborate with local staff in each region to gain insights and understand the local context. Additionally, local regulations differ across regions, and it is essential for us to be aware of those as well.' (LS110192)

Furthermore, the complexities of international assignments are further complicated by local regulations, which differ among subsidiaries. For expatriates at Kobe Trading, equipping them with the knowledge and skills necessary to navigate these cultural differences is vital for fostering effective communication and building strong relationships. A vice-president of the company pointed out the specific challenges involved in joint ventures, emphasising the need for staff with expertise in the local culture, such as those in the Middle East, where no suitable candidates were available from Japan or Europe.

'In my case, it's a bit different. This is a joint venture, and our partner, M1-san, is a shareholder representing Kobe Trading. They need to decide who will be my successor in the role of president. M1-san has requested that Japan send someone with knowledge of the Middle East and an understanding of the culture in Dubai, but, of course, there is currently no one from Japan or Europe who fits that profile.' (LS110134)

Additionally, a general manager underlined the importance of proving oneself in a foreign environment, stating that not all Japanese employees transferred abroad will automatically be promoted to managerial positions.

'Proving themselves means ok, it does not mean that any Japanese who is transferred to Singapore or to the Rotterdam office will automatically promoted to be the manager, no way.

And specifically here in Singapore because first of all the Japanese person maybe known to H0-san or myself but that does not mean that our local staff understands/will understand the person. How can he prove himself, when he will just be promoted to manager level or assistant manager level? First at least one or two years he/they must/have to prove themselves. Then he/they must get the recognition from the rest of the local staff people because manager means they must at least get some certain respect by/from the local staff. Otherwise he can be a white elephant at the end. I do not want this to happen in this office, that is why.' (LS110177)

A period of one to two years is necessary for expatriates to establish credibility and gain the respect of local staff, which is crucial for their effectiveness. In this context, an employee from the overseas network department in Tokyo shared his experience of working with diverse individuals in Singapore, highlighting the necessity of providing detailed explanations.

'The people were given very detailed instructions because I worked with Chinese colleagues, but in Singapore there were also Malay and Indian individuals, as well as Japanese. Therefore, when we explained something in Singapore, we had to provide in-depth details to ensure that everyone understood. This was my first experience working abroad, and I found it very interesting. In Japan, people typically provide less explanation, as they can often read between the lines without needing elaborate wording. In Japanese culture, we don't feel the need to say everything explicitly. However, in Singapore, we must ensure that we communicate thoroughly and provide detailed explanations. It has been enlightening to observe how people think and operate here, which is the most impressive aspect of my experience in Singapore.' (LS110124)

This contrasts with the more implicit communication style common in Japan, indicating that cultural adaptability is essential for successful interaction in international environments.

Recognising these challenges, the Senmon Shosha J-form organisation has implemented various initiatives to enhance cultural awareness. The organisation initially focused on selecting experienced employees who had previously interacted with foreigners. More recently, new employees, referred to as freshmen, have been given opportunities for short training assignments in busy international ports like Singapore and Rotterdam, where they can learn from experienced locals. Finally, the Senmon Shosha J-form organisation adopted a balanced approach, implementing a three-year training programme for staff under the guidance of experienced repatriates before their first overseas assignments. This strategy not only prepares employees for their roles within the maritime industry but also facilitates a gradual introduction to the cultural differences present. By fostering cultural fit, Kobe Trading aims to improve the effectiveness of its expatriates, thereby ensuring successful integration into the network organisation.

Cultural fit with assignment destination

For a traditional Japanese J-form organisation like Kobe Trading, cultural fit is essential for achieving success in international assignments. The ability of expatriates to adapt to and engage with the local culture significantly impacts their effectiveness in overseas roles. This alignment with the host country's cultural values, norms, and business practices not only enhances communication but also strengthens interpersonal relationships among colleagues. Ultimately, fostering a strong cultural fit enables expatriates to navigate complex environments effectively and contributes to successful integration within the network organisation. As one director and division manager maintained:

'You see, Rotterdam is our operations centre in Europe. Therefore, we must have complete trust in the person in charge of that office, especially given the eight-hour time difference between Japan and Rotterdam. We need someone who is not only trustworthy in their character but also has strong management skills.' (LS110112)

The importance of cultural integration is further emphasised by the director's recognition of leadership:

'He is a very good person; I think O2-san is doing exceptionally well. He treats people with great respect, which is why everyone enjoys working for him and why the team is so strong.' (LS110112)

These insights highlight the important role that cultural fit plays in enhancing a cohesive and effective team overseas. Additionally, as a senior manager pointed out, effective communication of reports is essential for successful operations abroad. Reflecting on his experience in Singapore, he stated:

'Especially regarding the instructions I provided to the team, I learned a lot while in Singapore about making decisions what actions to take, how to determine pricing, and how to communicate effectively with customers. At that time, there were about 50 staff members in Singapore, and it was essential for me to communicate these instructions clearly to everyone. I had to ensure that all the staff understood the directives I was giving.' (LS110110)

Insights from a director in Korea further illustrate the challenges that arise in cross-cultural management. He shared:

'At that time, my department consisted of many different nationalities: of course, Dutch people, British people, Jordanian people, Filipino people, and one lady from Morocco so many different nationalities. I noticed that Muslim people sometimes have to pray during the day, and during Ramadan, they cannot eat during the day. I spoke with them, and they explained that they cannot eat and they cannot drink; therefore, I adjusted their workload. There were some people who complained, saying, 'This is a company; do not bring these rules to your work.' Different cultures lead to different experiences. The Koreans and the Japanese are very similar, so here in Korea, I can say that it is quite comfortable for me.' (LS110113)

As the president of the group affirmed, prior experience in a specific office can effectively facilitate in overcoming these cultural differences:

'In O2-san's case, he had prior experience working in Rotterdam, which is valuable. Therefore, he understands the dynamics of the office. The primary selection criteria for this top position were his familiarity with the character and culture of the Rotterdam office and his ability to interact effectively with the team there. His previous experience was a significant factor in our decision. However, it's important to note that the character of the Rotterdam

office differs significantly from those in Singapore, Dubai, or elsewhere, each having its own unique traits.' (LS110117)

4.2.3.1.5 Building competence overseas/Developing knowledge in overseas locations

Planned individual tacit learning plays a central role in the development of professional competencies, specifically in diverse cultural contexts. This approach allows individuals to obtain essential insights and skills that cannot be easily articulated but are vital for effective performance in international diverse settings. The fifth transitional code within this subcategory, as illustrated in Figure 4.2.3.1.5, is titled "Building competence overseas/ Developing knowledge in overseas locations."

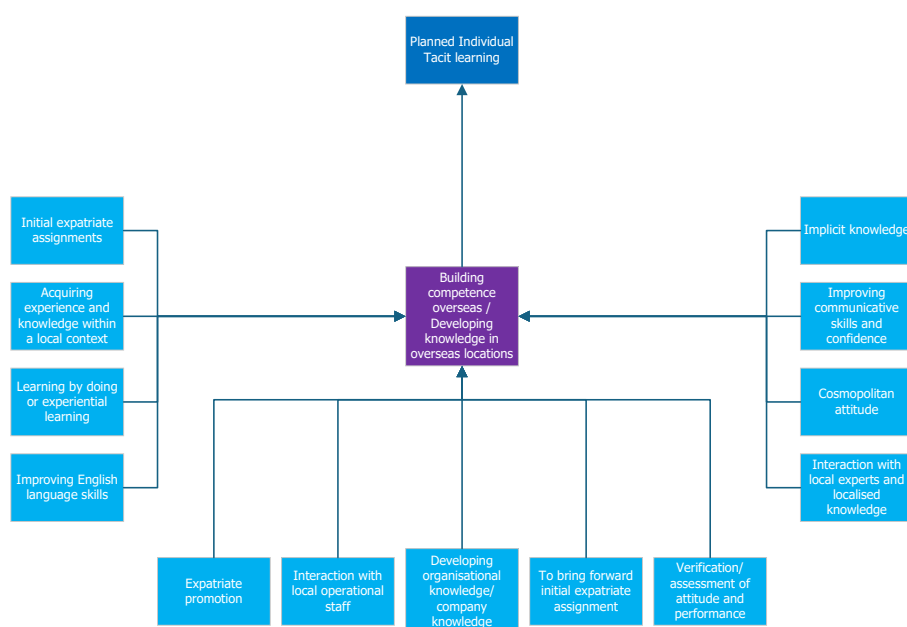


Figure 4.2.3.1.5 Building competence overseas/Developing knowledge in overseas locations

Based on this transitional code, several open codes have emerged, each reflecting critical aspects of the learning experience for expatriates. These include: (1) Initial expatriate assignments, (2) Acquiring experience and knowledge within a local context, (3) Learning by doing or experiential learning, (4) Improving English language skills, (5) Implicit knowledge, (6) Improving communicative skills and confidence, (7) Cosmopolitan attitude, (8) Interaction with local experts and localised knowledge, (9) Expatriate

promotion, (10) Interaction with local operational staff, (11) To bring forward initial expatriate assignment, (12) Developing organisational knowledge/company knowledge, and (13) Verification of attitude and performance. Each of these codes captures the multifaceted nature of tacit learning that occurs in international settings. By understanding how these open codes contribute to the overarching theme of building competence overseas, we can obtain valuable insights into the ways individuals learn and adapt. The subsequent section will analyse these open codes in more detail, shedding light on their importance in the context of planned individual tacit learning.

Initial expatriate assignments

The first element that emerges from the data within the transitional code of 'Building competence overseas/Developing knowledge in overseas locations' is titled "Initial Expatriate Assignments." This concept is a critical component of building competence and developing knowledge in overseas locations, and it reflects a meaningful change in the J-form organisation's approach to expatriation. Historically, only seasoned employees those with over ten years of experience in the organisation were selected for expatriate assignments. These individuals were expatriated based solely on their extensive experience without any additional training, relying on their knowledge from previous roles in Japan. This initial phase was followed by a period in which newer staff members began to be sent to Singapore for overseas experience, marking a shift towards involving less experienced employees in international assignments.

Currently, the strategy has evolved further. Employees are now expected to work for 3 to 5 years in operational roles before their first expatriate assignment, whether in operational staff positions or management in overseas locations. Insights from senior management highlight this structured approach to assigning roles to individuals changing to international positions. According to a senior manager in Kobe, Japan:

'All those individuals who previously worked as staff in Rotterdam were operational staff. If they returned for a second time, they were employed as managers or even managing directors. The reason for this is that initially, they took on a general role to learn, and upon their return, they were given a specific assignment.' (LS110191)

Additionally, the former president of the group emphasises the necessity of training periods for those relocating overseas, noting that these periods are

specifically tailored for junior staff. In contrast, management assignments are viewed differently, reinforcing the importance of leadership preparation over traditional training:

'When they move abroad, they will need a training period, which involves getting acquainted with and adjusting to their new job. We refer to training only for junior staff. When someone receives a management assignment, we do not refer to it as training; this is the key difference.' (LS110130)

This shift in the expatriate assignment process underscores a strong commitment to improving professional skills and ensuring that employees are well-prepared to handle the complexities and challenges of working internationally. Within Kobe Trading's J-form organisational structure, this commitment is specifically evident, as it enhances collaboration and integration across various departments in the network organisation. By emphasising knowledge sharing and effectively allocating resources, the J-form organisation creates an environment that allows employees to adjust and thrive in their international roles, ensuring that individual development is aligned with the organisation's goals.

Acquiring experience and knowledge within a local context

The second element that surfaced from the data within the transitional code of 'Building competence overseas/Developing knowledge in overseas locations' is titled "Acquiring Experience and Knowledge within a Local Context." Improving competence overseas and acquiring knowledge in an international setting are essential components of planned individual tacit learning within an internationally operating Japanese J-form organisation in the culturally diverse maritime industry. The maritime sector is renowned for its diverse blend of cultures, languages, and business practices, presenting unique challenges for J-form organisations based in more homogeneous societies like Japan. In this context, expatriate assignments play a crucial role, as they provide employees the opportunity to immerse themselves in culturally diverse environments an experience vital for developing the insights and skills necessary to understand, interact with, and manage non-Japanese counterparts and customer relationships.

By deploying employees to work in overseas locations and subsidiaries, the J-form organisation provides them with the knowledge and experience

needed to navigate the complexities of the global maritime industry. As J-form organisations expand internationally, the ability to understand and accept cultural differences and adapt to new ways of working becomes imperative, making expatriation a critical component of the J-form organisational strategy.

As declared by a former president of the group company, the organisation generally utilises an incremental approach, aiming to acquire experience and knowledge in a local context before progressing further.

'Yes, it's a totally different mentality. China is such a large country, which is why I had some discussions with H0-san. He wanted to rush things, but I told him, 'H0-san, we first need to establish ourselves in Shanghai. Let's focus on Shanghai first, and then we will see how things progress.' We have to be prepared to adapt quickly, so we want to move cautiously. Additionally, the Chinese have very different characteristics compared to the Japanese. Despite our geographical proximity and the fact that many cultural aspects have been imported from China over the years, the way they conduct business and their daily behaviours are quite different. Therefore, I believed it was better for us to start slowly. If we build our confidence, we can then expand and enlarge the operation. Our goal is to establish a strong presence in Shanghai. If we don't approach this carefully, we risk losing a lot similar to our approach in America.' (LS110127)

Another former president of the group highlighted the importance of implicit knowledge and the value of overseas experiences:

'The person who gains experience outside of Japan accumulates a wealth of knowledge and insights, and not only that, they also build personal relationships and establish local networks. However, this personal network and the information derived from it are challenging to formalise within the company. While the organisation does store client information in their systems, and it is known from whom that information originates, it can be difficult to capture the nuances that expatriates bring from their experiences in specific locations.' (LS110161)

As a manager in Japan further emphasised:

'Another important aspect of being stationed abroad is the opportunity to meet the actual owners of the vessels or representatives from the management companies. It is a significant experience to conduct business directly with these individuals. As you know, it can be quite challenging and nervewracking at times, but those experiences will be invaluable when you return to Japan. In that case, you may become a manager or general manager, allowing you to organise and manage the team in that department or office. Overall, working overseas is a very beneficial experience.' (LS110197)

Learning by doing or experiential learning

The third element that emerges from the data within the transitional code of 'Building competence overseas/Developing knowledge in overseas locations' is titled "Learning by doing or experiential learning." In Japan, implicit learning is considered the dominant approach to gaining expertise in overseas networks and acquiring knowledge in non-Japanese settings. The idea of learning through practical experience and experiential learning via expatriate assignments is vital within a globally operating J-form organisation. As a senior manager in Japan explained:

'First and foremost, I advised the younger generation that we must invest in our development while remembering that we can generate revenue for the company. The opportunity to study and enjoy life abroad is a key reason they should go to learn, observe, and work together with local people. I believe this is one of the most important factors.' (LS110198)

Continuous implicit learning through expatriation is a essential strategy to maintain and grow the organisation's network. The internationally operating J-form organisation is succesful on the implicit knowledge of its employees, placing a strong emphasis on practical experience and on-the-job training over formal education. As a sales representative in Singapore maintained:

'Before that, we only had on-the-job training (OJT). Of course, we also went through some orientation to better understand our own company first. Initially, I spoke with managers from various departments, including the spare parts and ship stores departments. They taught and lectured us on our roles within the company. Once we were familiarised with the company, we began

the OJT. As I mentioned earlier, I joined the supply department in Kobe, and my senior colleague escorted me to some vessels, which was actually my training.' (LS110119)

From the data emerged that tacit knowledge, obtained through observations, practice, and experience, is highly valued in Japanese traditional culture for developing valuable perspectives and expertise. Japanese expatriate employees rely on their implicit knowledge developed overseas to handle new challenges and understand the local maritime environment. As a manager in Tokyo asserted:

'I believe the most important aspect is to understand the customers, particularly the Japanese clients on the ships. In Singapore, my role involved managing store supplies, which meant I effectively served as a boarding officer, bringing items to the ships. Occasionally, I would also oversee drydock operations for those Japanese customers, specifically focusing on the LNG ships in Singapore. I visited those ships every day and developed close relationships with the Japanese superintendents, as well as the ship's crew, including the captain and the chief engineer.' (LS110183)

Leveraging and developing implicit knowledge and competences in overseas subsidiaries is essential to maintaining and developing the J-form organisation's knowledge base.

The Japanese cultural tendency towards indirect communication emphasises understanding underlying messages through observation rather than plain explanations. This implies that experiential learning and obtaining knowledge from expatriate assignments in non-Japanese environments is a natural fit for the J-form organisation's growth and development.

Improving English language skills

The fourth element that developed from the data within the transitional code of 'Building competence overseas/Developing knowledge in overseas locations' is titled "Improving English language skills." Expatriate assignments in overseas subsidiaries provide Japanese individuals with valuable opportunities to practise their English language skills in an international maritime setting, and enhance their language skills while interacting with primarily non-native English speakers. As a team leader in Rotterdam asserted:

'My impression is that the company aims to identify staff members who have the potential to become managers or take on significant positions in the future. To grow into these roles, it is essential to learn a great deal, not only about Japan but also about the challenges of management in various countries. When Japanese individuals move to another country, they are often forced to learn English, as communication can be particularly difficult. Many may arrive without any English skills, making it imperative for them to study the language. With 1-2 years of dedicated learning, they can become proficient, which would not only benefit them personally but also strengthen the Japanese office, as these individuals could eventually take on managerial roles in different branches.' (LS110203)

The analysis displays that Japanese employees don't always fit the stereotype of being shy. Instead their traditional cultural values such as respect, the preference to avoid direct confrontations, and humility can complicate communication for those who are unfamiliar with Japanese values. This was complicated as some of the older generations did not speak English at all.

As a former managing Director in Rotterdam declared:

'At that time, I did not speak any English, so I assumed I would be assigned a warehouse job. However, I was appointed as a boarding officer. A colleague trained me for three months, and we would attend the vessels together. After that, I worked in incoming goods for four months. Following that period, I transitioned to operations. The operations manager would instruct me to attend vessels A, B, and C for the delivery of goods. Of course, I didn't know much about this job initially, but I would first go to the captain's room and say, "Good morning, I am from Kobe trading," which was one of the few phrases I could manage. When the bosun asked for his stores, I could only reply, "I do not speak any English." This was the start of my journey.' (LS110120)

Assignments in locations such as Rotterdam or Singapore enable Japanese individuals to improve their communication skills and confidence within Kobe Trading's extensive network. These multicultural environments, where assertiveness and direct communication are valued, allow expatriates to adapt their communication styles and become more comfortable expressing

themselves assertively in both the international maritime context and the English language. As a manager in Tokyo maintained:

'Not only that, but it was also my first time living in a country other than Japan. I learned a great deal about culture and language during that time. In fact, when I joined Kobe Trading, I did not speak any English at all... (laughs)... I became somewhat accustomed to speaking English in Yokohama, but that was not sufficient. In Singapore, however, I was able to develop and refine my English speaking skills.' (LS110183)

Implicit knowledge

The fifth element that emerges from the data within the transitional code of 'Building competence overseas/Developing knowledge in overseas locations' is titled "Implicit Knowledge." In Japan, implicit learning is regarded as the main element for obtaining expertise within overseas networks and developing knowledge in non-Japanese environments. As a manager in Japan maintained:

'If you are just here and listening to what other people say, it's different from experiencing it yourself. Since I personally traveled to Singapore, I found that the actual shipchandling there is completely different from Japan. Every day, I would go to the port, often heading to the outer anchorage, which would take about two to three hours to reach the ship. It was an excellent experience. Sometimes, I stayed for one or two hours before wrapping up and returning, which meant that such visits would take me around six to seven hours in total. I was engaged in the actual work, and that was a very valuable experience. Additionally, when we secured the contract with Shell, I initially thought it would be very difficult. This was largely because, before my trip to Singapore, I was aware of a small shiphandler named xxxxxx, which provided excellent service to Shell. This is why Shell decided to use their services.' (LS110175)

Continuous implicit learning through expatriation is a fundamental strategy for maintaining and growing the organisation. The internationally operating Japanese J-form organisation thrives on the implicit knowledge of its employees, placing a strong emphasis on practical experience and on-the-job training rather than formal instruction. The data reveals that implicit knowledge, obtained through observation, practice, and experience, is highly

valued in Japanese culture for developing profound insights and expertise. The president of the group explained that implicit knowledge and experience are key determining factors in selecting candidates for senior roles.

'S3-san is being considered for a senior manager position in the department following A1-san's departure. He is one of the candidates, and his performance will ultimately determine his suitability for the role. Similarly, A1-san has the right skills and knowledge related to spare parts and manufacturing, which is why he has been assigned to the machinery department. Both S3-san and A1-san have gained valuable insights into the company, making them knowledgeable assets. For example, shipchandling involves coordinating local supplies with limited lead times, often within two days. The ability to arrange these supplies quickly and deliver them to the ship is essential. Good service in this area not only ensures customer satisfaction but can also positively influence support for purchasing spare parts. The information required about clients is largely consistent across the board. S3-san possesses this knowledge from his prior experience, having worked in the machinery department before moving to Rotterdam and London. This background made his transition to an overseas assignment relatively smooth.' (LS110130)

Improving communicative skills and confidence

In the global maritime industry, effective communication is key for developing relationships and driving success in business contexts. The transitional code of 'Building competence overseas/Developing knowledge in overseas locations' identifies an essential sixth element: "Improving communicative skills and confidence." This theme stands out in interviews with individuals who have faced the challenges of international complex environments, particularly focusing on Japanese repatriates from Europe. As one managing director highlighted:

'Repatriates returning from Europe have learned the importance of picking up the phone to call customers and explain situations. In some cases, when necessary, they have also learned how to apologise for any mistakes that may have occurred. These skills were developed through their experiences and life during their time in Europe.' (LS110105)

An advisor's insights highlight the importance of being physically present, specifically in settings where digital communication is the norm. While cultural nuances may lead to hesitation about face-to-face interactions, putting in the effort to connect in person is essential for developing strong and equal business relationships. He maintained:

'How to explain... Of course, the important thing is to attend and show your face weekly to the people in the owner's office. In the case of the spare parts business, there is a tendency for people to conduct business from the office, primarily through email and telephone. Previously, no one would visit the owner's office. Sometimes, due to the Japanese mentality, the superintendent and purchaser have strong positions, which can intimidate our staff and make them hesitant to contact or visit them in the office. However, it is still important to make an appearance.' (LS110125)

Furthermore, as the president of the group noted, expatriates tend to duplicate the openness and directness of European cultures, overcoming their cultural reservations and language barriers. This process of adaptation enriches not just their communicative abilities but also their overall confidence in professional international settings. By examining these different viewpoints, we obtain a clearer understanding of how expatriate assignments can shape both personal and professional growth. This emphasises the importance of developing communication skills in an increasingly interconnected environment. He asserted:

'Those who stay abroad tend to adopt the openness and directness of Europeans. The inherent nature of the Japanese is somewhat reserved; one contributing factor is our language barrier, which often makes us come across as shy and closed off. If asked a question, we will respond, but we typically do not initiate conversation on our own.'

However, those who have worked outside of Japan often become more open. They realise that there are no significant differences between working in Japan and working abroad, and that people, in general, are quite similar. As they learn to interact with individuals from different nationalities, they become more open. Their time abroad also leads to improved language skills, making communication easier.' (LS110130)

Cosmopolitan attitude

The seventh element that emerges from the data within the transitional code of 'Building competence overseas/Developing knowledge in overseas locations' is titled "Cosmopolitan Attitude." The maritime industry is fundamentally global, with employees from the internationally operating J-form organisation regularly interacting with overseas customers and foreign crew members aboard ships visiting ports in Japan or within the J-form organisation's network. Trips to international suppliers and customers are frequent, requiring employees to develop a cosmopolitan mindset that goes beyond Japanese borders. As a sales representative declared:

'I have been to nearly every country in Europe except for Greece, Lithuania, and Estonia. I have visited the Netherlands, Belgium, Germany, France, Spain, Portugal, the United Kingdom, Croatia, Turkey, Norway, Denmark, Finland, and Sweden. When it comes to visiting ship-owning companies, the answer is almost always yes; in some cases, I also visit stockists, engineering companies, engineering partners, and Kobe agents.' (LS110207)

Through expatriate assignments and experiences of living and working in foreign countries within the organisation's network, Japanese expatriates can deepen their understanding of global business practices, cross-cultural communication, and diverse work environments. As a managing director maintained:

'I'm not sure if you've met A1-san, but he was in our Rotterdam office and exhibited very typical Japanese behaviour at that time; he never spoke up in front of others and was always quiet. However, after returning to Japan from Rotterdam, he became more talkative and began to share his thoughts with others. I believe this change occurred during his time in Rotterdam or Europe, as he needed to engage more with people. In Japan, we often say, "silence is beautiful," which reflects our cultural tendency to value quietness, it's somewhat of a Samurai philosophy that suggests not talking too much and maintaining composure. However, once we go to Europe, we realise the necessity of communication. Although in Japanese culture, we may expect others to notice our feelings without directly expressing them, this approach can lead to misunderstandings. I

think A1-san might not fully understand this now, but perhaps in the future, he will grasp the importance of verbal communication even more. In Europe, without engaging in conversation, it's challenging to foster understanding.' (LS110105)

He continued:

'People who have experienced life in Europe, and perhaps Singapore to a lesser extent, tend to become more accustomed to expressing their thoughts and opinions. Gradually, individuals grow and develop; although they may still be young and not hold significant influence within the organisation, their experiences abroad prepare them for future roles. When they return as managers, they can influence a team of five or six staff members, and everyone is inclined to listen to them. In this way, their time abroad significantly enhances their education and understanding of how to navigate workplace dynamics.' (LS110105)

This exposure enhances their ability to adapt and be flexible, contributing to a cosmopolitan perspective in the increasingly globalised maritime industry. These expatriate assignments and international living experiences enable Japanese expatriates to gain valuable insights into global business practices, cross-cultural communication, and varied workplace cultures. The managing director concluded with:

'K1-san has spent time in Rotterdam, and he is very straightforward, much like a European. Personally, I have also spent a long time in Rotterdam and have adopted a European approach. K1-san had a Dutch girlfriend, which may have influenced his communication style. Additionally, S3-san, who was recently promoted to senior manager in the machinery department, has also been in Europe for quite some time and shares this straightforwardness sometimes to the extent of being too direct. For Dutch people, this is not an issue.' (LS110105)

Interaction with local experts and localised knowledge

The eighth element that emerges from the data within the transitional code of 'Building competence overseas/Developing knowledge in overseas locations' is titled "Interaction with local experts and localised knowledge." In an increasingly globalised maritime business environment, it is essential to

recognise the value of engaging with local experts. Insights from management emphasise that tapping into local embedded knowledge can considerably enhance operational effectiveness. For example, a managing director in Japan pointed out that a considerable amount of business from Japanese owners flows into the Rotterdam office, a trend that is not as common in Japan itself. This confirms the competitive essential role that local expertise, such as that provided by Kobe Trading, plays in developing relationships and enhancing business success in the overseas network. He professed:

'A lot of business from stores comes into the Rotterdam office, specifically from Japanese owners. Normally, we do not have as much business with Japanese owners in Japan; however, in Rotterdam, these owners rely on the local knowledge that Kobe trading provides.' (LS110105)

Additionally, a senior manager emphasised that while shipchandling and spare parts operations differ considerably across regions particularly between Japan and Singapore overseas experiences allow staff to grasp alternative business practices. Such interactions foster an understanding of different organisational cultures and consumer expectations, demonstrating that tailored approaches based on local knowledge are essential for navigating diverse international markets effectively.

Furthermore, a senior manager highlighted that although shipchandling and spare parts operations differ significantly between regions, and specifically between Japan and Singapore, overseas experiences help staff understand culturally different business practices. He maintained:

'The shipchandling and spare parts businesses can operate in Japan; however, the ship supply business in Japan differs significantly from that in Singapore. When staff have the opportunity to travel overseas, they gain insight into alternative business practices. This applies to spare parts staff as well. For instance, if we send staff to Kobe Trading in Rotterdam, they will learn how Kobe Trading in Rotterdam operates and how to effectively engage with European manufacturers. Interacting with Japanese manufacturers compared to European ones requires distinct knowledge and understanding, as their business mentalities, practices, and organisational structures are vastly

different. Consequently, the approach taken must also differ. We can greatly benefit from the insights gained through overseas experiences.' (LS110190)

Expatriate promotion

The ninth element that emerges from the data within the transitional code of 'Building competence overseas/Developing knowledge in overseas locations' is titled "Expatriate promotion." This process emphasises the value of developing leadership from within the organisation, particularly through overseas assignments. As the previous president of the group company asserted:

'Yes, in Shanghai, the president of the local company is I0-san, a Japanese national who has worked for Kobe for 35 years. He is, of course, a senior figure in the business. Prior to his appointment, the Japanese director held the responsibility of president for the company. I0-san worked under him and remained in Shanghai, where he had the opportunity to learn for several years. Following that period, I appointed him as the president of the local company.' (LS110130)

Similarly, a director of the company noted:

'At Kobe trading in Singapore, I only promote individuals who have proven themselves and earned respect from the local staff. Only then will I recommend a promotion to H0-san for his approval, which he will grant.' (LS110177)

In the context of the J-form organisation, promoting expatriates during an overseas assignment is a common practice. This promotion usually happens gradually, allowing expatriates to take on more responsibilities and leadership roles as they gain experience in the overseas subsidiary and adapt to the host country. Building competence while overseas is fundamental to these assignments and aligns with the J-form organisation's commitment to support individual tacit learning. Expatriates are motivated to acquire new skills, adapt to culturally diverse work environments, and enhance their understanding of international maritime business practices.

Furthermore, the knowledge obtained in an overseas subsidiary provides expatriates with valuable insights into local markets, customer preferences,

and cultural nuances. These insights will benefit the J-form organisation upon their return to Japan. After completing their expatriate assignments, individuals may qualify for promotion to junior, middle, or senior managerial roles based on their age and level of experience. As one managing director shared:

'Eventually, I stayed in the Rotterdam office for seven and a half years, during which time I was gradually promoted.' (LS110105)

'So, the company decided that I should start from the bottom as an assistant manager, then progress to division manager and general manager before returning to Japan.' (LS110105)

Expatriates who perform well in their assignments are seen as valuable assets for the organisation. Consequently, the J-form organisation prioritises expatriation and repatriation to maintain and enhance its leading position in the global maritime industry, making promotions a natural step in their career development.

Interaction with local operational staff

The tenth element that emerges from the data within the transitional code of 'Building competence overseas/Developing knowledge in overseas locations' is titled "Interaction with local operational staff." This element highlights the significance of effective communication and collaboration with local teams in culturally diverse operational settings. As a division manager asserted:

'After three years in Kobe, I moved to the Singapore office. During my first year there, I was responsible for deliveries, primarily as a sales representative for ship docking services. Once a ship arrives at the dry dock, we receive information from the shipyard or the overseas office indicating that the ship will go to Sembawang Shipyard. The superintendent typically arrives at the site office about three days before the ship's arrival, so I would need to attend meetings with the superintendent to understand what type of assistance or items they would require for a quote. I was focused on generating enquiries to provide the superintendent with an appropriate quotation. Additionally, I would try to obtain orders from the captain for provisions. After two years in Singapore, I transitioned to the role of sales representative for local customers, specifically local management companies in Singapore. This role

involved not only supporting Kobe trading Singapore but also collaborating with Kobe Trading Japan, Kobe Trading Rotterdam, and our joint venture in Korea. Periodically, I visited customers to understand their service needs and to develop relationships with them on behalf of our Kobe group.' (LS110192)

This experience is further underscored by a manager in Japan, who declared:

'I spent three years in that role. The experience in Rotterdam has been invaluable for my career here in Japan. I can explain that it largely depends on the country; the culture and ways of thinking are different. When communicating, for instance, many interactions now occur via email, and I have developed an understanding of what they want and their approach. Whether it's negotiations about spare parts or understanding the specific information they require, I relay this to my colleagues. Because we grasp their needs, we can effectively translate their requests to the manufacturers, which helps us acquire the right technical information. My overseas experience has equipped me to assist my staff, and this has been one of my key learnings.' (LS110197)

The transition between roles highlights the importance of learning and adapting to different operational contexts, allowing employees to become more effective in their interactions. Engaging with local teams not only builds better relationships but also allows staff to anticipate and respond to unique challenges encountered in the various subsidiaries and regions.

To bring forward initial expatriate assignment

The eleventh element that emerges from the data within the transitional code of 'Building competence overseas/Developing knowledge in overseas locations' is titled "To bring forward initial expatriate assignment." From the data emerged that the maritime J-form organisation faced significant challenges due to the effects of the bubble economy in Japan. Consequently, the company struggled to recruit a sufficient number of staff for several years, leading to a shortage of employees in a specific age group decades later. This shortage caused promotions within the company to delay, resulting in some individuals remaining as extended long-term expatriates. To address the staffing issues, the J-form organisation had to adjust its normal rotation schemes and expedite some of the initial expatriate assignments. As a senior manager explained:

'Our career path typically begins as a boarding officer. After gaining a few years of experience in that role, one can progress to middle management and then to higher positions or return to Japan. For me, 12 years is actually too long. F2-san mentioned the same, considering I spent 9 years in Japan before moving to Singapore, where I have now been for 12 years. Nowadays, a more effective rotation might involve spending 2 to 3 years in Japan, followed by 3 to 5 years overseas. Returning to Japan after this experience could lead to a middle management position in a Japanese organisation, which represents a more balanced career progression.' (LS110110)

However, to manage the gap caused by the shortage, the J-form organisation maintained the concept of individual tacit learning. Younger employees were given the opportunity to take on new assignments and responsibilities, allowing them to learn on the job and quickly acquire the skills needed to fill the gaps in the organisation. As a senior manager in Japan maintained:

'Yes, S4-san will resign next month, and my young staff member, who is just 27 years old, will be joining Kobe trading Rotterdam. He graduated from Tokyo Marine University and then joined Kobe trading.' (LS110198)

In this process to catalyse the implicit learning process, the availability of seasoned repatriates in Japan and expatriates with extended long-term expatriate assignments within the organisation played an essential role. These experienced individuals provided extra mentorship and guidance to the younger employees, guiding them through their new roles and responsibilities effectively. The experience and knowledge shared by the senior repatriates and expatriates play a main role in this collaborative approach. Dovetailing individual tacit learning with the support and guidance of these seniors, the J-form organisation has effectively managed its staffing shortages. As declared by a general manager in the Netherlands:

'Yes, nowadays there are many younger individuals in expatriate functions. In the past, we had older people in these roles in Greece and London, but now it seems that younger individuals are taking on these positions.' (LS110121)

By leveraging the collective experience and knowledge with the network organisation, the organisation is able to provide younger employees to take on enhanced responsibilities when this was needed. As the previous president of the group asserted, this statement relates to a young employee who was trained by experienced management in Rotterdam:

'Yes, we have Hong Kong Chinese staff. We used to have a Japanese employee there, but at a certain point, we didn't have any staff available to send. P1-san could manage the situation, but he had to move to our logistics department in Hong Kong, specifically Kobe Logistics Hong Kong. As a result, we needed to send a representative from Japan. At that time, however, all senior personnel were already allocated to other locations, so we decided to choose someone younger. Coincidentally, H2-san had just returned from Rotterdam and had begun to gain experience with agency work in Tokyo, so we thought, "Why not?" We selected H2-san. Of course, this was a very risky decision because he had no prior experience or track record, and we didn't know how he would be accepted by our customers in the Hong Kong area.' (LS110130)

Developing organisational knowledge/company knowledge

The twelfth element that emerges from the data within the transitional code of 'Building competence overseas/Developing knowledge in overseas locations' is titled "Developing organisational knowledge/company knowledge." Expatriates from the J-form organisation obtain valuable insights into the operational strengths and weaknesses of their own group company by getting involved in diverse cultural business environments. As a managing director in Japan maintained:

'First, I mentioned that when I was in the London office, I was surprised by the large business volume in the spare parts sector. However, when I moved to Rotterdam, I was equally surprised to see the significant business volume there as well. K0-san always says that Kobe is number one, and now, after my experience in London and Rotterdam, I understand why.' (LS110105)

This experience not only deepens their understanding of the J-form organisation's capabilities but also equips them with the skills necessary

to navigate and adapt to diverse markets. As a sales representative in Rotterdam asserted:

'When I was in Japan, I was merely part of one team within the Kobe group companies, so I didn't have to consider other departments. However, now that I am representing the entire group, the way I handle inquiries has changed dramatically. When I receive an inquiry about a specific product, such as clothing, I immediately think about how the entire Kobe trading group can support that request, taking into account who can assist and how. This approach is significantly different from how I used to operate. One of my main responsibilities now is to coordinate effectively among the group companies, connecting our offices with our customers. This is a key requirement of my position.' (LS110207)

As they prepare for their roles as group representatives, these expatriates utilise their acquired knowledge to develop stronger relationships with local stakeholders, ultimately contributing to the overall success of the organisation in global maritime settings. As a general manager in Japan explained:

'Before assigning staff to overseas positions, we send individuals to Korea, Singapore, and Dubai for about one week each to gain insight into local operations. For instance, N3-san accomplished this by visiting Singapore, Korea, and Dubai prior to his assignment in the Netherlands. He needed to observe and acquire knowledge to effectively represent our group of companies. This approach primarily applies to those who will serve as representatives for our group, such as N3-san and S5-san in London.' (LS110189)

Verification/assessment of attitude and performance

The thirteenth and last element that emerges from the data within the transitional code of 'Building competence overseas/Developing knowledge in overseas locations' is titled "Verification/assessment of attitude and performance." From the data emerged that the expatriate experience as planned individual tacit learning experience is also utilised as a verification of the attitude and performance of the expatriate, which will ultimately impact the individual's future career progression. As a board member and former president to the organisation professed about the career of the current president to the organisation:

'That is correct, but it's important to understand that the essence of Kobe Trading lies in the physical movement of items within our ship supply business. If someone does not wish to engage in this aspect, they essentially disqualify themselves according to Kobe's standards. Through our conversations over drinks in Oslo, I realised that he had already gained relevant physical experience; he had picked up some knowledge of different business styles in London and Oslo but lacked management experience. Therefore, I decided to move him to Rotterdam because I recognized his potential and believed he needed to develop management experience. Fortunately, at that time, I was the general manager of the marine department, which allowed me to create a learning opportunity for him. I remembered our discussion, and when I returned to Japan and encountered an opportunity for a replacement in Rotterdam, I felt confident that F2-san was the right person for the position. Although he was reluctant to relocate, I believed that the move from London to Rotterdam would be beneficial for his future career. I did my best to persuade him because it was ultimately in his best interest for professional growth.' (LS110112)

During their time abroad, employees are expected to adapt to different working cultures, languages, and non-Japanese ways of doing business. This experience helps them to develop a broader perspective and a deeper understanding of the global maritime industry. During their stay in the overseas subsidiary and upon their return to Japan, the employees are evaluated based on their performance during their overseas assignment. As the vice-president in Dubai explained:

'The focus is solely on training and development in Dubai. My successor candidate is already within our office, so by the time they are ready, they will have completed the five-year period. At that point, they will begin to perform in their job role and take on higher positions within the company. Of course, they will likely stay for a longer duration, just as I have.' (LS110134)

This evaluation plays an essential role in determining their future career within the J-form organisation. Those who demonstrate a strong work ethic, adaptability, and a willingness to learn are likely to be considered for more senior roles and responsibilities in the future.

4.2.3.1.6 Managerial experience/Training of high potentials

Training of high-potential employees and providing them with managerial experiences are essential for the success of J-form organisations like Kobe Trading Japan and their network organisation. Consequently, the sixth transitional code within the subcategory of planned individual tacit learning, as illustrated in Figure 4.2.3.1.6, is titled "Managerial Experience / Training of High Potentials." This transitional code focuses on expatriate assignments aimed at enhancing managerial experience and developing high-potential employees. In a Japanese J-form organisation working internationally in the maritime industry, the link between expatriates assigned overseas and their eventual return to Japan is essential for the organisation's global operations and network organisation. When choosing employees for international assignments, organisations usually implement careful planning and rotation schemes. In some cases, expatriates may return to a subsidiary where they previously worked. As a manager in Japan explained:

'They were fortunate to have visited Rotterdam in their youth. The way of thinking evolves as we grow older. They gained experience in Japan before travelling to Rotterdam, after which they returned to Japan. As a result, their experiences became more advanced and more professional in the context of international business. When I first stayed in Rotterdam, I learned that upon returning, individuals possess a better understanding of what they have experienced. When they go back again, they are familiar with both societies, the job markets in both countries, and the business styles of Rotterdam/ the Netherlands and Japan. This knowledge enables them to excel as highly experienced individuals and top management.' (LS110194)

Within the various management levels of the Japanese J-form organisation, expatriates and repatriates hold unique roles and responsibilities. For example, expatriates might be assigned the responsibility of building and managing relationships with foreign partners and customers, whereas repatriates typically focus on drawing on their overseas experience and insights to influence the interaction with overseas subsidiaries, local bodies, and customers.

This expertise is essential to uphold the organisation's unique Senmon Shosha function, which involves collaboration with Japanese manufacturers of ship machinery and communication with Japanese shipowners. The open codes that have emerged under this preliminary classification code include:

(1) Management Assignment in Japan, (2) Medium-Term Management Planning, (3) Management Training & In Situ Knowledge Sharing, (4) Management Selection, (5) Assessment of Management Style, and (6) Acquisition of Engineering Knowledge for Future Managerial Roles. To further explore how this list of codes contributes to the preliminary classification code, the related open codes will be analysed in the subsequent section.

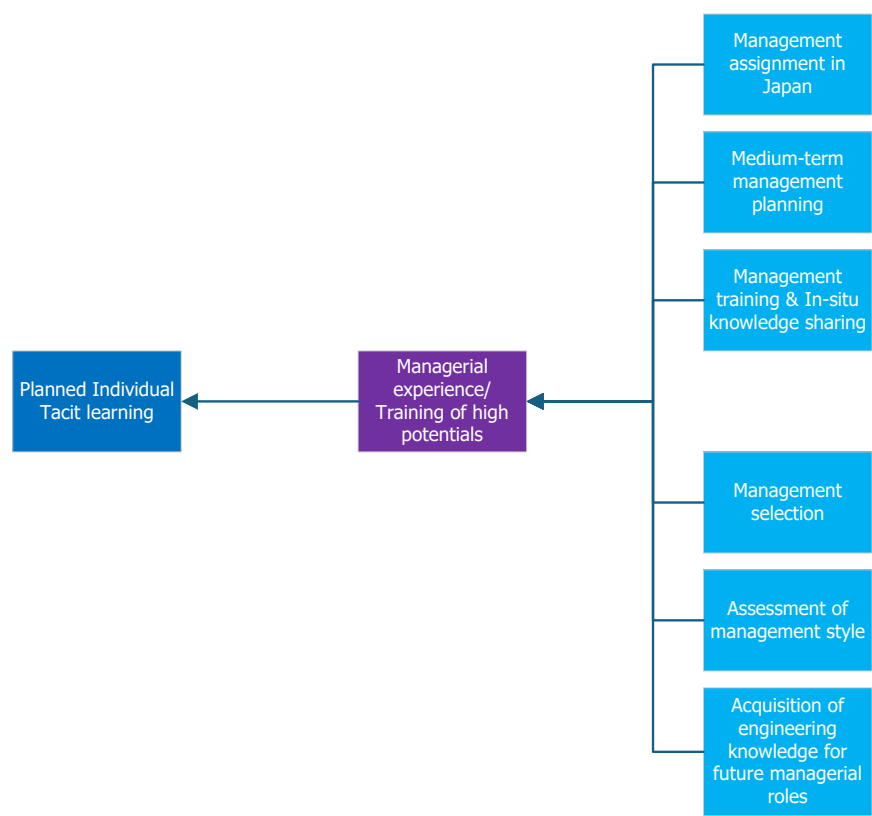


Figure 4.2.3.1.6 Managerial experience/Training of high potentials

Management assignment in Japan

The first element that emerges from the data within the transitional code of 'Managerial experience/Training of high potentials' is titled "Management assignment in Japan." The data revealed that the way the J-form organisation is structured is unique yet subject to change, showcasing different management routes across different generations. Historically, employees would typically join the organisation immediately after completing their university studies, gaining several years of experience before embarking on their initial expatriate

assignment. Upon their repatriation, they would then progress to more senior management roles. As the managing director in Rotterdam explained:

'I was the general manager in Rotterdam for six years. After that, I moved to Tokyo and began working for a division known as the 'Overseas Network' division. Their responsibility was to assist Japanese owners with supplies, repairs, and storage in overseas locations, specifically for Japanese clients. My job title at that time was senior manager.' (LS110120)

In recent times, the organisation has undergone a transformation in this traditional rotation sequence by advancing expatriate assignments, enabling employees to return from their first assignment at an earlier stage in their careers. This strategic shift has proven beneficial for both the individual and the organisation. Repatriates are now frequently assigned to junior or mid-level management positions, where they oversee junior Japanese staff. As a general manager in Rotterdam maintained:

'Many people are working overseas; specifically, we need Japanese manpower in places like Singapore and Dubai. When they return to Japan, they go through a specific process. Initially, they are appointed as managers to oversee a small group of around five or six people to develop their management skills, followed by a middle management role. Top management assesses who is suitable for a position at the director level. This is the process that I went through. As I mentioned, I was a senior manager in the supply department for seven years, and this was the process the company established for me before entrusting me with this responsibility.' (LS110121)

This realignment has clearly improved the transfer of knowledge between the repatriates and junior staff members, made more effective by the reduced age gap between them.

Medium term management planning

The second element that emerges from the data within the transitional code of 'Managerial experience/Training of high potentials' is titled "Medium term management planning." In the Japanese J-form organisation, senior management plays a vital role in developing medium-term management plans that look ahead over a period of 3-5 years. These plans are regularly

assessed and changed to ensure they remain relevant and effective. As part of their training, newly appointed senior managers and younger members of the management team are encouraged to share their perspectives and ideas for these plans. This not only provides valuable learning opportunities for the new team members but also helps them to enhance their strategic thinking and leadership abilities. Ultimately, by incorporating a variety of viewpoints in the planning process, the J-form organisation can gain fresh insights and find innovative ways to overcome challenges as well as utilise these moments to develop future leaders. As a managing director in Japan explained:

'We prepare medium-term management plans, specifically three-year management plans. For these plans and projects, we incorporate the input of new senior managers as well as other younger senior managers, in addition to O1-san, K1-san, and myself. Together, we will kick off at the end of this month, staying in a remote location for two nights to discuss the direction of Kobe trading for the coming years. The entire process is expected to take 8 to 10 months. We prepare these plans to commence in April 2013 for a duration of three years, approaching this kind of work as a project.' (LS110105)

The J-form organisation's focuses on developing future managers through a strong commitment to long-term career development, extensive training, and ongoing opportunities for growth. By prioritising employee development and providing the support and resources they need to succeed, J-form organisations can build a pool of individuals who are well-prepared to guide the organisation into the future. Senior management regularly assesses each employee's progress throughout their career, which ultimately determines their career path. As a division manager maintained:

'Essentially, they undertake two tours, typically lasting around five years or even longer. During the first tour, they work overseas in roles such as the person in charge of spare parts or managing stores. In the second tour, they return as senior management. The first role is more operational, while the second is akin to that of a managing director. I believe that management at a subsidiary office must gain experience in operational roles overseas, which may explain this approach. Initially, only capable individuals are selected for these assignments. However, I think it does not

matter whether they go to Europe or Singapore; what's important is that they are capable.' (LS110195)

By carefully evaluating multiple factors such as behaviour, teamwork, persistence, and considering the individual skills and capabilities of each employee within a program of annual individual targets in a management by objectives approach, Japanese senior management can make informed decisions about which employee is best positioned to excel in a specific leadership role within the J-form organisational network. A director in Japan explained that replacing management in certain overseas areas is challenging due to cultural differences and local management preferences. He asserted:

'That office has many younger employees from Japan as well. Currently, we have around seven young Japanese individuals working there. So, the successor is already in place. Otherwise, we would send another suitable candidate from Japan, Singapore, or Rotterdam.' (LS110154)

This tailored approach to talent management helps ensure that the right individuals are selected for the right positions, ultimately contributing to the J-form organisation's overall success and growth.

Management training & In situ knowledge sharing

The third element that emerges from the data within the transitional code of 'Managerial Experience/Training of High Potentials' is titled "Management Training & In Situ Knowledge Sharing." In this approach, senior management provides coaching and guidance to new senior managers, helping them navigate their roles effectively. As a retired managing director of the subsidiary in Rotterdam explained about his role of finding a successor:

'Yes, that is correct. It is important to provide more opportunities for local staff; that was my approach to operations. Additionally, F3-san is a very intelligent individual, and I accepted him as my replacement. However, his communication can be rather brief, making it challenging for others to understand his approach. Each person has a unique way of thinking, so more explanation was necessary to clarify his perspective and the methods he employs to achieve his goals.' (LS110186)

However, due to a shortage of personnel, the J-form organisation has also adopted a strategy of in situ knowledge development and sharing, facilitating the transfer of expertise from Japan to the subsidiary offices. This dual approach not only ensures that new leaders are well-equipped with essential skills but also allows younger staff members to learn and grow in their roles without needing to possess all the necessary skills prior to their departure. As the former president of the group maintained:

'It takes time, you know. One year is not enough; it usually takes two to three years for expatriates to become familiar with local customs and business procedures. By that point, they have a solid understanding of the environment. Some expatriates, as you know, become very well connected with local management, which can lead to a desire for them to stay. For example, H1-san and S1-san are both very well accepted locally, making it challenging to implement automatic shuffles.'

However, continuously considering these factors may hinder our progress. We should avoid overthinking the local market. Local managers may argue that no one can replace certain individuals, but, of course, everyone can be replaced. Initially, when a person is exchanged, the performance of that office may decline slightly, and the company must accept this. Over time, however, performance will recover as the new person establishes new networks, while the predecessor can maintain these relationships from Japan through travel and support. We need more individuals with experience, and I aim to facilitate more frequent exchanges of personnel to address these situations effectively.' (LS110161)

He continued:

'The president in Greece is O4-san, who is just 31 years old; it is essentially a one-man office. He is the representative in this office and has learned a great deal from being there alone and representing the company. Similarly, in Hong Kong, we have H2-san, who is actually only 29 years old. These young men have been sent to represent the organisation at such a young age. In Dubai, we currently have three young men, while in Singapore, there are five young men.' (LS110161)

Management selection

The fourth element that emerges from the data within the transitional code of 'Managerial Experience/Training of High Potentials' is titled "Management Selection." As the president of the organisation noted, personal character and abilities are key determinants of an individual's success, alongside organisational skills, leadership qualities, and specialised knowledge. This understanding informs the strategic approach to management selection, particularly when individuals return from assignments, typically after a five-year rotation. At that point, the company often finds a demand for managers in specific departments or divisions. The president stated,

'Based on the information we have, we endeavour to identify the most suitable candidate for that position from our records to ensure we select the best fit for the role.' (LS110130)

Additionally, the selection process involves collaboration and careful consideration among senior management. The president explained that staff make recommendations to board members, yet he emphasises that the final decision rests with him, with the need for approval from both personnel movement and the board. Having worked closely with key individuals like O2-san for transitions to locations such as Rotterdam, he underscores the importance of understanding any objections raised during this process. He maintained:

'Yes, the staff will ultimately make recommendations to the board members. Of course, it is my idea that determines the final decision, and then the top management must obtain approval or consent from both the personnel movement and the board during the meeting. For example, I have always collaborated with O2-san regarding the transition to Rotterdam. If there are any objections, I want to understand the reasons behind them. No one is perfect, but the highest-calibre personnel involved in the movement are always presented for consideration. Additionally, it is important to secure the consent of longstanding members, including previous presidents and board members, sometimes requiring their approval as well.' (LS110117)

Moreover, the complexity of moving individuals from various global locations, such as Singapore to Rotterdam or Dubai to the United States, necessitates a preference for making arrangements from Japan. The president further

highlighted that effective communication within Japan enables daily interactions with division managers, which is essential for a robust selection process.

'In principle, only the best candidates are considered for such positions,' (LS110117)

he stated, reinforcing the organisation's commitment to maintaining high-calibre personnel. Ultimately, this approach ensures that the company can respond to challenges effectively and rely on capable leaders, both locally and in overseas assignments. As the president of the group professed:

'The decision was not made solely by me; there were only a limited number of individuals involved. Of course, I also spoke with F1-san, as we were both familiar with his character. The others from his generation had already been assigned to positions, and it is generally more challenging to move someone from an outside location to another outside position, such as from Singapore to Rotterdam or from Dubai to the United States. Therefore, we prefer to make these arrangements from Japan only.'

O2-san was the division manager of the supply department; he was the top person in that role. When sending someone outside the company, like to Rotterdam, we need to rely on capable individuals. Here in Japan, we can always communicate face to face with a division manager every day, which is essential for the selection process; in principle, only the best candidates are considered for such positions. Furthermore, even when we face urgent issues, we can address them because we are all together in Japan. However, when staff are based outside, I had to depend on reliable individuals like O2-san. The only challenge was figuring out how to ask him and his wife to relocate back to Rotterdam.' (LS110117)

Assessment of management style

The fifth element that emerges from the data within the transitional code of 'Managerial Experience/Training of High Potentials' is titled "Assessment of Management Style." In the internationally operating J-form organisation, individual tacit knowledge involves a level of qualitative factors. For instance, it is crucial to assess an individual's management style before appointing them as the managing director of an overseas subsidiary. This assessment is essential

as the individual's management style must be aligned with the local culture and norms of the specific country of the subsidiary. As a director in Kobe explained:

'The individuals who return are carefully selected. In this case, S2-san was chosen because he is well acquainted with the operations in both Rotterdam and Japan. He understands the systems in Japan and the management style practiced there. During the selection process, we evaluated who would be the most suitable candidate, and S2-san emerged as the ideal choice. Additionally, F3-san is also quite familiar with both Rotterdam and Japan.' (LS110192)

Understanding and adapting to the local culture while maintaining Japanese management principles is imperative for successful leadership in a foreign market, yet a delicate balance can often be required. As the president of the group maintained:

'O2-san has a very stable mindset; he is not overly emotional and maintains strong relationships with others. His character is crucial for his work in the overseas subsidiary in Rotterdam. In a different environment, his character might not be as suitable, as it would require more directive management, which depends partly on the levels of the workers and managers involved. Ultimately, the top person has full responsibility. However, in Europe, the situation is different; it is essential to understand how to delegate tasks to the right person. O2-san excels in that respect.' (LS110117)

The managing director must be able to communicate effectively with local employees, understand their work habits, and directly address any cultural differences that may arise.

Acquisition of engineering knowledge for future managerial roles

The sixth and last element that emerges from the data within the transitional code of 'Managerial Experience/Training of High Potentials' is titled "Acquisition of engineering knowledge for future managerial roles." As an executive director in Singapore professed:

'Marine mechanical engineering was the primary focus at our marine college, although there were many other majors such as

economics and IT. F2-san was the second student to undergo this program, which made it quite interesting. The company established an educational programme to send individuals to a university in the UK, and I was selected as the first participant to go for one year. The experience was not inexpensive; the company not only covered my salary during my absence but also provided support for my family. There was a strong interest in the programme, which made it very easy to make friends.' (LS110118)

In some other cases engineering knowledge was obtained by learning by doing as a senior manager explained:

'After ten years, I was 32 years old and working in the USA office, which was located in Newport, Virginia. The office had just moved there from New Jersey a year prior. The reason for the relocation was to secure a new project called "Double Eagle" at Newport Shipbuilding. The aim was to construct a new private tanker, which was considered an ambitious idea at the time.' (LS110198)

This emphasis on engineering education continued as the managing director, who is now the president of the company, elaborated:

'In 1992, I went to the United Kingdom. At that time, the company was setting up a training course. The first participant was S1-san, followed by me. The company organised a course for English and engineering in collaboration with South Tyneside College in Newcastle. Together, the university and the company tailored the course for individual Japanese students. The college offered a variety of courses, including those for captains, engineering, and chief engineers. These courses covered a wide range of topics such as using a lathe machine, navigation, power plant management, and maritime law. I was allowed to choose topics from a selection of courses, and the company decided on the basic engineering course in conjunction with the university.

However, I felt that some of the courses, such as those involving lathe machine work, were not suited to me, which is why I requested a change. Since I had no engineering background and the company was unfamiliar with the course content, I found

myself receiving instruction in highly professional courses that I struggled to follow. Consequently, I switched to a different course. I had some freedom in my choices, and the programme lasted for one year in total. While the course itself was eight months long, I was permitted to remain in the UK for an additional four months, bringing my total time there to twelve months.' (LS110105)

In some cases, engineering knowledge was acquired through hands-on experience, as a senior manager explained:

'After ten years, I was 32 years old and working in the USA office, which was located in Newport, Virginia. The office had just moved there from New Jersey a year prior. The reason for the relocation was to secure a new project called "Double Eagle" at Newport Shipbuilding. The aim was to construct a new private tanker, which was considered an ambitious idea at the time.' (LS110198)

These insights highlight the diverse strategies for acquiring engineering knowledge, whether through structured educational programmes or hands-on experience in the field. This engineering paradigm is crucial for cultivating future managers within the J-form organisation and its senmon shosha function, as it provides them with the technical expertise and problem-solving skills necessary to navigate complex projects. By equipping them with a solid foundation in engineering principles, the J-form organisation ensures that its leaders are capable of driving innovation and making informed decisions that promote sustainable growth and success.

4.2.3.2 Structured Guided Learning

The second sub-category of the core category 'organisational learning: conditions and context,' as illustrated in Figure 4.2.3.2, is titled "Structured Guided Learning." This subcategory encompasses a range of human resource management (HRM) practices specifically designed to facilitate and structure learning within the organisation. This sub-category aims to create a comprehensive framework that fosters both personal and professional development among employees. The transactional codes that contribute to Structured Guided Learning include a variety of approaches to knowledge sharing and training. First, informal day-to-day (tacit) knowledge sharing establishes an ongoing dialogue among staff, allowing for the exchange of insights and experiences that enhance learning in real time. Formal knowledge

sharing sessions, on the other hand, provide structured opportunities for employees to gain and share essential information.

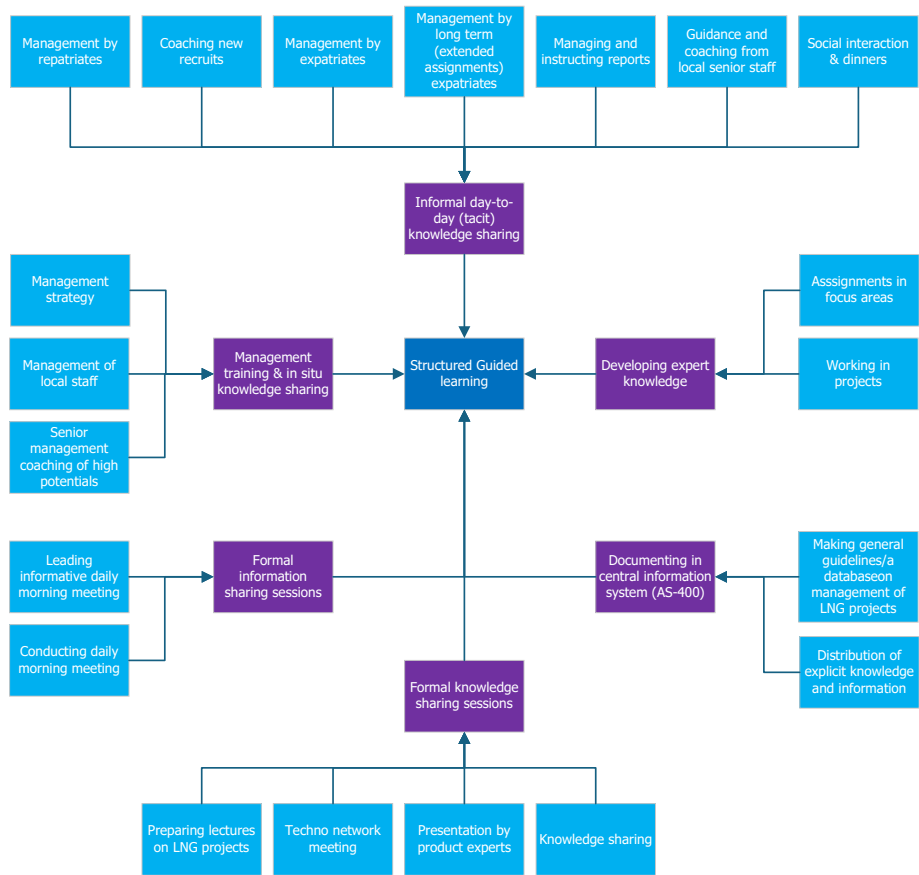


Figure 4.2.3.2 Structured Guided Learning

Additionally, management training and in situ knowledge sharing focus on the development of leadership skills and practical insights directly applicable to employees' roles. The elements of developing expert knowledge and formal information sharing sessions further reinforce the commitment to cultivating a knowledgeable workforce. Finally, documenting information in a central system, such as AS-400, ensures that general explicit knowledge and information are readily available, facilitating continuous learning. The transactional codes are as follows: (1) Informal day-to-day (tacit) knowledge sharing, (2) Formal knowledge sharing sessions, (3) Management training & in situ knowledge sharing, (4) Developing expert knowledge, (5) Formal information sharing sessions, (6) Documenting in central information system (AS-400). Each of

these transactional codes was logically derived from a selection of open codes. The following sections will examine these preliminary classification codes in detail, along with the open codes that contributed to their formation.

4.2.3.2.1 Informal day-to-day (tacit) knowledge sharing

The first transitional code within the subcategory of structured guided learning, as depicted in Figure 4.2.3.2.1, is titled 'Informal day-to-day (tacit) knowledge sharing.'

In Japanese J-form organisations, this first transactional code to the process of structured guided learning involves the vital concept of 'informal day-to-day (tacit) knowledge sharing', which plays a significant role in fostering collaboration, innovation, and continuous improvement.

From the data emerged that this concept involves the sharing of knowledge, experiences, and insights among team members on a daily basis, often through informal interactions and practical experiences in the workplace. As a director and vice-president to the group company professed:

'Yes, one manager and several senior staff members, including those who were a year ahead of me, taught me essential skills such as leadership, customer relations, and understanding customer needs. They also introduced me to the descriptions found in the IMPA book. To further enhance my knowledge, I undertook additional self-study using the IMPA book, as it is written in English and provides valuable information on the coding and products we handle on a daily basis.' (LS110134)

One of the main aspects of day-to-day (tacit) knowledge sharing is the focus on learning through observation and emulation. Team members are encouraged to learn from one another by observing how more seasoned colleagues approach tasks, solve problems, and interact with others. This type of knowledge sharing typically occurs informally during daily activities of work, team meetings, lunch breaks, and collaborative projects. As a deputy manager explained:

'We would go to the ships together, and during the first visit, he taught me how to load stores, check supplies, and arrange for signatures. Initially, I was just observing him, but from the second supply run onward, we shared the workload equally and

worked together. By the third and fourth runs, I was handling everything while he supervised and pointed out any mistakes I made. I believe we went together eight or nine times before I started visiting the ships on my own. It is crucial for us to have clarity about our responsibilities in the business. The simplest and most logical way to teach people is through demonstration. We show the processes to freshmen and newcomers so they can understand our operations, teaching them gradually rather than overwhelming them with information all at once. This straightforward approach has proven effective. If everything goes smoothly, that's great. However, if issues arise, I can seek guidance from him or management on how to proceed. In cases where there is a problem with customs, a customer, or if the ship is delayed or has already departed, I would reach out for advice from either him or the management team.' (LS110132)

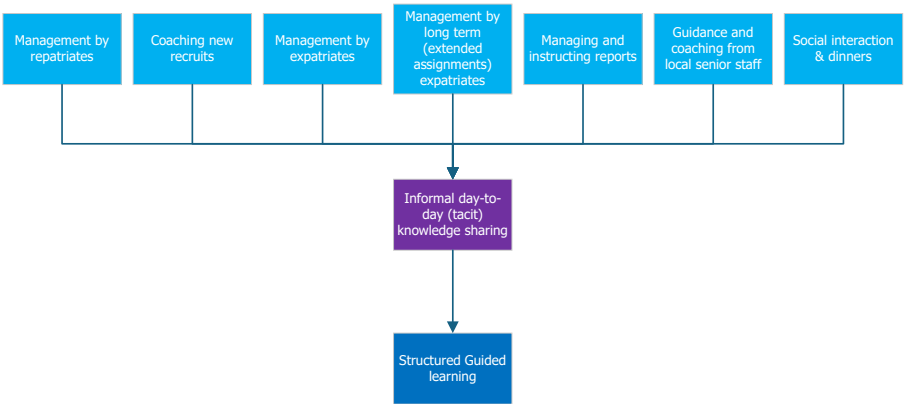


Figure 4.2.3.2.1 Informal day-to-day (tacit) knowledge sharing

Management by long term (extended assignments) expatriates

The first element that emerges from the data within the transitional code of 'Informal day-to-day (tacit) knowledge sharing' is titled "Management by long term (extended assignments) expatriates." In the internationally operating Japanese J-form organisation, the phenomenon of expatriates on extended long-term assignments some lasting 15 to 20 years has emerged as an unplanned yet highly effective practice. As both a vice president and a general manager noted, this approach has proven to be beneficial for the organisation. They maintained:

'Your age can be perceived as both a disadvantage and an advantage from a career perspective, particularly against the backdrop of the organisation's age dynamics. Within this structure, there is a relatively small middle group of professionals, creating a unique scenario. The cohort closely aligned with my age is notably limited, making our role essential as the transition unfolds. A prime example of the value of long-term expatriates is F4-san, who, at the age of 50, transferred to Kobe Transport and became its director. He was deployed to Korea for the company's opening, where he successfully adapted to local circumstances.' (LS110134 & LS110121)

These expatriates are fully embedded in the overseas subsidiary, with full access to local embedded knowledge, well-developed relationships with relevant local stakeholders, and an understanding of the local society. In addition to their formal roles, these long-term expatriates also engage in informal exchanges of tacit knowledge. They share insights, experience, and expertise with visiting expatriates, senior management travellers, and young Japanese staff members embarking on their first assignments or training. This informal exchange of knowledge enhances the overall effectiveness of the organisation's operations in the foreign environment while maintaining essential traditional Japanese management practices. Moreover, these expatriates usually hold the position of managing director or vice president within the overseas subsidiary, which further solidifies their role as key assets in the organisation.

Management by repatriates

The second element that emerges from the data within the transitional code of 'Informal day-to-day (tacit) knowledge sharing' is titled "Management by repatriates." The structure of the internationally J-form organisation allows a culture of continuous learning and improvement. Repatriates play a crucial role in these processes as a source of knowledge when they return to Japan. These repatriates, who have experienced working in various countries and have different career stages, often take on management positions upon their return. They are responsible for managing a team and naturally facilitating the transfer of knowledge within the organisation. As a supervisor and advisor to the organisation maintained:

'My current position is that of a supervisor for the training of young staff in Tokyo. These individuals have joined Kobe in the past

4 to 5 years, and three of them come from the spare parts side of the business. They are not familiar with handling the ship supply side, nor do they know how to contact the superintendent or the office purchaser. Each day, I teach them the necessary skills, and sometimes I accompany them on visits to Japanese shipowners or the offices of Japanese shipping companies. This is my role at present. Additionally, I serve as an advisor to the division managers.' (LS110125)

The daily interaction between the repatriate manager and their team allows for valuable tacit knowledge exchange. The repatriate manager can share insights, best practices, and lessons learned from their time working abroad. As a manager in Kobe professed:

'Yes, so I did. I instructed all the staff; I told them they must consider and think deeply about what was wrong, what went wrong, why this happened, and what we can learn from this to prevent reoccurrence in the future. These are my main points, and I keep telling this to people. A mistake is okay; everybody makes mistakes. A mistake and a complaint teach us a lot, obviously. That is the foundation for us moving forward. Japanese staff, Korean staff, and staff from other countries or nationalities I think everybody is essentially the same.'

Now, I immediately want to mention something that impressed me when I was in London. Everyone was trying to take the easy way out and relied on the representative. They would ask, 'Can you please explain this and this to the customer?' I would say, 'Come on, why?' People did not care and did not deeply consider the issues, which surely meant they would make the same mistake again. That is not good. Lastly, there are many things that I teach my staff.' (LS110115)

This exchange of knowledge is essential for the team to benefit from the repatriate's international experience and to prepare employees for their future overseas assignments. Overall, repatriates in Japanese J-form organisations contribute significantly to the transfer of knowledge and the development of the team. As a senior manager declared:

'I have learned how to be a manager during my time in Singapore, and when I returned here, I was able to utilise that knowledge while managing a team of 20 staff members. I focus on providing them with clear instructions. However, the majority of my staff are relatively young, with most of them in their twenties and under 30. This dynamic presents unique challenges, as I aim to guide and mentor them effectively while fostering a productive work environment.' (LS110110)

Coaching new recruits

The third element that emerges from the data within the transitional code of 'Informal day-to-day (tacit) knowledge sharing' is titled "Coaching new recruits." In the context of Japanese J-form organisations, it is a well established tradition to assign the responsibility of supervising and mentoring freshmen or new employees to those who have only recently finished their first year in the organisation. This approach not only fosters a sense of continuity but also allows new employees to benefit from the recent experiences and insights of slightly more experienced colleagues. As a general manager in Houston explained:

'I would receive instruction from my seniors, who each explained various aspects of the industry. They would provide insights into how the Kobe Trading office operates and offer detailed information about the ship chandler business.' (LS110187)

This structured approach is considered effective in helping new employees integrate into the corporate culture while also clearly defining their roles and responsibilities. By guiding freshmen through this transition, the J-form organisation fosters a supportive environment that promotes team work and engagement. By cultivating an organisational culture of peer-to-peer support and mentorship, J-form organisations aim to create a sense of cohesion and collaboration. Such an initiative not only enhances the professional development of new employees but also helps to build a strong sense of camaraderie across all levels of the J-form organisation. As a managing director in Japan declared:

'After that, I moved to the supply department in Yokohama, where I followed my senior as he visited vessels for deliveries and took orders. This period lasted for approximately six months.' (LS110105)

The Japanese believe that this practice is fundamental to the success of the organisation.

Management by expatriates

The fourth element that emerges from the data within the transitional code of 'Informal day-to-day (tacit) knowledge sharing' is titled "Management by expatriates." In the context of the Japanese J-form organisation, expatriates are deployed following a rotational planning schedule to overseas subsidiaries in roles as staff members and managers. The top position is the most difficult position to fulfil as the president of the group professed:

'The external units already have top management from Japan in place. Therefore, it is easier to send some younger employees, such as junior staff or mid-level personnel. The most challenging aspect is replacing the top position.' (LS110161)

These expatriate managers typically possess previous experience working either in the designated overseas subsidiary or in a related subsidiary. As the executive director in Singapore asserted:

'I was in charge of LNG vessels, but at that time, I was already in Korea for a project involving many new building ships for LNG Star. The project followed the same style as the North West Shelf Project, using similar machinery and equipment. I worked alongside one of my managers, who had previously worked for Mitsui Shipyard, giving him valuable knowledge of all the manufacturers and connections. We collaborated with Japanese makers to promote their equipment to this shipyard, which made the role very interesting. Instead of selling spare parts, we focused on selling equipment, resulting in significant volume. The manufacturers respected us because we were the ones promoting and selling their equipment. This experience was fascinating and lasted for about two years.' (LS110118)

The deployment of expatriate managers has been demonstrated to be a successful strategy for overseeing Japanese staff members and local employees in the network organisation. This approach facilitates the transfer of knowledge between the subsidiary and the headquarters in Japan. As a sales representative in Singapore explained:

'Kobe Trading dispatches many people to branch offices, including individuals like me, and managers. The purpose is not to prepare locals for management roles; rather, we serve as staff members in Singapore. This approach is partly because we are a Japanese company, and Kobe Trading staff understand the concepts and company policies thoroughly. It is essential for them to have this understanding. In Singapore, the local staff frequently change, with employees resigning and joining other companies continuously. Consequently, it is challenging to leave everything to local employees.

Someone must manage and maintain the Kobe Trading style and identity specifically, the style of Kobe Trading Japan. I believe this is the primary reason for our presence. The same applies to other Japanese companies; at least one manager should be present in each branch office.' (LS110119)

By utilising expatriate managers, Japanese organisations aim to develop and sustain seamless operations overseas while upholding the fundamental traditional principles of Japanese management. Furthermore, these expatriate managers play a pivotal role in the daily transfer of tacit knowledge to both Japanese expatriates and local staff within the same subsidiary. Through this continuous exchange of tacit knowledge, the expatriate managers contribute significantly to the overall processes of knowledge development, knowledge sharing, and organisational learning within the network organisation, as emphasised by the general manager of the organisation:

'Actually, the number of people who work exclusively in Japan is quite rare. Why is that? Because we are a trading house, and employees need to have an international business mindset. So, do you send almost everyone overseas? Yes, we send almost everyone, typically for at least five years. How do you determine their assignments? I mean, some go to the Middle East, some to Singapore, some to Rotterdam, and others might go to the United States or Korea. How do you make those selections? It all depends on the situation.' (LS110189)

Managing and instructing reports

The fifth element that emerges from the data within the transitional code of 'Informal Day-to-Day (Tacit) Knowledge Sharing' is titled "Managing and

Instructing Reports." This element highlights the significance of effective management and supervision in the development of junior staff, particularly in maritime environments characterised by a limited timeframe for training. As a division manager explained:

'The young staff members do not possess sufficient knowledge about the items. They are familiar with consumable supplies, such as notebooks and stationery, which are standard items. However, they lack expertise when it comes to more specific items like ladders and marine ropes. They often need to check the sizes and are unsure about the details. We provide them with education on a daily basis, and as a result, they are gradually developing their skills.' (LS110192)

This necessity for skill development is further emphasised by a director in Dubai, who maintained:

'Of course, we have a limited time for deployment in Dubai; our junior staff typically stay for a maximum of 3 to 5 years, with the longest duration being 5 to 7 years before we have to send them back to Japan. This is when we receive new staff, such as I1-san and others. Given the limited timeframe, we need to enhance their output. Therefore, the training should be optimised to improve effectiveness from the outset. The starting point involves repetition to reinforce learning.' (LS110134)

Additionally, a senior manager declared:

'Yes, the first few years involved general training. After that, I became a manager and learned how to supervise and instruct staff, particularly those in Singapore.' (LS110110)

Guidance and coaching from nation local senior staff

The sixth element that emerges from the data within the transitional code of 'Informal Day-to-Day (Tacit) Knowledge Sharing' is titled "Guidance and coaching from local senior staff." The data reveals that having local senior non-Japanese staff manage junior Japanese expatriates in the subsidiaries of a J-form organisation can be beneficial for fostering cultural sensitivity and facilitating knowledge transfer. By working closely with local colleagues,

junior expatriates can more easily adjust to their new cultural context and better understand the norms and practices of the host country. Specifically, the informal managerial day-to-day interactions between local staff and junior expatriates facilitate the transfer of tacit knowledge, allowing the latter to learn from the experiences and expertise of their senior colleagues. This embedded knowledge transfer not only accelerates the development of junior expatriates but also creates a strong sense of collaboration and teamwork within the network organisation. As a board member and former president of the organisation explained:

'I expected a positive outcome, and it was beneficial for the people in Singapore as they acted as teachers for the Japanese staff. I noticed that they felt proud of this role; they enjoyed teaching the young Japanese employees. This interaction helped to unite the local staff with the Japanese employees, creating a cohesive team within Kobe Trading.'

The water clerks in Singapore recognised that they were part of the Kobe Trading family, and these dynamics contributed to unexpectedly positive results. As a result, we have continued the programme each year. There is now an annual discussion to determine who will serve as the water clerk and warehouse instructor for that year, which has consistently yielded excellent outcomes.

We have been implementing this programme for ten years now. After two months in Singapore, I flew back to Japan, and H0-san organised a gathering for all the staff at the Singapore office. I took the opportunity to thank the water clerks for mentoring our young staff and recognised the warehouse personnel for supporting our graduates and allowing them to learn from their expertise. I expressed my gratitude to each of them individually, as they are excellent teachers for the new graduates, largely because they are so good at their jobs.' (LS110127)

Social interaction & Dinners

The seventh and last element that emerges from the data within the transitional code of 'Informal Day-to-Day (Tacit) Knowledge Sharing' is titled "Social interaction & Dinners." Within Kobe Trading, communication between the Japanese headquarters and overseas subsidiaries is maintained through a variety

of knowledge and information exchange practices. One effective method involves the informal sharing of tacit knowledge during social interactions and meals.

This approach facilitates a more personal and relaxed communication style, which helps to strengthen relationships and facilitates the sharing of important information throughout the network.

The data revealed valuable insights from the analysed interviews and personal observations, indicating that within Kobe Trading, the exchange of knowledge during social interactions, meals, and drinks serves as an important platform for the informal sharing of tacit knowledge. These casual settings allow employees to engage in open conversations, share perspectives, and exchange experiences in a relaxed environment. This informal exchange of information not only strengthens relationships among colleagues but also aids in sharing valuable knowledge that might not be recorded or easily communicated via more formal methods.

As such, this practice plays a crucial role in bridging the communication gap between the Japanese headquarters and overseas subsidiaries, ensuring a seamless flow of information and nurturing a culture of collaboration within the organisation. As the president of the group in Korea explained:

'Sometimes, the young staff from Kobe Trading Japan come here on business trips for new building delivery jobs or similar tasks, and they typically stay for about a week. In the evenings, we have dinner together, which serves as a social gathering for knowledge transfer and conversation. During these dinners, I share insights and information one by one. This is an opportunity for me to teach, as these occasions, in addition to the daily instructions, allow me to mentor other Japanese staff. As I mentioned before, I encourage them to take notes and ask questions.' (LS110115)

4.2.3.2.2 Formal knowledge sharing sessions

The second transitional code within the subcategory of structured guided learning, as depicted in Figure 4.2.3.2.2, is titled "Formal knowledge sharing sessions." This concept entails the sharing of knowledge, experiences, and insights from typically senior employees with senior managers in the organisation. In the J-form organisation, the culture of knowledge development and sharing is deeply embedded and valued throughout the workforce.

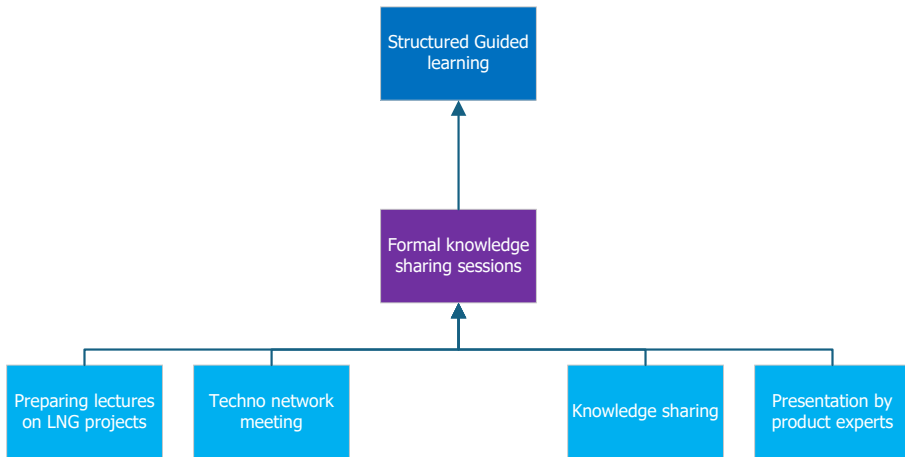


Figure 4.2.3.2.2 Formal knowledge sharing sessions

The general emphasis on experiential learning allows employees to continuously learn and grow through hands-on experience and collaboration with their colleagues. While knowledge sharing in this informal manner is preferred, it is also recognised that some senior employees have acquired a high level of expertise in specific areas. In these cases, more structured and formal knowledge sharing sessions are implemented to leverage the expertise of these individuals and distribute their knowledge to a wider audience within the organisation. These formal sessions may involve presentations, workshops, or training sessions led by the experts, providing opportunities for other employees to learn from their extended experience and insights. The concept of formal knowledge sharing originated from a number of open codes during the open coding process. The open codes that have emerged under this preliminary classification code include: (1) Preparing lectures on LNG projects, (2) Techno network meeting, (3) Presentation by product experts, (4) Knowledge sharing. To further explore how these codes have contributed to the transactional code, the open codes related to the topic will be analysed in the subsequent section.

Preparing lectures on LNG projects

The first element that emerges from the data within the transitional code of 'Formal knowledge sharing sessions' is titled "Preparing lectures on LNG projects." From the data, it emerged that retiring directors at Kobe Trading sometimes organise formal lectures on specific topics. For example, one retiring director shared his expertise on the LNG industry, LNG ships, and the construction of new LNG vessels during these sessions. These knowledge transfer sessions proved invaluable for senior managers, as they gained a

deeper understanding of the complexities of the LNG industry and its impact on the operations of the network organisation.

By capturing and passing on some of the retiree's knowledge to the next generation of leaders, Kobe Trading aims to ensure continuity, maintain its position as a Senmon Shosha, and enhance its competitiveness in the maritime industry. Overall, the importance of knowledge sharing and continuous learning in the LNG industry cannot be overstated, particularly in a country like Japan, where natural resources are scarce and dependence on imported LNG is high. The J-form organisation and Senmon Shosha play a vital role in facilitating sales for Japanese manufacturers and arranging supplies for LNG ships. A managing director in Japan declared:

'In addition, we utilise the knowledge of our senior staff. For instance, one of the directors is retiring, and before he fully stepped down, he wanted to share some of his experience and insights with senior staff. To facilitate this, he has visited Kobe six times and Yokohama six times to lecture for a senior manager's class.' (LS110105)

Techno network meeting

The second element that emerges from the data within the transitional code of 'Formal knowledge sharing sessions' is titled "Techno network meeting." In the context of the Japanese J-form organisation and its Senmon Shosha function within the maritime industry, sharing engineering knowledge and information is crucial. To facilitate this exchange, engineers from the organisation, both Japanese and non-Japanese, meet annually in Japan to discuss the organisation's engineering strategy and future direction. During these meetings, engineers engage in discussions regarding various topics such as collaborating with specific manufacturers, identifying potential targets like FPSOs, prioritising areas of focus such as LNG, and exploring emerging technologies in the maritime sector. This annual meeting serves as a platform for sharing knowledge, expertise, aligning strategies, and fostering innovation within the J-form organisation. As a managing director in Japan professed:

'We also have other forums and projects, such as the techno network meeting, where we invite all engineers from Japan and overseas both Japanese and non-Japanese once a year to discuss the company's direction from a more technical perspective. We evaluate which manufacturers require more effort on our part and identify potential

targets for technical applications, such as Floating Production Storage and Offloading unit (FPSO) and Liquefied Natural Gas (LNG). Each year, we establish targets and review our progress; this is essential for us. During these techno network meetings, we share and exchange knowledge, information, specific cases, and historical context. When individuals retire, we continue to share that knowledge, as previously mentioned. In Kobe Trading's culture, when people gather, we actively share information and disseminate that knowledge throughout our worldwide network.' (LS110105)

Presentation by product experts

The third element that emerges from the data within the transitional code of 'Formal knowledge sharing sessions' is titled "Presentation by product experts." In the Japanese J-form organisation, learning primarily takes place implicitly. However, there are instances where certain employees have developed expertise in specific areas, such as for instance mooring ropes. In such cases, a product specialist may organise a presentation to share knowledge and information about the product. These presentations may involve introducing new products and services from Japan, with the help of an expert in the field. As a senior manager explained:

'Of course, we are keen to share specialist knowledge, and we have experts in areas such as ropes and mooring lines who are well-versed in their field. They have the opportunity to share their expertise with young staff during meetings by introducing various items.' (LS110110)

Knowledge sharing

The fourth element that emerges from the data within the transitional code of 'Formal knowledge sharing sessions' is titled "Knowledge sharing." In the Japanese J-form organisation, knowledge development is primarily implicit, meaning that employees gradually acquire knowledge and skills through observing and learning from their senior colleagues and supervisors without explicit instruction. As a repatriated managing director and advisor to the company maintained:

'They are not yet familiar with how to manage the ship supply side or how to contact the superintendent and the office purchaser. Each day, I provide them with guidance, and I occasionally, I accompany them on visits to Japanese shipowners or the offices of Japanese shipping companies.' (LS110125)

This form of learning is deeply embedded in Japanese culture, where individuals are expected to learn through experience and observation rather than through direct instruction. Yet, on the beginning levels of the organisation, new employees are typically paired with a senior or supervisor who helps guide them through the various aspects of the organisation. As the director of the company asserted:

'We used to maintain a certain period in which a younger person would work alongside a more experienced manager. The current manager and the new manager would work together for some time, or the current manager would remain paired with a young person for an extended period to help them observe and understand the manager's approach to work.' (LS110130)

This mentorship helps new employees to understand the history and navigate the complex hierarchy and culture of the organisation, as well as understand their roles and responsibilities. As the president of the group explained:

'We have seniors who provide lectures about the company's history, explaining the factors behind our successes and failures. We learn from past experiences. Additionally, these seniors can also share insights about our customers. They periodically lecture or coach small groups, and we regularly facilitate these sessions.' (LS110130)

4.2.3.2.3 Management training & In situ knowledge sharing

The third transitional code within the subcategory of structured guided learning, as depicted in Figure 4.2.3.2.3, is titled 'Management training & In situ knowledge sharing.'

Within the Japanese J-form organisation, management training plays a pivotal role in the development of future senior managers. This covers a blend of structured job rotation, rotational training, and in situ knowledge sharing within the organisation.

In addition to formal training programmes, in situ knowledge sharing is also a vital component of training for future senior managers within the Japanese J-form organisation. This involves the dissemination of tacit knowledge and best practices within the organisation in a business setting, such as through participation in strategy sessions. In conclusion, the concept of management

training and in situ knowledge sharing in the Japanese J-form organisation is essential for nurturing future senior managers. By offering a mix of formal training and on-the-job learning opportunities, J-form organisations are cultivating their next generation of leaders. The concept of ‘management training & In situ knowledge sharing’ originated from a number of open codes during the open coding process. The open codes that have emerged under this initial classification code include: (1) Management strategy, (2) Management of local staff, and (3) Senior management coaching of potentials. To further explore how these codes have contributed to the transitional code, the open codes related to the topic will be analysed in the subsequent section.

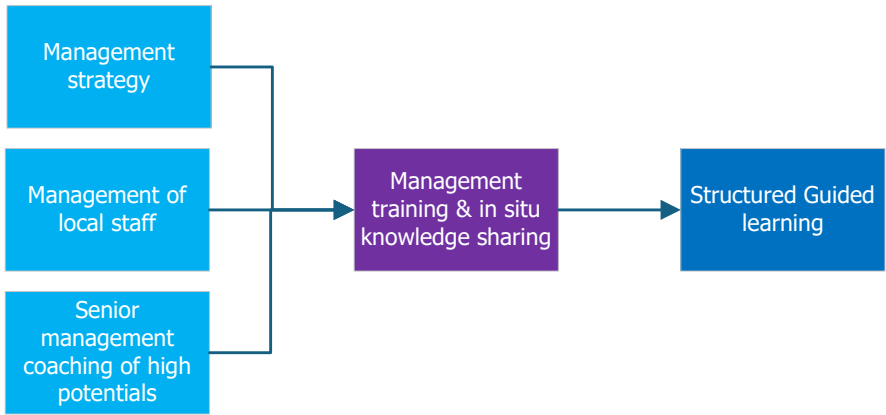


Figure 4.2.3.2.3 Management training & In situ knowledge sharing

Management strategy

The first element that emerges from the data within the transitional code of ‘Management Training & In Situ Knowledge Sharing’ is titled “Management Strategy.” This includes the strategic framework and approach adopted by the J-form organisation to navigate challenging circumstances and enhance operational efficiency. The insights offered by key stakeholders highlight the necessity of adapting management practices to align with shifting maritime market dynamics and internal needs. As the president of the group asserted:

‘The company experienced a contraction, with only the Rotterdam and a small Singapore office remaining operational. At that time, our main profit source was still in Japan, but the appreciation of the Japanese yen and the economic downturn severely impacted Kobe, resulting in challenging years lasting 3 to 5 years. While

the spare parts business remained profitable, the overall results were unsatisfactory, as sales from spare parts alone could not cover our needs. The majority of our staff was focused on the ship chandling business and the supply department, highlighting the urgent need for change. It was during this period that Koike-san initiated a comprehensive project to develop a mid-term business plan, setting the stage for the transformation we needed.

The project we undertook was significant, and the company's position was challenging; however, we had to persevere for 18 months to 2 years. Although it required substantial financial investment, we learned that developing a management plan was essential not only for the company's survival but also for our own growth. This experience led to transformations in the project organisation, a rebranding of the department, and a deeper understanding of the company's philosophy.

For three years, we operated without a clear plan, focusing only on year-by-year assessments based on the budget and results. This approach provided necessary insights for the company and our customers, allowing us to refine our objectives, direction, and domain. Having a clear image of our targets enabled us to create action plans aligned with our goals, ensuring that our budgeting efforts supported our overarching strategy.' (LS110117)

A division manager explained that the management strategy shifted from training and educating staff in consumables and stores to focusing on spare parts. This transformation involved repositioning the J-form organisation to represent the senmon shosha model. He maintained:

'I believe that the management of a subsidiary office needs to have experience in operational roles overseas. What defines a capable individual for a future management assignment? For instance, a young person in their first department should stay longer, typically for several years in the stores and about two years in spare parts. This extended time allows them to gain the necessary skills and insights that are essential for effective management in future roles.' (LS110195)

This strategic shift highlights the importance of not only fostering individual capabilities but also enhancing overall organisational effectiveness through targeted training and knowledge sharing. By embedding these principles within its management strategy, Kobe Trading can ensure a resilient and adaptive workforce ready to meet future challenges.

Management of local staff

The second element that emerges from the data within the transitional code of 'Management Training & In Situ Knowledge Sharing' is titled "Management of local staff." In the Japanese J-form organisation, the selection of management for an overseas subsidiary is a carefully considered decision. Choosing the managing director for overseas subsidiaries is an even more challenging task, primarily due to the fact that Japanese senior management overseas operates remotely and with a high level of independence. In many cases, potential senior managers and directors for the subsidiary have previous management experience working within the subsidiary and have demonstrated their ability to manage the local culture effectively and communicate well with local employees and management. As explained by a senior manager:

'Initially, when they first went abroad, they worked in daily operations before becoming managers. They gained experience before returning to Japan. In some cases, during their second assignment, they may go to Rotterdam as managing directors. The reason they are sent to Rotterdam twice is that if the company selects staff who have no prior experience working in Rotterdam, it would be challenging for them to serve as managing directors. Without experience, they lack an understanding of the local culture.' (LS110190)

This requirement ensures that the chosen individuals understand the nuances of the local culture, market, and other specifics and that they are capable of building strong working relationships with the local team, which is essential for the success of the overseas operations. As the Japanese manager of the stores department in Rotterdam professed:

'The majority of my staff is currently responding well. However, when new employees start at Kobe Trading, they often find Nihon-teki Keiei (Japanese-style management) to be quite challenging. They may not understand why we ask so many different things of them or why we expect timely and prompt responses. Each time

new staff members join, we must provide them with education and extensive explanations. Typically, after about 3 to 4 months, they begin to adapt well to our culture and gain a better understanding of Nihon-teki Keiei. Most of the individuals who join Kobe Trading have an interest in Japan and Japanese culture. In some cases, they have already received training in Japan, while others simply have a genuine curiosity about Japanese culture, which motivates them to study it further. From that perspective, I can confidently say that the new employees are responding positively.' (LS110211)

Senior management coaching of high potentials

The third element that emerges from the data within the transitional code of 'Management Training & In Situ Knowledge Sharing' is titled "Senior management coaching of high potentials." The Japanese J-form organisation places a strong emphasis on seniority and strict hierarchy, with promotions typically based on years of service and loyalty rather than just performance. Conversely, this can result in a limited number of top positions available within the organisation, creating a highly competitive environment for individuals who are pursuing career growth. The process of choosing the next president of the organisation is complex, placing significant emphasis on qualitative evaluations rather than just objective criteria. From the data emerged that in almost all cases, the current president plays a pivotal role in choosing and preparing their successor, personally coaching high-potential individuals and guiding them towards leadership roles. As a board member and former president of the company maintained about coaching of another senior manager:

'I knew he would encounter issues with senior personnel, and I learned that he indeed faced challenges. Of course, we could not resolve his problems immediately, as these senior individuals had devoted many years of service to both their work and the organisation. I recognised that managing this situation would be quite difficult, but I considered it an excellent opportunity for learning. After that year, I decided to move him out of that department and into a new challenge, ensuring I provided him with a good reason for the transition to help him save face. This approach allowed him to develop his own management style. For F2-san, it was very important to communicate with all levels of the organisation, from the workforce to upper management. An important lesson for him was to develop the department without

overly criticising the staff. If he focussed too much on criticizing the members of his department, I would not be receptive to his concerns. Instead, he presented facts without personal opinions about the individuals.

I appreciated his factual approach to the challenges he faced in the department, which built my trust in F2-san's character. I consistently reminded him that merely pointing out problems without offering solutions was not beneficial. However, his explanations were always very factual. When I asked him how he could address the issues he was facing, he proposed various well-supported solutions. His role as a senior manager is crucial because it serves as a bridge between the employees and senior management. The senior manager acts as an important information source for top management, providing insights into how the company thinks. From my feedback, F2-san felt that the company was supporting his management approach.' (LS110112)

This process is also evident in overseas subsidiaries, where local managers may initially have reservations about collaborating with Japanese expatriates. However, once a connection is established and mutual understanding is reached, these relationships can be very successful and beneficial for the organisation as a whole. These expatriates are typically individuals with long-term extended assignments. As a extended long term expatriate and executive director in Singapore asserted:

'He was one of the senior managing directors in Japan, and he and H0-san were very close, almost like buddies. As a result, H0-san recommended M4-san, the senior managing director in Japan, stating that there was no need to send another senior Japanese. He committed to M4-san that he would train me, expressing his desire for me to be part of the board of directors here, even though I was still quite young. Consequently, the head office in Japan approved this proposal, and I was unexpectedly appointed as a director here.' (LS110118)

4.2.3.2.4 Developing expert knowledge

The fourth transitional code within the subcategory of structured guided learning, as depicted in Figure 4.2.3.2.4, is titled "Developing Expert Knowledge."

In the Japanese J-form organisation, both new and existing employees typically participate in a rotational training scheme, where they move through different job roles in a set order. This approach aims to help employees develop a well-rounded skill set and gain a deep understanding of the organisation as a whole. While the development of expert knowledge occurs through this rotational training, there are instances when employees are assigned to specific projects that require specialised skills. These projects enable employees to utilise their existing skills in real-world situations, which in turn deepens their understanding of their roles and the organisation. For instance, project assignments could concentrate on key sourcing initiatives or the adoption of new technologies, offering valuable hands-on experience. Both the development of expertise and participation in projects are essential components of the organisational strategy.

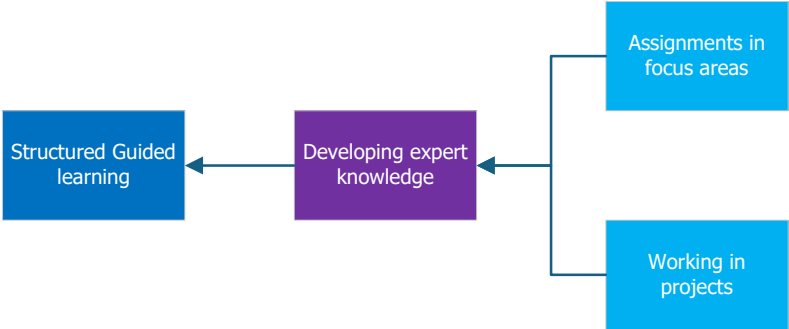


Figure 4.2.3.2.4 Developing expert knowledge

The combination of these elements enhance a culture of continuous learning and collaboration, ultimately helping to achieve the overall aim of nurturing skilled professionals who are well-prepared to meet future challenges. This synergy reinforces the significance of the code 'Developing Expert Knowledge' within the J-form organisation's strategic framework. The concept of developing expert knowledge originated from a number of open codes during the open coding process. The open codes that have emerged under this transactional code include: (1) Assignments in focus areas, and (2) Working in projects. To further explore how these codes have contributed to the transitional code, the open codes related to the topic will be analysed in the subsequent section.

Assignments in focus areas

The first element that emerges from the data within the transitional code of 'Developing Expert Knowledge' is titled "Assignments in Focus Areas."

This concept highlights how expatriate employees in Japanese J-form organisations are strategically assigned to specialised tasks both domestically and internationally. These assignments provide opportunities for them to develop expertise in specific areas, making them essential assets within the network organisation. For instance, as the managing director in Rotterdam explained, he was tasked with establishing a unit focused on the low-cost sourcing of standard consumables:

'Yes, I was the person in charge of the project the first person to take on this responsibility. I spent my time in Singapore and primarily travelled to China to identify the most suitable sources and manufacturers, aiming to secure the lowest possible purchasing prices.' (LS110206)

Following his successful execution of this project, he declared that he had been given a new task:

'In 2004, I was once again assigned to a special project in the supply network division. This area focused on cost control, inventory management, and specific projects, such as the immersion suits. In 2005, there was a significant increase in requests and new requirements due to new regulations from the IMO. I was in charge of this initiative, and I sold 30,000 immersion suits, resulting in total sales of 500 million Yen. These suits were sold to shipping companies worldwide.' (LS110206)

Expatriates and senior managers in specific locations are seen as go-to experts for interacting with local clients and understanding the nuances of the culture. Their in-depth knowledge of local customs and practices makes them invaluable when it comes to addressing potential challenges in these subsidiaries or other subsidiaries. As the general manager in Rotterdam stated, he was tasked with establishing a partnership with another ship Chandler in Japan:

'Yes, there were local ship chandlers who wanted to partner with us because they were only equipped to handle local deliveries. They had some good customers in the area; however, the maritime industry was expanding, and their customers were growing larger. Unfortunately, the ships were no longer returning, as they were now

going to countries like China and India. This situation posed a problem for them, which was why they were seeking to join us.' (LS110121)

Additionally, focus assignments could involve carrying out geographical studies to explore the potential for opening new network subsidiary offices. These tasks might also be tailored to specific projects, like coming up with transportation solutions or looking into sourcing opportunities in more cost-effective regions. As another managing director mentioned, he was tasked with expanding the low-cost sourcing project from China:

'Yes, I spent one year in China and had an apartment there, but I still made periodic trips back to Japan. I did this to purchase stock items from China, of course, depending on their quality. Therefore, I decided to go there myself to inspect them.' (LS110120)

Collectively, these insights illustrate the strategic approach to assignments in focus areas, enabling the J-form organisation to leverage the expertise of its expatriate workforce for enhanced competitiveness and effective operations in a global maritime market.

Working in projects

The second element that emerges from the data within the transitional code of 'Developing Expert Knowledge' is titled "Working in Projects." The data reveals that at Kobe Trading, employees are typically subjected to job rotation; however, in some cases, they may be assigned to strategic projects for extended periods. Notable examples include the central sourcing of newbuilding outfits for ships constructed in Korea, the early adoption of computers within the organisation, and a subsequent project that led to the creation of a globally recognised catalogue containing standards for the maritime industry. This catalogue is now regarded as the maritime bible for ship chandlers and shipowners concerning consumable items.

The success of these strategic projects illustrates the effectiveness of allowing employees to concentrate on longer-term initiatives alongside their regular rotation schedule. As a board member and former president of the organisation maintained:

'M2-san is a very strong-willed person; once he decides on a course of action, he sticks to it. After some time, he will discuss the

situation with us, and we will deliberate together. However, until that point, he acts decisively, especially since we are undertaking a project to establish our company in Qatar. Qatar is a partner of the Qatar National Shipping Company, Nakilat, which operates a very large fleet of LNG ships. They were planning to set up their own logistics company and approached us for assistance in this initiative. Their procedures and systems were established by the government, and for their logistics operations, they sought to implement a system similar to ours. We needed someone strong to negotiate with the representatives in Qatar.’ (LS110127)

A former president of the organisation explained that Kobe Trading was an early adopter of computer systems in the industry, which provided them with a competitive advantage. The initial data structure they established is still active and relevant today:

‘Kobe Trading recognised the inefficiencies in its management of daily operations and sought to implement improvements. It was decided to approach this challenge as a project, and I was selected as a project member. As previously mentioned, daily operations at that time were very hectic, and in addition to the physically demanding work, there were numerous documents that needed to be managed. We learned that computers could help alleviate our administrative workload. However, at that time, we had no knowledge of computers. Our tasks involved travelling to the ship, returning to the office, and then completing the necessary documentation ourselves. The additional burden of paperwork was quite overwhelming.

Eventually, it was concluded that office work should be supported by computers, which was a novel idea in the 1970s. Kobe Trading decided to pursue computerisation. However, to install and use these systems, we needed additional knowledge, as no one in our team had any experience with computers. This technology had just begun to emerge in the industry, and our type of business was very specific there were virtually no other ship supply companies like us.

We formed a project team and appointed a highly capable individual to oversee the computer systems and manage the project. After

our preparations, we began working with computers. Our initial goal was to improve daily operations, while the subsequent project focused specifically on the adoption of these computer systems. The aim of the project was to reduce clerical work, thereby decreasing the amount of documentation and paperwork involved, which was the primary objective.' (LS110112)

4.2.3.2.5 Formal information sharing sessions

The fifth transitional code within the subcategory of structured guided learning, as depicted in Figure 4.2.3.2.5, is titled "Formal information sharing sessions."

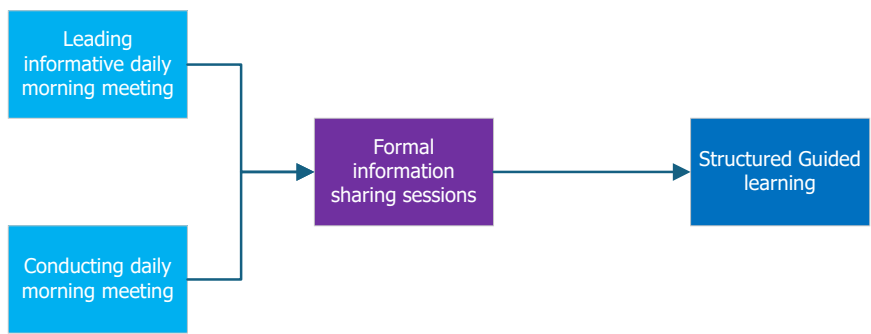


Figure 4.2.3.2.5 Formal information sharing sessions

In the Japanese J-form organisation, formal information sharing meetings play an important role in facilitating communication, collaboration, and alignment among colleagues. These meetings are structured sessions where employees come together to share updates, discuss progress on projects, and exchange relevant information to ensure everyone is informed and working towards common goals. The transactional code and concept of formal information sharing sessions originated from two open codes during the open coding process. The open codes that have emerged under this initial classification code include: (1) Leading informative daily morning meeting, (2) Conducting daily morning meeting. To further explore how these codes have contributed to the transactional code, the open codes related to the topic will be analysed in the subsequent section.

Leading informative daily morning meeting

The first element that emerges from the data within the transitional code of 'Formal information sharing sessions' is titled "Leading informative daily morning meeting." From the data emerged that in the internationally-operating J-form

organisation, overseas subsidiaries allow seasoned Japanese expatriates to take the lead during the morning meeting. As a Japanese director in Korea maintained:

'I lead our morning meeting which starts at 10:30hr.' (LS110115)

And as a senior manager in Kobe Japan declared:

'Yes, I have been leading morning meetings. In Singapore, these meetings are scheduled for 08:40, just like in Japan, where we have a meeting every day at that time.' (LS110110)

Having seasoned expatriates lead the meetings provides an opportunity for cross-cultural learning, and improved collaboration between local staff and Japanese staff. In the Japanese J-form organisation, the emphasis on continuous improvement and the practice of discussing and learning from mistakes is evident in the daily morning meeting. This meeting serves as a platform for employees to reflect on their work, share any challenges or setbacks they have encountered, and discuss potential solutions to improve processes and outcomes.

Conducting daily morning meeting

The second element that emerges from the data within the transitional code of 'Formal information sharing sessions' is titled "Conducting daily morning meeting." During these morning meetings, team members openly address any issues that have arisen, analyse the root causes of problems, and collaboratively brainstorm ways to prevent similar issues from recurring in the future. This culture of open communication and constructive dialogue fosters a sense of accountability and encourages everyone to take responsibility for their contributions to the team's success. By acknowledging failures and using them as learning opportunities, the Japanese J-form organisation promotes a culture of continuous learning and improvement. This commitment to self-reflection and ongoing development allows employees to grow, adapt, and develop in their roles, ultimately driving the organisation towards greater success and efficiency. As explained by a senior manager in Kobe Japan:

'We start at 08:30, and after ten minutes of sorting out all communication, we head to the meeting room at 08:40. I ask my young operations staff to review all schedules, including the incoming ship schedule, our delivery timetable, and the arrangements for the trucks and boats. We also discuss the reports from the

boarding officers, where we cover what has happened on board, what has been discussed with the captain, and their requirements. We address which items have been returned and strive for customer satisfaction and perfection in our service by sharing information about any mistakes and discrepancies.' (LS110110)

4.2.3.2.6 Documenting in central information system (AS-400)

The sixth and final transitional code within the subcategory of structured guided learning, as depicted in Figure 4.2.3.2.6, is titled "Formal Information Sharing Sessions." This transitional code pertains to the concept of documenting in the central information system (AS-400). In Kobe Trading, as a J-form organisation, there is a strong emphasis on implicit knowledge. This means that greater value is placed on information that is not explicitly stated or documented but rather learned through experience and shared through interpersonal relationships.

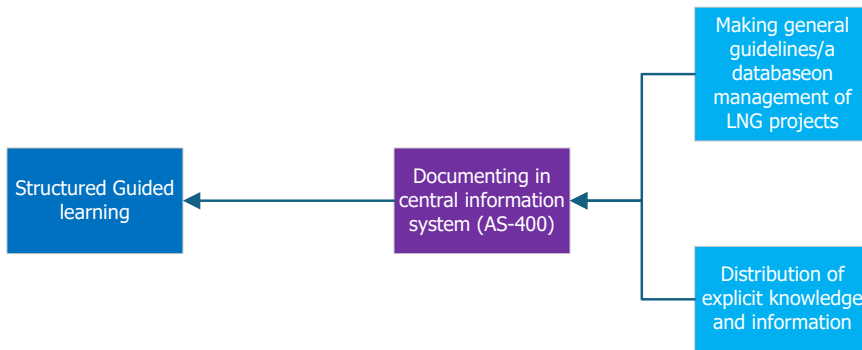


Figure 4.2.3.2.6 Documenting in central information system (AS-400)

Despite this focus on implicit knowledge, J-form organisations, and specifically those in the maritime industry, also recognise the importance of a central information system that is accessible globally. This system facilitates the efficient sharing of explicit knowledge and information across different regions and time zones, which is especially crucial for organisations in the maritime industry where ships are constantly trading worldwide. As explained by the president of the group:

'The person with that specific network, knowledge, experience, and information is responsible for creating a format within our database so that everyone can access it and know whom to contact for information.' (LS110161)

By combining the emphasis on implicit knowledge with a robust central information system, Kobe Trading, along with other Japanese organisations in the maritime sector, effectively manages its operations, collaborates across borders, and adapts to the challenges of the global maritime industry. As declared by the previous president of the group:

'Of course, his experience is directly reflected in our records. This includes all the information about customers, such as who is in charge, the trading volume, and the key individuals involved. It is essential to document how these relationships are established, as this information needs to be transferred. This will be incorporated into the computer system at our marine headquarters.' (LS110130)

The concept of documenting in the central information system (AS-400) originated from two open codes during the open coding process. The open codes that have emerged under this initial classification code include: (1) Making general guidelines/a database on the management of LNG projects, and (2) Distribution of explicit knowledge and information. To further explore how these codes have contributed to the transitional code, the open codes related to the topic will be analysed in the subsequent section.

Making general guidelines/a database on the management of LNG projects

The first element that emerges from the data within the transitional code of 'Documenting in central information system (AS-400)' is titled "Making general guidelines/a database on the management of LNG projects." In the central information system of the internationally operating J-form organisation, explicit information for the network organisation is shared. From the data emerged interesting examples. The most prominent one was LNG specific information which was entered by one of the organisation's specialists in the field. As explained by a managing director in Japan:

'He is an LNG specialist who prepared lectures for senior managers to share his knowledge and information about LNG. Additionally, a database containing general knowledge related to LNG has been established.' (LS110105)

Distribution of explicit knowledge and information

The second element that emerged from the data within the transitional code of 'Documenting in central information system (AS-400)' is titled "Distribution

of explicit knowledge and information." Within the central information system of the globally operating J-form organisation, detailed and specific explicit information is routinely shared with the network organisation. As explained by a managing director in Japan:

'Not in manuals, but in the computer system, we input each customer's information into the IBM AS-400 database. This information is shared throughout the entire network. This constitutes basic knowledge.' (LS110105)

This process ensures that all pertinent data and updates are communicated effectively and efficiently throughout the network, promoting a cohesive and coordinated approach to operations and decision-making. By centralising this information-sharing mechanism, the J-form organisation enhances transparency, collaboration, and alignment across its network, fostering a culture of informed communication.

4.2.3.3 Group Network Learning

The third sub-category of the core category 'organisational learning: conditions and context,' as illustrated in Figure 4.2.3.3, is titled "Group Network Learning."

The concept of 'Group Network Learning' plays an essential role within the framework of the J-form organisation, specifically in the context of organisational learning. This sub-category focuses on the processes of collaboration, communication, and knowledge sharing across various levels of the organisation, including individuals, teams, and even external partners. Group network learning is crucial in facilitating the exchange of ideas, best practices, and innovative solutions, ultimately contributing to the development and improvement of the network organisation as a whole. By embracing this concept, the organisation supports a lively and adaptable culture where learning is integrated into the collective knowledge and collaborative efforts of the entire network.

Furthermore, by adopting group network learning, the J-form organisation can enhance its ability to respond to challenges, innovate, and stay competitive in a rapidly changing maritime business environment. Group network learning is essential for the J-form organisation's organisational learning. Therefore, the sub-category of 'group network learning' emerged from extensive coding of open codes. To better organise these codes, a transactional code was introduced by the researcher. These transactional codes are as follows: (1) Developing

the subsidiary network, (2) Building network relationships & building an extended network, (3) Extending and maintaining network relationships/network connections, (4) Utilising knowledge available in the network, (5) Managing global competitiveness, and (6) Management assignment overseas/Selecting future (senior) management. These transactional codes encapsulate the various aspects of this learning framework:

Developing the Subsidiary Network: The success of the internationally operating Japanese J-form organisation in the maritime industry heavily relies on its network of subsidiaries overseas. This network is crucial for the organisation's continued growth and presence in global maritime markets. The effectiveness of these overseas subsidiaries depends on the collaborative efforts of Japanese expatriates and local staff, especially in joint ventures where mutual understanding is even more essential.

Building Network Relationships & Expanding an Extended Network: This transactional code emphasises the importance of establishing strong relationships with suppliers and customers in overseas markets. The J-form organisation stands out by developing knowledge of these markets and nurturing valuable connections, enabling it to facilitate international trade effectively.

Extending and Maintaining Network Relationships/Network Connections: Within the J-forms organisation's culture, there is a strong focus on developing and sustaining network relationships. This involves encouraging repatriates to maintain connections with international maritime partners and customers, which is vital for ensuring the smooth functioning and profitability of the network organisation both domestically and overseas.

Utilising Knowledge Available in the Network: Group network learning is characterised by leveraging expert knowledge from various sources to enhance the capabilities of the J-form organisation. The insights provided by expatriates and repatriates are vital, as they offer a wealth of experience and understanding of local contexts that can improve decision-making and operational efficiency.

Managing Global Competitiveness: This code pertains to the challenges faced in the competitive global maritime industry, particularly in sourcing products from low-cost countries while maintaining strong relationships with customers. The J-form organisation's network positioning and transparent

business approach enable it to differentiate itself from competitors, in the industry enhancing its overall competitiveness.

Management Assignment Overseas/Selecting Future (Senior) Management:

This transactional code underscores the importance of choosing individuals for management roles who have the skills needed to effectively navigate the complexities of international operations. It also emphasises the need to foster a managerial culture that encourages organisational learning through experiences obtained in the global network of the J-form organisation. Group network learning is integral to the success of Kobe Trading and the J-form organisation, facilitating a culture of collaboration and knowledge sharing that enhances competitiveness and innovation in the maritime industry. By embracing group network learning, the J-form organisation can respond effectively to challenges and adapt to the rapidly changing maritime industry. The transactional codes derived from exhaustive coding of open codes provide a comprehensive framework for understanding how this learning is operationalised within the J-form organisation. The subsequent sections will examine these transactional codes in detail, exploring the open codes that contribute to their formation.

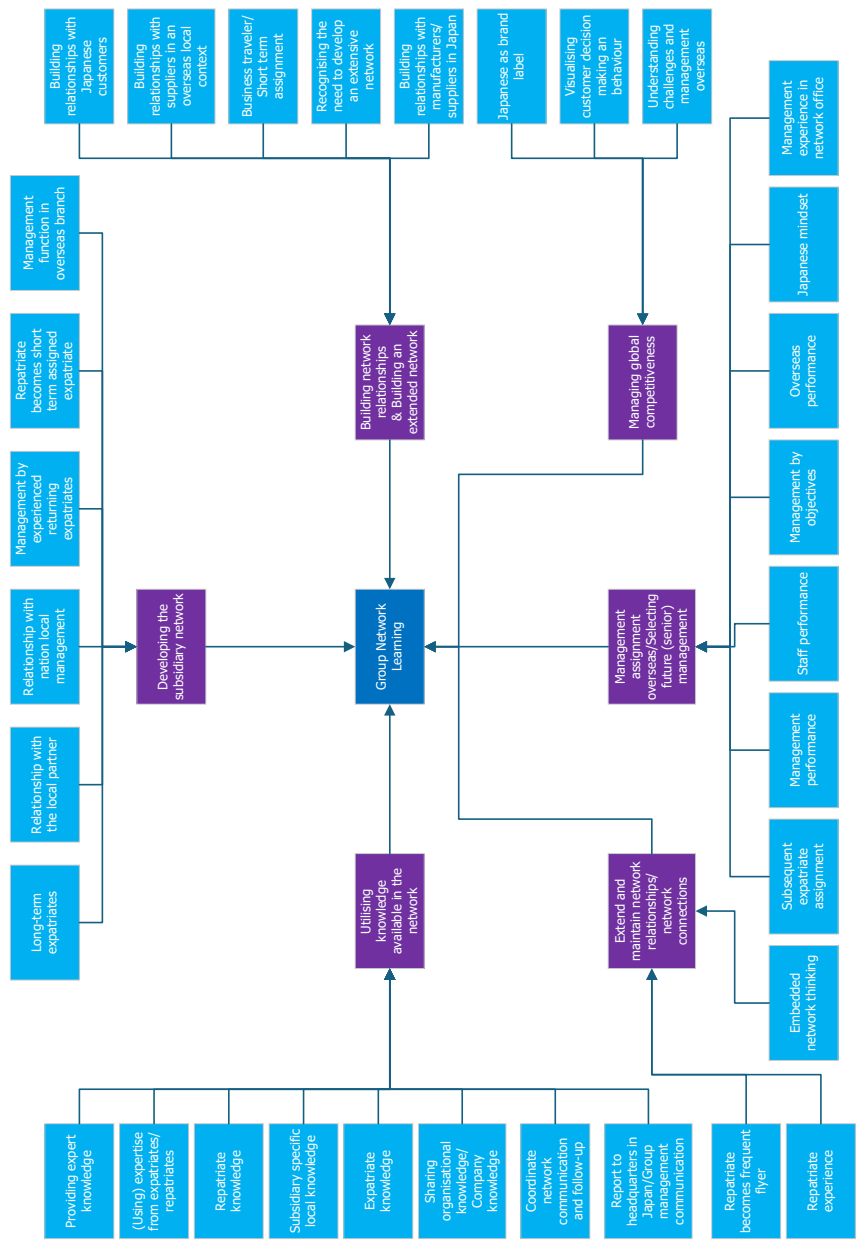


Figure 4.2.3.3 Group network learning

4.2.3.3.1 Developing the subsidiary network

The first transitional code within the subcategory of group network learning, as depicted in Figure 4.2.3.3.1, is titled “Developing the Subsidiary Network.” This transactional code pertains to the concept of developing the subsidiary network. The success of the internationally operating Japanese J-form organisation in the maritime industry relies heavily on its network of subsidiaries overseas. This network is crucial for the company's continued growth and presence in global maritime markets. The effectiveness of these subsidiaries largely depends on Japanese expatriates working collaboratively with local staff and, in some cases, with local management.

In certain countries, the office or subsidiary operates as a joint venture with a local partner who holds 51% ownership, while the Japanese organisation owns the remaining 49%. The partnership with the local partner in these joint ventures is vital for the success of the subsidiary. The Japanese partner and director in these subsidiaries are typically expatriates on long-term assignments, who have successfully nurtured strong relationships with their local partners. These relationships play a significant role in navigating cultural differences, understanding local business practices, and ultimately in ensuring the smooth functioning and profitability of the joint venture.

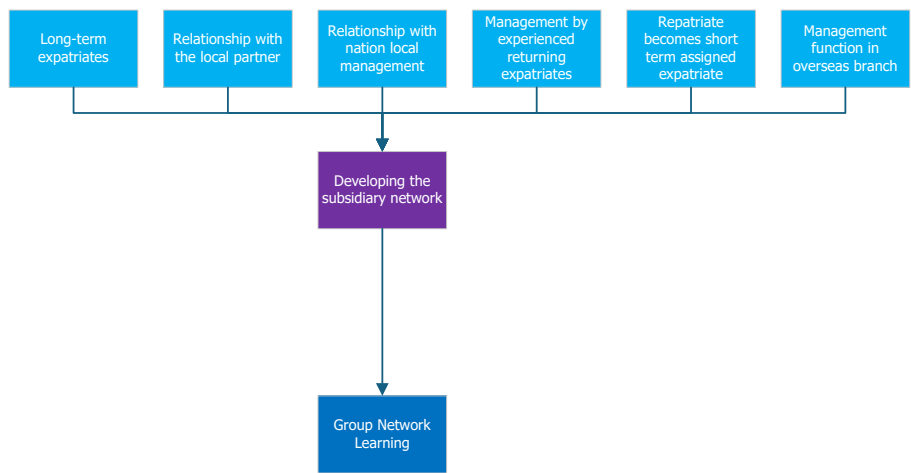


Figure 4.2.3.3.1 Developing the subsidiary network

The concept of developing the subsidiary network originated from six open codes during the open coding process. The open codes that have emerged under this initial classification code include: (1) Long-term expatriates,

(2) Relationship with the local partner, (3) Relationship with nation local management, (4) Management by experienced returning expatriates, (5) Repatriate becomes short term assigned expatriate, (6) Management function in overseas branch. To further explore how these codes have contributed to the transactional code, the open codes related to the topic will be analysed in the subsequent section.

Long-term expatriates

The first element that emerges from the data within the transitional code of 'Developing the subsidiary network' is titled "Long-term expatriates." In the context of a Japanese J-form organisation that operates internationally, expatriation is a common and necessary practice. Japanese expatriates are often sent to subsidiary offices within the network organisation for periods of approximately five years. However, in the main subsidiaries of the network, this practice is not strictly adhered to for various reasons.

In some cases, senior expatriates in these main subsidiaries are given extended long-term assignments that exceed ten years, and in certain instances, even more than twenty years. This deviation from the usual five-year expatriation period is due to the specific needs and challenges faced by these (main) subsidiaries, which require long-term leadership and support from experienced expatriates. Additionally, the necessity for extended expatriation is compounded by a shortage of individuals in certain age groups, further emphasising the reliance on senior staff/senior expatriates to fill these critical roles. As explained by a director in Japan:

'When I went to Korea, I met with T1-san and F4-san, who had been there for over five years. In addition, I had spent 12 years in Singapore. H1-san is in Dubai, O2-san has been in Rotterdam for about 13 years, and S1-san has been in Singapore for an impressive 22 years. In our earlier discussions, we talked about the typical five-year assignments, which are generally considered normal, ranging from 4 to 6 years. So, what accounts for these exceptional assignments like my 12 years in Singapore? I believe it has a lot to do with timing. In Japan, especially in the marine sector, there are not many individuals over the age of 40 or 50, and I am also 52. The number of people in their forties and fifties is quite limited.' (Author, LS110192)

The practice of extended long-term assignments for senior expatriates in the main subsidiaries of the J-form organisation reflects a strategic decision to ensure continuity, stability, and effective management in key locations within the network organisation. As a division manager noted regarding an extended long-term expatriate in Singapore:

'This situation poses challenges for the future, as H0-san will likely retire soon, and S1-san is nearly the same age as F2-san, at 59. Singapore, of course, is very important for Kobe Trading; it is a significant office, and the market there is both challenging and competitive. I believe S1-san may stay until he is 65. (LS110195)

Relationship with the local partner

The second element that emerges from the data within the transitional code of 'Developing the Subsidiary Network' is titled "Relationship with the Local Partner." In the context of the J-form organisation, the decision to extend expatriate assignments in joint venture offices is often influenced by the local partner's preference to work closely with specific Japanese expatriates who possess the requisite skills, experience, and cultural understanding to collaborate effectively in the joint venture setting. This selective process ensures that the partnership is successful and mutually beneficial for both parties involved. The data revealed that the non-Japanese joint venture partner in the Middle East found that many Japanese expatriates lacked a sense of international open-mindedness. It took several years for him to cultivate a strong relationship with the current long-term expatriate. Similarly, in Singapore, local Chinese management provided a comparable explanation. As a manager in Japan explained:

'I am familiar with the case of S1-san; he is very skilled at his job. In Singapore, as well as in Korea and Dubai, there is a system of double management involving a local director, H0-san, and a Japanese director, S1-san. The same structure exists in the USA, where we have a similar arrangement. In Dubai, M3-san serves as the local director, while H1-san takes on the role of Japanese director. S1-san and H0-san's success can be attributed, in part, to their strong connections with the local directors, helping them develop such good relationships that the local teams do not want to see them return to Japan. Of course, their expertise is one of the reasons for this desire. As long as S1-san and H1-san continue

to align with the culture in Dubai and Singapore, collaborating effectively with local staff, everything works well.' (LS110197)

Relationship with local nation management

The third element that emerges from the data within the transitional code of 'Developing the Subsidiary Network' is titled "Relationship with Local Nation Management." In a Japanese J-form organisation that operates internationally, subsidiaries are typically managed by Japanese expatriates. However, larger subsidiaries within the network often collaborate with local management in addition to the expatriate managers. Building and maintaining positive working relationships with these local managers is crucial for the successful operation of the subsidiary. As an executive director in Singapore maintained:

'As you may know, this is a Chinese society, and I think he found that my approach to doing business and socialising with the local people was quite acceptable. He felt that I was easy to work with, both for him and the local staff. If he were to bring in another senior person from Kobe Trading Japan, it would be uncertain whether that individual would be able to get along with the rest of the Singaporeans or effectively navigate the Chinese culture; nobody really knows.' (LS110118)

The presence of both Japanese expatriate managers and local managers brings diversity and different perspectives to the decision-making process. It also allows for a better understanding of the local market and culture, leading to more informed decisions. Effective communication and collaboration between Japanese expatriate managers and local managers are key to ensuring smooth operations and achieving organisational goals. This includes respecting differences in working styles, cultural norms, and communication preferences.

However, the practice of assigning expatriates to extended long-term assignments can hinder the normal rotational scheme employed by the J-form organisation. Typically, the rotational system is designed to create a dynamic workforce capable of adapting to various roles and challenges. When expatriates remain in a single position for extended periods, it limits the opportunities for newer employees to gain valuable international experience and can interrupt the flow of knowledge sharing across the network organisation. As a result, while the relationships with local management are strengthened, the overall diversity of perspectives may be compromised, and

the advantages of a more flexible rotational system are diminished. Thus, striking a balance between long-term assignments and effective job rotation is essential for the sustained success of the J-form organisation and its subsidiaries. As professed by the president of the group company:

'One year is not enough; two to three years is ideal. After three to four years, expatriates familiar with local habits and business procedures, and they develop a strong understanding of the environment. Some of them, as you know, become very well connected with local management, which increases the desire of local management to retain them. For instance, H1-san and S1-an are both very well accepted locally. This situation presents a significant challenge.

The automatic shuffle of personnel is hindered by these factors, and continuously considering these elements may impede our progress. It's important to avoid overthinking the local market dynamics. Local managers may argue that nobody can replace them, but, of course, everyone can be replaced. Initially, when someone is exchanged, the performance of that office may decline slightly, a reality the company needs to accept. However, over time, this decline will be mitigated, and the office will recover. A new person will establish a new network, while the predecessor can maintain relationships from Japan through travel. We need more individuals with experience, and I am committed to managing these situations to facilitate more frequent exchanges of personnel.' (LS110161)

Management by experienced returning expatriates

The fourth element that emerges from the data within the transitional code of 'Developing the Subsidiary Network' is titled "Management by Experienced Returning Expatriates." In many instances within the Japanese J-form organisation, senior Japanese expatriate managers are returning expatriates who have previously served in the subsidiary. These returning expatriates have demonstrated their capability to work effectively with local managers and staff, having established successful working relationships with them during their prior assignments. As maintained by the president of the group company:

'The change cycle is designed carefully. When someone is expatriated to Singapore during their early career and then returns to Japan, they can go back to Singapore once they have reached a

senior level. This process makes it relatively easy to replace top management, as they have gained initial experience during their younger years.’ (LS110161)

Having directly encountered the intricacies of working with local management in the subsidiary, returning expatriate managers have acquired valuable insights into the local market, culture, and business practices. This past experience enables them to navigate cross-cultural challenges more effectively and to build trust with local managers, drawing upon their proven track record of collaboration and success. Such trust and successful collaboration are essential elements in preventing expatriate failure and protecting the operations in the subsidiary. As explained by the previous president of the group company:

‘Yes, for example, take the case of N4-san in the United States. He worked in New York for a long time around 7 to 8 years. After his time in New York, he returned to Japan, making him the logical choice to follow up with senior management in the United States (Baltimore). His experience was crucial and a determining factor, which made the handover smooth, as he knows the area well. That’s why I decided to send N4-san. However, sometimes it is not a perfect fit, and we may need to assign people to other areas to gain experience. Nonetheless, after a certain age, it is better to utilise the abilities, knowledge, and expertise that a person has in a specific field. The challenge is that we tend to keep these individuals in their respective areas for a long time.’ (LS110130)

Repatriate becomes short-term assigned expatriate

The fifth element that emerges from the data within the transitional code of ‘Developing the Subsidiary Network’ is titled “Repatriate becomes short-term assigned expatriate.” In the event of a network subsidiary not operating effectively or experiencing declining results, the organisation might decide to deploy a former expatriate to the subsidiary for a short-term assignment to conduct an investigation, carry out an audit, and report back to senior management in Japan. As a managing director explained:

‘After Yokohama, I moved back to Rotterdam for half a year. After these three years, I transitioned again to the marine division. Top management decided that I needed to return to the marine

division, so it was deemed better for me to spend half a year in Rotterdam. At that time, F2-san was also there; however, top management requested that I go there to observe how they were performing and report back to Japan.' (LS110120)

This proactive approach allows the organisation to address the issues directly and promptly, ensuring that any underlying problems are identified and rectified swiftly. The former expatriate, being familiar with both the subsidiary's operations and the local context, can bring valuable insights and expertise to the investigation and audit process.

Management function in overseas branch

The sixth element that emerges from the data within the transitional code of 'Developing the Subsidiary Network' is titled "Management function in overseas branch." The J-form organisation takes great care in selecting expatriates to serve as managers in a subsidiary, with the potential for them to eventually become the managing director of the subsidiary. In many instances, the Japanese director within a subsidiary has accumulated extensive experience by working as an expatriate and expatriate manager in the subsidiary multiple times. The managing director of the Rotterdam office explained:

'When I arrived in Rotterdam, my position was general manager. I reported to the president and managing director of the company there. I was responsible for managing operations related to spare parts, stores, and logistics. The final decisions were made by the managing director my responsibility was for the daily operations.' (LS110120)

This methodical approach to personnel placement allows the J-form organisation to ensure that the individuals in leadership positions possess a deep understanding of the subsidiary's operations, local market dynamics, and cultural nuances. By rotating expatriates through various roles within the subsidiary and the organisation in Japan, including managerial positions, the organisation nurtures a group of experienced leaders who are well-equipped to navigate the complexities of international maritime business environments. As asserted by a senior manager in Japan:

'Yes, that is correct. It was an agent for Kobe Trading. I believe it was in 1998 when I started, and then in the year 2000, Kobe

Trading established a liaison office in Shanghai. The agent was called Shanghai... Business, but I don't remember the exact name. Anyway, it was just a liaison office and not a limited company yet. Then, in 2003, Kobe Trading decided to officially establish a 100 percent subsidiary company of Kobe Trading Japan. It was in that same year that I was transferred to Shanghai.' (LS110123)

The deliberate approach of the J-form organisation in training expatriates for leadership roles in subsidiaries underscores the importance of continuity, experience, and cultural competence in achieving success in the international maritime marketplace.

4.2.3.3.2 Building network relationships & Building an extended network

The second transitional code within the subcategory of group network learning, as depicted in Figure 4.2.3.3.2, is titled "Building Network Relationships & Expanding an Extended Network." The data reveals that the internationally operating J-form organisation in the maritime industry sets itself apart by focusing on developing knowledge of overseas markets, establishing strong relationships with suppliers in those countries, and nurturing connections with customers abroad. In contrast, Japanese shipowners often lack such a comprehensive network, making the organisation especially attractive due to its expertise and presence in global markets. Additionally, Japanese manufacturers in the maritime industry value the organisation for its extensive knowledge and relationships with overseas non-Japanese customers. As declared by the previous president of the group company:

'The machinery department at Kobe Trading was very small, and the majority of our core business revolved around shipchandling, including stores and provisions. However, we recognised the necessity to expand into technical items. Whenever we visited a ship, we were faced with numerous requests not only for stores but also for spare parts from the chief engineer, along with demands from the ship itself. Consequently, we began to arrange spare parts.

At that time, Japanese shipyards were just as busy as Korean shipbuilders are today. The Japanese shipbuilding industry was thriving, with many newbuilding orders. The shipyards were primarily focused on ship construction, and their aftersales

service was very poor. The manufacturers also provided inadequate aftersales support. Shipowners would consistently request that the shipyards arrange spare parts, but the response time from these shipyards was slow, characterised by extended delivery times and insufficient service. In response to these challenges, we decided to establish our own business focused on spare parts arrangements, understanding the importance of developing strong relationships with manufacturers. The manufacturers' organisation for managing spare parts was ineffective; they were not prioritising spare parts or aftersales service. Instead, their emphasis was on securing orders for new equipment and delivering that to the shipyards. Recognising the importance of building a robust network, Kobe Trading aimed to establish connections not just with manufacturers, but also with various stakeholders in the maritime industry. This network focus allowed us to improve our service offerings and facilitate quicker delivery times, ultimately enhancing our competitiveness in the market.' (LS110117)

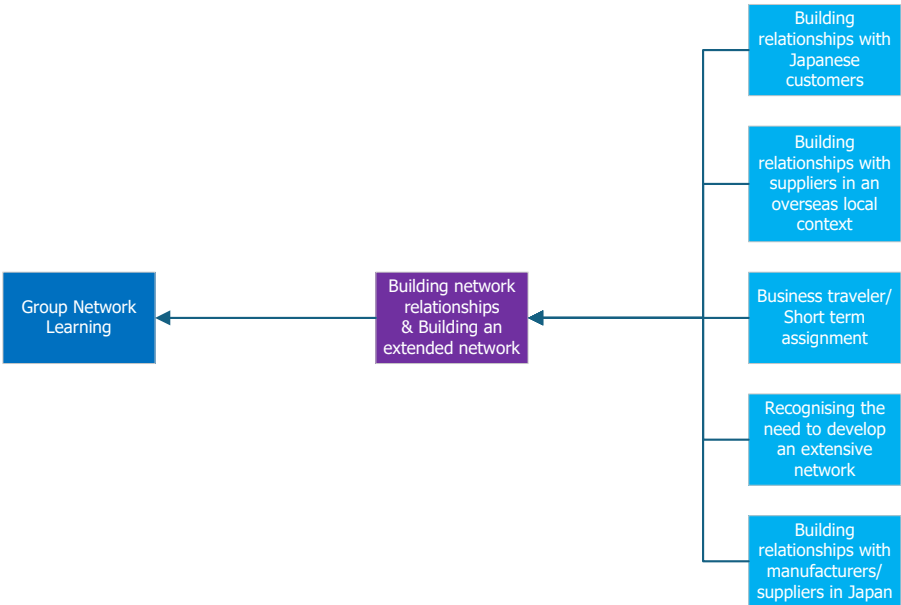


Figure 4.2.3.3.2 Building network relationships & Building an extended network

This specialised trading agency function, known as *senmon shosha*, plays a crucial role in facilitating international trade and collaboration within the global maritime sector. The concept of developing the subsidiary network originated from six open codes identified during the open coding process. These open codes include: (1) Building relationships with Japanese customers, (2) Building relationships with suppliers in an overseas local context, (3) Business traveller/Short-term assignment, (4) Recognising the need to develop an extensive network, and (5) Building relationships with manufacturers and suppliers in Japan. To further explore how these codes have contributed to the transactional code, the open codes related to this topic will be analysed in the subsequent section.

Building relationships with Japanese customers

The first element that emerges from the data within the transitional code of 'Building network relationships & Building an extended network' is titled "Building relationships with Japanese customers." The data indicate that in Japanese J-form organisations, such as Kobe Trading, companies initially began as ship chandlers, primarily serving foreign shipowners. This was due to the fact that Japanese shipowners often had subsidiary companies within their groups that provided essential services. This organisational structure can be compared to the historical *zaibatsu* structures in Japan, where large conglomerates dominated various industries.

A key characteristic of maritime J-form organisations is the hierarchical relationship between buying and selling companies. In Japan, this relationship is typically less equitable compared to Western business practices. The buying company, usually representing the larger and more powerful organisation, holds greater influence over the selling company. As a result, the selling company may feel pressured to comply with the demands and preferences of the buyer.

This unequal power dynamic can significantly impact various aspects of the business relationship, such as pricing negotiations, contract terms, and decision-making processes. The selling company must navigate these challenges carefully to maintain a harmonious partnership with the buying company while also safeguarding its own interests. The development of an extensive network and knowledge of different overseas markets has proven to be a game-changer for organisations like Kobe Trading, enabling them to cultivate strong relationships with Japanese shipowners. As the previous managing director of the Rotterdam office of Kobe trading declared:

'I was very fortunate that one of the major Japanese shipping companies, which operated chemical tankers, experienced a significant accident in Rotterdam. I sought to secure their dry-dock business at YVC, where we were the agents for Japan at that time. We were competing with other shipyards in the Rotterdam area, but I had a friend who was the superintendent. He advised me to lower my prices a bit more to win the business. Over the weekend, I reached out to the commercial department, speaking with a contact of mine who also suggested reducing the prices further. I then needed to attend to the vessel again to finalise the price for the dry-dock business. Ultimately, I managed to secure a substantial portion of the business.' (LS110120)

Or as an advisor to the organisation maintained:

'In Europe, the relationship between shipping companies and our roles in shipchandling and spare parts supply is generally balanced, with an equal 50/50 dynamic. In contrast, in Japan, individuals in the shipping industry tend to position themselves with much greater authority than dealers, agents, or suppliers. However, this landscape is changing as Japanese shipping companies undergo generational shifts. Superintendents and purchasers are increasingly younger, bringing a fresh perspective to the industry. This change in mentality signifies an improvement in cooperation between the parties involved. Previously, the shipping company was always regarded as the most important stakeholder. Now, there has been a notable shift; they rely much more on us (Senmon Shosha) as partners in the relationship. This shift also highlights a recognition of the shortcomings in knowledge and expertise within their own organisations, prompting them to seek our support to fill those gaps effectively.' (LS110125)

Building relationships with suppliers in an overseas local context

The second element that emerges from the data within the transitional code of 'Building network relationships & Building an extended network' is titled "Building relationships with suppliers in an overseas local context." In the early days of the internationally operating J-form organisation within the maritime industry, senior managers embarked on extensive trips, sometimes lasting up to forty-five days, to enhance relationships with suppliers and customers globally.

However, as the J-form organisation expanded and established overseas subsidiaries, the responsibility for managing and nurturing these relationships was transferred to these local subsidiaries. While these subsidiaries were tasked with managing these relationships, Japanese expatriate management continued to oversee operations, ensuring that the Japanese core values and strategies of the head office were maintained. This approach not only made communication and collaboration with local suppliers and customers more efficient and productive, but it also helped everyone gain a better understanding of the regional context. As a senior manager in Japan declared:

'If staff have the opportunity to go overseas, they gain insights into different ways of doing business. This applies to our spare parts team as well. For instance, if we send staff to Kobe Trading's Rotterdam spare parts business, they learn how Kobe Trading operates and how to effectively engage with European manufacturers.' (LS110190)

Or as a manager in Japan maintained:

'I developed a very good and strong relationship with Yanmar Europe while I was there, as well as with our customers, of course, like you. I was in the middle, bridging the gap between the customers and Yanmar. Specifically, I manage interactions with manufacturers to ensure things run correctly and smoothly. Dealing with Europeans, of course, is different from dealing with the Japanese laughs, yes, yes. Yanmar Europe is a Japanese manufacturer, but the staff are all now Dutch.' (LS110194)

In addition to setting up regional offices focused on managing supplier and customer relationships, the J-form network organisation is subject to considerable growth. This expansion enhances the J-form organisation's reach and capabilities, facilitating stronger connections with partners globally. The ongoing development of the network organisation enables the J-form organisation to strengthen its presence in key markets and successfully navigate the complex landscape of the global maritime industry.

Business traveller/Short term assignment

The third element arising from the data within the transitional code of 'Building network relationships & Building an extended network' is titled "Business traveller/Short-term assignment." This reflects a significant evolution in

the role of senior management within the J-form organisation, shifting from frequent extensive travel to a more focused approach that emphasises regular visits to subsidiary offices. In addition to this shift, repatriates returning to the organisation often take on short-term assignments as expatriates, specifically aimed at visiting suppliers and customers. As maintained by a senior manager:

'I had been to China several times on business trips to sell cargo packs and dunnage bags. I worked with Japanese companies in China, such as Canon, Nippon Express, and Xerox, which introduced printers and copy machines. They exported products all over the world and used our dunnage bags in their operations.' (LS110123)

These expatriate assignments are particularly valuable when quick resolutions are needed or when repatriates have formed strong connections with key stakeholders. By strategically placing important personnel to manage urgent issues and maintain those essential relationships with external partners, the J-form organisation demonstrates its commitment to building effective connections and addressing challenges adequately. Moreover, these short-term assignments are instrumental in developing and expanding the network organisation. By facilitating direct interactions with suppliers and customers, repatriates can not only reinforce existing relationships but also identify new opportunities for collaboration. As maintained by a previous managing director in Rotterdam:

'Yes, I was the person in charge of the project specifically, the first person to lead it. During this time, I stayed in Singapore and primarily travelled to China to identify the best sources and manufacturers, aiming to find the lowest possible purchasing options and factories.' (LS110206)

This proactive approach allows them to obtain valuable insights into market trends, supplier capabilities, and customer needs, which can guide strategic decisions and boost the J-form organisation's competitive advantage. Regular interactions with suppliers not only enhance communication but also allow for the engancement of trust and collaboration. These engagements create opportunities to share best practices, align on expectations, and foster innovation, ultimately resulting in a more resilient and adaptive supplier network. By building these relationships, the J-form organisation is better positioned to negotiate favourable terms and improve operational efficiencies.

In this way, the emphasis on short-term assignments as business travellers facilitates both immediate problem-solving and the long-term development of a robust, responsive, and strategically aligned supplier network.

Recognising the need to develop an extensive network

The fourth element arising from the data within the transitional code of 'Building network relationships & Building an extended network' is titled "Recognising the need to develop an extensive network." The founder of the J-form organisation showed impressive foresight in its early days by recognising the importance of creating an international network. This strategic initiative was essential for and led to the current dominant position within the maritime supply industry. Understanding the opportunities for substantial global growth, the founder took the initiative to build a network that connected with Japanese manufacturers, suppliers, and shipping customers around the world. This strategic initiative not only broadened the J-form organisation's reach but also granted access to previously unreachable manufacturers and eventually customers in Japan. The chairman noted that since its inception after World War II, the organisation developed a flourishing business supplying foreign ships in Japanese ports and outfitting newbuilds at Japanese shipyards. However, during a period of consistent financial losses and a deteriorating economic situation in Japan, management realised that reliance on the post-war shipbuilding boom was unsustainable. Consequently, the J-form organisation expanded its operations overseas, beginning with key ports in Singapore and Rotterdam, and has since grown to operate on a global scale. As explained by a director, who is the son of one of the founders in Japan:

'The spare parts business indeed played a pivotal role in our transformation from a local ship chandler to a Senmon Shosha in marine supply. Our customer, Gotaas-Larsen, began building their tanker fleet in 1953 at Kawasaki Heavy Industry. Initially, the site superintendents placed store orders with us, and these orders were promptly paid within 15 days, laying the foundation for our company. One of these superintendents, Captain N, suggested to my father that we should venture into dealing with Japanese spare parts. My father was fully convinced of this idea, and this decision set us on a path of rapid business growth, establishing Kobe Trading as a global presence. In 1970, Kobe Trading Chandling (KTC) separated the spare parts business from ship handling, and in 1972, we established the engineering department.' (LS110106)

Building relationships with manufacturers/suppliers in Japan

The fifth element arising from the data within the transitional code of 'Building network relationships & Building an extended network' is titled "Building relationships with manufacturers/suppliers in Japan." The expansion of the J-form organisation's network within the maritime industry led to major changes in how the organisation was perceived by Japanese shipowners and manufacturers. As explained by a senior manager in Japan:

'Our strong point is that Kobe Trading has a robust network, particularly in relation to engine spare parts, which is facilitated by our engineering department. They serve as the vital link between Japanese manufacturers and our overseas subsidiaries within our group.' (LS110196)

Initially, the organisation was primarily viewed as a shipchandler, which limited its ability to form partnerships with Japanese manufacturers. A sales representative declared:

'I worked in the spare parts department and traveled to Hong Kong to visit customers alongside Heishin, the pump manufacturer. Apart from that, I made just one other trip.' (LS110207)

However, as the organisation widened its network and deepened its understanding of overseas markets, its relationships with international shipping customers strengthened. This growth ultimately led to growing interest among Japanese manufacturers in collaborating with the J-form organisation. As declared by a managing director:

'We worked with a Japanese manufacturer, Takashina Life Preservers Co., and traveled to several countries to visit shipping companies, bringing samples of the immersion suits with us.' (LS110206)

Gradually, the J-form organisation developed the status of a Senmon Shosha specialised agent for the Japanese manufacturing industry within the maritime sector. As maintained by a director in Japan:

'Initially, manufacturers showed limited interest in the spare parts business through Kobe Trading. As you observed in Korea, their primary focus was on producing their main components, and the

spare parts segment was relatively small. Essentially, they did not fully recognise the potential for growth in this area. However, over the years, all manufacturers came to understand that this business segment could become a profitable centre, regardless of economic fluctuations in shipbuilding. Some manufacturers, such as Mitsui B&W, sought to establish direct dealings with our customers to compete with other B&W suppliers, and they experienced reasonable success. However, most manufacturers lacked the necessary resources to engage with customers, particularly in international business transactions and language capabilities. In contrast, KTC was already actively involved in daily business operations related to spare parts, stores, provisions, engineering, and logistics.' (LS110106)

This shift in status underscores the J-form organisation's growing reputation and credibility within the maritime industry.

4.2.3.3.3 Extend and maintain network relationships/network connections

The third transitional code within the subcategory of group network learning, as depicted in Figure 4.2.3.3.3, is titled 'Extend and maintain network relationships/network connections.'

Within the internationally operating Japanese J-form organisation, there is a strong focus on developing and sustaining network relationships and connections, deeply ingrained in the J-form organisation's culture and practices. One key aspect is the support for employees who have returned to Japan to travel frequently to maintain connections with international partners, suppliers and customers.

A crucial element is utilising the knowledge of repatriates, who bring back expertise and experience gained during their overseas assignments. This knowledge often plays a vital role in building and strengthening business relationships both within Japan and abroad. Additionally, the J-form organisation promotes a mindset among employees that prioritises building and maintaining networks of contacts and relationships, both internally and externally. Recognising the value of short-term assignments, the organisation places great importance on deploying employees to develop and strengthen relationships with suppliers and customers in important network locations.

Lastly, the organisation puts a strong focus on building relationships with Japanese manufacturers and suppliers in Japan. This commitment highlights the organisation's dedication to nurturing solid connections with these potential partners, which helps ensure operational efficiency, fosters cooperation, and allows innovation. The concept of extending and maintaining network relationships/network connections originated from three open codes during the open coding process. The open codes that have emerged under this initial classification code include: (1) Repatriate becomes frequent flyer, (2) Repatriate experience, and (3) Embedding network thinking, To further explore how these codes have contributed to the transactional code, the open codes related to the topic will be analysed in the subsequent section.

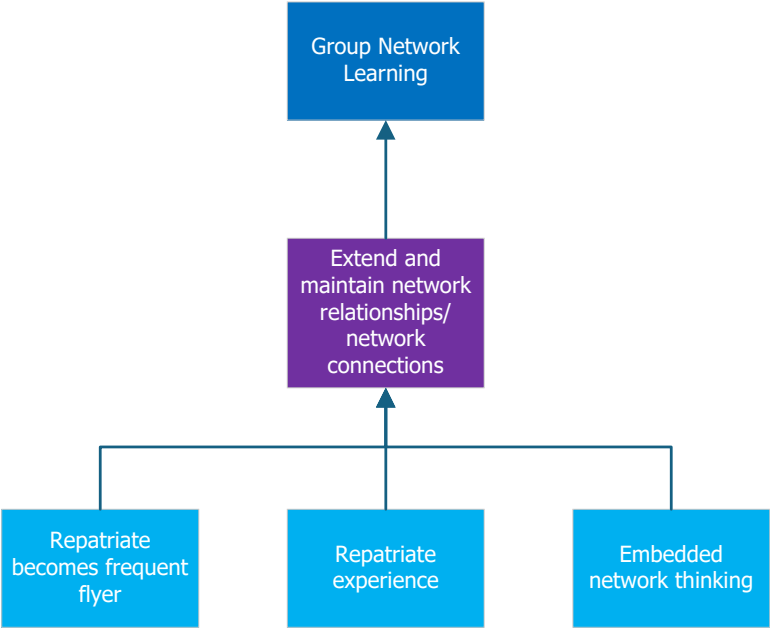


Figure 4.2.3.3.3 Extend and maintain network relationships/Network connections

Repatriate becomes frequent flyer

The first element arising from the data within the transitional code of 'Extend and maintain network relationships/network connections' is titled "Repatriate Becomes Frequent Flyer." The data reveals that within the globally operating Japanese J-form organisation, seasoned expatriates and long-term repatriates with managerial backgrounds frequently travel between the organisation's headquarters in Japan and its overseas subsidiaries. These regular trips ensure that they remain closely connected with the subsidiaries,

allowing them to maintain relationships within their personal network. As a division manager stated regarding his frequent travels:

'The main reason for this business trip is to discuss the catering business with Navales. Additionally, I will be meeting with several shipping management companies to gather feedback specific to our daily operations. Regarding the timing of your business trips in Japan, Tokyo has many shipping companies. Are they only customers? I will also travel to Tokyo to discuss matters with the staff there, and the same applies to the Yokohama office. The company's meetings will be held at the Yokohama office since that is the head office. Last year, together with K1-san and F2-san, I travelled to Houston. I also went to London to attend the IMPA conference and meet with some customers.' (LS110192)

Their extensive international experience is invaluable in this regard, enabling them to effectively bridge the cultural and communication differences between the headquarters in Japan and the organisation's subsidiaries overseas. As the president of the group company explained regarding a long-term expatriate senior manager in the Middle East:

'In the first year or two, the company may face some challenges. During this period, I plan to ask H1-san to oversee Middle East Kobe from Japan while ensuring he remains in regular contact with the subsidiary and visits periodically.' (Author, LS110200)

Or as a managing director maintained regarding a repatriate from China:

'H2-san, an engineer from China, has been in China for quite some time about four to six years. Now that he is back in Japan, he flies to China from time to time.' (LS110152)

Repatriate experience

The second element arising from the data within the transitional code of 'Extend and maintain network relationships/network connections' is titled "Repatriate Experience." This concept emphasises the importance of repatriated individuals in enhancing communication within cross-cultural contexts, which is essential in the transitional phases of building a cohesive network. O2-san, still in his role as managing director, maintained:

'I will not hold an official position, but I will serve as an advisor to the younger staff. I believe it is important for them to understand my perspective as someone from outside Japan. While they have a solid education and communicate in English quite well, their confidence tends to be lacking. For instance, if a Japanese owner states a preference, they rarely challenge that viewpoint. Although we are in a 50/50 partnership, when there is an incorrect order from a superintendent or a Japanese owner, they should feel empowered to say, "No, we cannot do this." Japanese people often struggle with this. It is a skill that can be developed; for example, this is something they can learn in Rotterdam. They need to learn to assert themselves and not be overly concerned about saying something to a customer. This hesitation is, in my view, a significant issue.' (LS110120)

O2-san's insights highlight the crucial balance between respecting traditional norms and encouraging assertiveness in communication. As an employee from the overseas network department in Tokyo asserted:

'O2-san, a repatriated managing director (a repatriated managing director) from Rotterdam, has been assigned to Tokyo. In some cases, I accompany O2-san to meet with customers, where I receive advice from him on how to effectively communicate with them in various situations.' (LS110124)

He continued:

'I visit customers alongside O2-san, who provides me with advice on how to communicate effectively with them in various situations.' (LS110124)

This mentorship is particularly important for fostering relationships with clients, as O2-san emphasised his role as a supervisor for the training of young staff in Tokyo:

'My current position can be described as a supervisor for the training of young staff in Tokyo. These individuals have been with Kobe for 4 to 5 years now, and three of them come from the spare parts division. They are unfamiliar with the ship supply side of

the business and how to interact with superintendents and office purchasers. Each day, I teach them, and sometimes I accompany them on visits to Japanese shipowners or the offices of Japanese shipping companies. This is my role at the moment. Additionally, I serve as an advisor to the division managers.' (LS110125)

By providing guidance and practical experience, O2-san actively contributes to building an extended network within Kobe Trading, which fosters interpersonal relationships and knowledge sharing. Furthermore, a Japanese general manager in Rotterdam illustrated the significance of leveraging the expatriate and repatriate network of Kobe Trading, which provides a global framework with access to both local embedded knowledge and Japanised local expertise. A Japanese local ship chandler in the closed community of Imabari, Japan, sought collaboration with Kobe Trading, stating:

'Yes, there is a local ship chandler who wants to join us because they are currently only equipped to handle local deliveries. They have some good customers in the area; however, the maritime industry is expanding, and their customers are increasingly demanding larger services, yet the ships are not returning. Instead, the ships are heading to places like China and India. This presents a problem for them, which is why they are interested in partnering with us.' (LS110121)

In this context, the integration of local knowledge with the expertise of repatriated individuals can enhance the network's overall effectiveness. This sentiment is echoed by the president of the group, who expressed:

'If possible, I would like to bring them back when they return to Japan. The experiences of T1-san and F4-san, along with their knowledge of Korea, are invaluable for managing our operations. Internally in Japan, we need to control the network by communicating directly with our subsidiaries. The facilities in Japan are somewhat centralized, which means we need individuals with relevant knowledge and experience. For example, M2-san, who previously worked in London, understands the customers there, but he is now based in Kobe at our central office. He will handle all communication to the network regarding London and European customers because of his familiarity with them.' (LS110161)

By embracing the repatriate experience and cultivating robust network relationships, Kobe Trading not only strengthens its operational capabilities but also supports the extension and maintenance of these relationships as part of group network learning. This approach underscores the value of a diverse and well-connected team, which is essential for navigating both local complexities and global opportunities while fostering continuous growth and knowledge sharing within the Kobe trading global network.

Embedding network thinking

The third element arising from the data within the transitional code of 'Extend and maintain network relationships/network connections' is titled "Embedding Network Thinking." In the internationally operating Japanese J-form organisation, embedding network thinking among its employees is essential for leveraging the network as a key product in the international maritime market. By fostering a culture of network thinking within its workforce, Kobe Trading's network organisation harnesses the power of interconnected relationships, information exchange, and collaboration to create a valuable and dynamic network that represents a strong marketable resource.

This approach allows the J-form organisation not only to offer products or services but also to provide access to a well-connected and knowledgeable network that adds considerable value for its customers and partners. By utilising network thinking, employees are encouraged to perceive the organisation's network as a strategic resource that can facilitate business opportunities, drive innovation, and enhance customer relationships. Recognising the network as a distinct product in itself enables the Japanese J-form organisation to differentiate itself in the market while capitalising on this asset. As explained by a Japanese managing director in Japan:

'We must manage and maintain our network vision. I understand that the president and other key individuals in Japan may not always be aware of this; however, I know that if we do not manage it closely, people in each region tend to focus solely on their own offices. Both local Japanese management and repatriates need to nurture and enhance network thinking and global awareness.' (LS110105)

He continued:

'When I was in Rotterdam, I never asked anyone to sacrifice the profits of the Rotterdam office; however, each individual office should be prepared to sacrifice and incur losses if, for instance, the Rotterdam or Singapore office stands to gain a larger profit in return. As a network, we should work collaboratively. Our philosophy is to benefit as a group. People who have worked in only one location often find it difficult to grasp this philosophy and principle. I believe that if you have only worked in Japan, it is nearly impossible to understand this concept fully. Therefore, having experience in Europe or overseas is a significant advantage.' (LS110105)

Through the strategic embedding of network thinking, Kobe Trading not only extends its network connections but also fosters a culture of group network learning, enabling employees to leverage their collective experiences and insights. This continual engagement with both local and global perspectives ultimately enhances the J-form organisation's ability to respond to market demands and innovate effectively. This understanding of network dynamics is further exemplified by a sales representative in Singapore, who highlighted the practical implications of effective network thinking in his daily activities:

'I can visit the customer and speak to them face-to-face. Since Japan and Singapore are not very close, if they need to resolve an issue, they can only communicate over the phone or by email. While that is acceptable, my presence at the customer's office allows us to address issues more smoothly I'm essentially the bridge between them and us. This is one example of my daily responsibilities. Another important aspect of my role is to follow up on quotations made by Kobe Japan or other offices for stores or spare parts. I visit the owner to discuss the quotation and gather information about the current status or situation. If they request a discount, I can communicate directly with Kobe Japan or the other office to facilitate that process. This is another key part of my job: following up on quotations.' (LS110119)

In addition, the expanding markets in Korea and China present further opportunities for effective network thinking. A senior manager in Japan noted:

'The Korean market is experiencing growth, and Korean manufacturers are expanding as well. Similarly, the Chinese market

is influenced by government policy, leading to growth among Chinese domestic manufacturers. Our strong point at Kobe Trading is our network. As you mentioned, our engineering department plays a crucial role in connecting Japanese manufacturers with our overseas subsidiaries within the group, particularly regarding engine spare parts.' (LS110196)

Moreover, a director of Kobe Trading in Kobe, Japan, elaborated on the strategic promotion of new products, which also highlights the importance of the network organisation:

'For new products in general, we primarily collaborate with Japanese manufacturers. These new products are promoted, for instance, when Japanese staff visit our overseas offices. Business travellers and short-term visitors often present these items abroad alongside experienced staff from the Rotterdam office. Our dedicated machinery sales department in Japan asks all our overseas representatives to promote the products identified as potentially valuable by them. I recall that our Rotterdam office promoted our catering services and Miura bilge water management systems to ST chemical tankers.' (LS110106)

4.2.3.3.4 Utilising knowledge available in the network

The fourth transitional code within the subcategory of group network learning, as depicted in Figure 4.2.3.3.4, is titled "Utilising Knowledge Available in the Network." In the context of the internationally operating Japanese J-form organisation, there is a strong emphasis on leveraging expert knowledge from employees in the organisation to enhance the overall capabilities of the network organisation. A key area of expertise comes from expatriates and repatriates. By utilising the unique insights and perspectives these individuals provide, the organisation maintains valuable understanding from overseas local embedded knowledge. Furthermore, the organisation places a strong emphasis on developing organisational knowledge and company knowledge through continuous learning and the sharing of best practices. This approach promotes a culture of collaboration and ensures that information is shared effectively throughout the network organisation. This enables informed decision-making and allows for coordinated follow-up actions when necessary.

The concept of utilising knowledge available in the network originated from eight open codes identified during the open coding process. The open codes that have emerged under this transitional code include: (1) Providing expert knowledge, (2) (Using) expertise from expatriates/repatriates, (3) Repatriate knowledge, (4) Subsidiary specific local knowledge, (5) Expatriate knowledge, (6) Sharing organisational knowledge/company knowledge, (7) Coordinate network communication and follow-up, and (8) Report to headquarters in Japan/group management communication. To further explore how these codes have contributed to the transitional code, the subsequent section will analyse the open codes related to this topic.

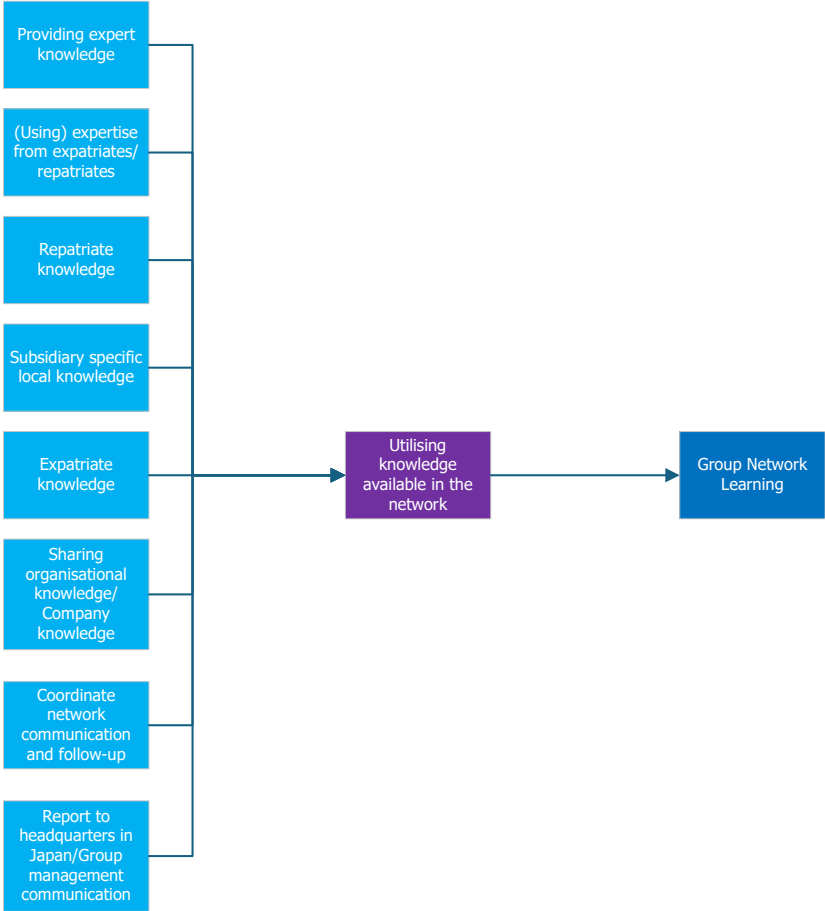


Figure 4.2.3.3.4 Utilising knowledge available in the network

Providing expert knowledge

The first element arising from the data within the transitional code of 'Utilising Knowledge Available in the Network' is titled "Providing Expert Knowledge." The network architecture of the J-form organisation acts as a critical platform for knowledge exchange and collaboration among colleagues in various fields of expertise.

A key aspect of this framework is the ability to access and leverage the specialised knowledge of expatriates and colleagues in specific roles, which significantly enhances operational effectiveness. For instance, as highlighted by a managing director in Japan, the organisation benefits from the expertise of employees who are fluent in languages and familiar with international markets:

'He is a 45-year-old engineer who is fluent in Chinese and is logically involved in the Chinese business from Japan. He assists his colleagues, demonstrating how we utilise our personal knowledge and support one another. Even though he has returned to Japan, we maintain connections with the overseas Chinese office. We want him to remain involved and leverage the special knowledge and expertise he possesses.' (LS110152)

In addition, a director in Korea emphasised the importance of local market knowledge and how it can be utilised to optimise supply processes:

'I have been working specifically in the stores supply department. Here in Korea, there are still many new buildings being constructed, which lead to a significant volume of initial stores orders. Of course, there is competition, and sometimes customers or owners prefer to source their stores from Singapore or even Europe (which is another advantage of our network). For example, if one company is building five or six container vessels, we can standardise the initial stores and consumables for these ships. Considerations such as Filipino crew members and the number of days at sea are important optimisations that we take into account. I believe these calculations represent the next step in the ship supply business.' (LS110113)

Moreover, an executive director in Singapore illustrated how leveraging knowledge from the network can influence strategic decisions:

'We were still working with what became our Korean joint venture at that time, as they were our subcontractor. I got to know B0-san very well during that period. However, no matter how we approached it from Japan, we were not making a profit; we were operating in the red, just breaking even. So I proposed to the management that there was no point in continuing this way. I suggested it would be better to send everything from Singapore, as it is the cheapest option. Then top management responded, "Oh, in that case, you should go." So, I moved to Singapore to oversee all the initial stores and new building business from there.' (LS110118)

These examples highlight how the organisation prioritises the provision of expert knowledge, ensuring that individuals remain connected and informed regardless of their physical location. This approach not only enriches decision-making processes but also fosters innovative thinking and collaborative problem-solving. By harnessing the expertise available within its network, Kobe Trading reinforces its commitment to continuous learning and operational excellence.

(Using) expertise from expatriates/repatriates

The second element arising from the data within the transitional code of 'Utilising Knowledge Available in the Network' is titled "Using Expertise from Expatriates/Repatriates." In the context of the globally operating J-form organisation, Kobe Trading has a great opportunity to strengthen its capabilities by effectively tapping into the knowledge and expertise of expatriates and repatriates. By strategically assigning these individuals to roles aligned with their specialised knowledge and experiences, the organisation can capture their unique perspectives and insights to manage complex challenges and drive innovative solutions. As highlighted by a managing director in Japan, even after returning from international assignments, expatriates continue to play vital roles in subsidiary operations. He noted:

'Even when people return to Japan, for instance from the Middle East or America, they remain involved in the operations of the subsidiary where they worked. This is one of their assignments. Although it may not be apparent on paper or in the organisational chart, since Kobe Trading Americas and Kobe Trading Middle East have no direct connections, these teams communicate from time to time and consult each other when necessary. This is how Kobe Trading operates; everyone is connected.' (LS110152/LS110153)

The value of maintaining these connections is further emphasised in a discussion regarding the slow growth of the office in China:

'I went to China this week and had an extensive discussion with I2-san. The growth of our office there is very slow. I talked with him, and if necessary, Kobe Trading Japan will assist financially with computer systems. If needed, we will send someone from Japan who is familiar with the Chinese market and/or who can speak Chinese. This is how we build our network and knowledge.' (LS110152/LS110153)

Additionally, the collaboration with Japanese manufacturers, as indicated by a director in Japan, underscores how expatriate expertise plays a crucial role in promoting new products:

'We are collaborating primarily with Japanese manufacturers, such as those producing filters for new fuels and products that comply with IMO regulations. Kobe Trading is utilising its network and contacts with multiple shipowners to promote new products from Japanese manufacturers. This involves leveraging our knowledge and relationships with shipowners to encourage manufacturers to work with Kobe Trading.' (LS110106)

The reflections of a manager in the stores department in Rotterdam illustrate the practical implications of repatriate expertise:

'Specifically, I am focusing on how we can bypass certain procedures and improve some of the outdated practices in Japan. I believe I can make valuable suggestions for changes in those areas, particularly from a systems perspective. From that standpoint, I can bring many ideas to Japan. While this is a personal goal of mine, I would really like to return to the stores department in Japan. If I were assigned to the spares department or another department, of course, my knowledge would still be utilised, but it would not be as fulfilling for me. I am truly hoping to return to the stores department.' (LS110211)

Finally, the manager's observations on the challenges faced by new staff members point to the importance of cultural understanding within the organisation:

'The majority of my staff are currently responding well. However, when new staff join Kobe Trading, they often find that Nihon-teki Keiei can be quite challenging. They do not always understand why we have so many specific requests or why we expect them to reply promptly. Each time new staff start, we must provide them with education and explanations about our processes. After approximately three to four months, they typically adapt well to our culture and begin to understand Nihon-teki Keiei. Most people who join Kobe Trading have some interest in Japan and Japanese culture, and some have even received training in Japan. At the very least, they have an interest in Japanese culture, which makes them more willing to study and embrace it. From that perspective, I can confidently say that the team is responding positively.' (LS110211)

Through the strategic engagement of expatriates and repatriates, Kobe Trading is able to both utilise their expertise and foster a culture of collaborative learning and continuous improvement, enhancing overall operational effectiveness within the network organisation.

Repatriate knowledge

The third element arising from the data within the transitional code of 'Utilising Knowledge Available in the Network' is titled "Repatriate Knowledge." In the internationally operating Japanese J-form organisation, the continuous influx of repatriates from overseas subsidiaries plays a vital role in ensuring the sustaining and renewing of knowledge regarding these subsidiaries and their locations. As these individuals return from overseas subsidiaries, they bring back essential information about these locations and contribute to the adaptation and development of this knowledge within the organisation. As a division manager in Japan asserted:

'After that, I became the division manager for stores supplies, where I organised the purchasing team and discussed with local staff and purchasers how to resolve specific problems, how to quote, and how to make bids. I engaged with all the local purchasers in Singapore. Following this, I returned to Japan as the manager of the newbuilding team. I have visited all the local shipyards in Japan, gathering information from overseas about which companies are building ships in which shipyards, as well as their schedules. I strive to connect with superintendents, office staff, and sometimes the

ship captains, with the aim of obtaining the initial stores. I organise these initial supplies, sourcing from Korea, Singapore, and China. We use the internal purchasing system to determine the best way to secure competitive quotations and to plan the most cost-effective transportation from these countries. My focus is on combining these elements to minimise costs and to identify which items are cheaper or of 'standard' quality. We worked on this for half a year. After that, I became a senior manager in Kobe, overseeing not only newbuilding ships but also existing ones, such as LNG ships, and taking responsibility for the organisation in Kobe.' (LS110192)

The understanding of the changing nature of for the organisation essential overseas local embedded knowledge is thus facilitated through the constant interaction and exchange of ideas between expatriates and local staff, leading to a dynamic and evolving understanding of the various subsidiaries and their unique contexts within the organisation's global operations.

Subsidiary specific local knowledge

The fourth element arising from the data within the transitional code of 'Utilising Knowledge Available in the Network' is titled "Subsidiary Specific Local Knowledge." Within the context of Kobe Trading's J-form trading house and its Senmon Shosha function, understanding local knowledge is crucial for effectively serving international customers as well as Japanese customers through their extensive network. This local knowledge can include various factors, such as geographical considerations, the location of suppliers, and the distances involved in logistics. For example, a previous Japanese managing director of the subsidiary in Rotterdam explained:

'In Japan, we have some dealers, but they typically deliver only once per day. If I have an urgent order and they do not deliver, we have to go and pick it up ourselves. This is primarily because these suppliers are located in Osaka. The drive from Osaka to Kobe takes approximately one hour, and they do not make additional deliveries. In contrast, here the suppliers are very close; the dealers and suppliers are just a 10 to 15-minute drive away.' (LS110206)

This understanding of local dynamics is essential for building strong relationships with clients. A division manager in Japan further expressed the importance of familiarising oneself with customers through international experience:

'I want to be very active in familiarising myself with our customers, and for that, we need to focus on work overseas. In my experience at Kobe Trading in Rotterdam within the Yanmar department, I was responsible for all European customers. Over the four years I held that position, I got to know most of the major customers across various countries in Europe, which was a truly beneficial experience for me. After that, I moved to London, where I took charge of the Norwegian and Greek markets. I conducted analyses for Norwegian customers, focusing on the top 10 customers for Japanese spares, as well as for stores supply in Singapore and the Middle East. I applied the same analytical approach in Greece. The knowledge I gained from these experiences is greatly contributing to my role here at Kobe Trading.' (LS110195)

Additionally, insights from the previous president of the group emphasise how the experiences of returning expatriates play a role in strengthening the network organisation:

'When they return to Japan, the experiences of T1-san and F4-san, particularly in relation to their knowledge of Korea, come into play. Internally in Japan, to effectively manage the network, they communicate directly with the subsidiaries. The facilities in Japan are somewhat centralised, which means that having knowledge and experience is essential. For instance, M2-san, who once worked in London, is familiar with the customers there. However, he is now back in Kobe, at the central office. As a result, he is responsible for all the communication he distributes to the network and will manage relationships with the London and European customers due to his familiarity with them.' (LS110161)

Through the utilisation of subsidiary-specific local knowledge, Kobe Trading can strengthen its operational effectiveness and improve its service proposition. This approach facilitates better connections with customers and enhances the J-form organisation's ability to leverage the insights and expertise of expatriates and repatriates within its network organisation.

Expatriate knowledge

The fifth element arising from the data within the transitional code of 'Utilising Knowledge Available in the Network' is titled "Expatriate Knowledge."

This aspect is crucial in the context of group network learning for Kobe Trading, as it highlights the value of knowledge gained through international experience. Expatriates bring unique insights and expertise that can enhance the organisation's overall effectiveness and adaptability in various markets. A division manager, who is now the managing director of the subsidiary in Rotterdam, shared his experience:

'I am responsible for all European customers, and during my four years in this role, I became familiar with most of the major customers in each country across Europe. This experience was truly beneficial for me. After that, I moved to London, where I took charge of the Norwegian and Greek markets. I conducted analyses for about 20 Norwegian customers, focusing on the top 10 customers for Japanese spares, as well as on sales of Japanese spares and stores supply for Singapore and the Middle East. I applied a similar analytical approach in Greece. The knowledge I gained from these experiences significantly contributes to my current role here at Kobe Trading.' (LS110195)

His journey underscores how expatriate knowledge contributes to personal growth and organisational success. This emphasis on leveraging the expertise of expatriates strengthens Kobe Trading's ability to deal with complex global challenges and develop meaningful relationships with customers worldwide.

Sharing organisational knowledge/Company knowledge

The sixth element arising from the data within the transitional code of 'Utilising Knowledge Available in the Network' is titled "Sharing Organisational Knowledge/Company Knowledge." This aspect plays a vital role in the larger context of group network learning for Kobe Trading, highlighting the importance of disseminating knowledge throughout the network organisation to enhance overall effectiveness and cohesion.

As explained by a general manager:

'Before assigning overseas staff, we send people to Korea, Singapore, and Dubai for about one week in each location to gain insight into local practices. For instance, N3-san undertook this journey to Singapore, Korea, and Dubai prior to his assignment in the Netherlands. The purpose of sending someone to Singapore,

Dubai, and Korea, which each have completely different cultures, is precisely to enable them to observe diverse business styles. This experience helps them develop the necessary knowledge to effectively represent our group of companies. Have you done this with more people? This initiative primarily targets individuals who will serve as representatives for our group, such as N3-san and S5-san in London.' (LS110189)

This proactive approach to sharing organisational knowledge underscores the value of experiential learning in preparing staff for international assignments. By immersing employees in different cultural and business environments, Kobe Trading fosters a deeper understanding of regional markets and practices. This approach provides staff with essential insights but also strengthens the organisational culture by ensuring that knowledge is shared and leveraged across the network. The emphasis on sharing knowledge enhances the J-form's ability to adapt to diverse markets, market conditions and improve its service proposition, ultimately contributing to its overarching goals.

Coordinate network communication and follow-up

The seventh element arising from the data within the transitional code of 'Utilising Knowledge Available in the Network' is titled "Coordinate Network Communication and Follow-Up." This aspect is crucial within the larger context of group network learning for Kobe Trading, as it emphasises the importance of systematic communication and collaboration across the network organisation. The network structure of the globally operating J-form organisation serves as a highly efficient mechanism for addressing supplier and customer concerns. For example, in the event that a Greek company faces financial challenges, all branches and subsidiaries within the network are directly informed about the situation. This guarantees that the network is always informed about customer statuses and provided with relevant information before their interactions with those customers.

The Japanese headquarters takes responsibility for consolidating all relevant data and coordinating suitable responses to these situations. This systematic communication guarantees a unified and proactive strategy for resolving supplier and customer issues across the network organisation.

As a director in Korea explained:

'Yes, Marine HQ collects all the information and regularly informs the network. If Company A in Greece is experiencing financial difficulties, all branch offices receive this information. In London, Greece, and Hong Kong, we have representatives in each office. When they visit customers, they prepare and send reports to HQ, as well as copies to the branch offices. This allows HQ to be aware of any issues, such as a company facing financial problems. If there are any outstanding payments or orders, they ensure that the relevant parties are informed. HQ gathers all the information and prepares the necessary actions when required.' (LS110113)

By ensuring that information flows seamlessly throughout the network and that follow-up actions are coordinated effectively, Kobe Trading enhances its operational efficiency and strengthens its ability to respond to customer needs adequately. This strategic focus on communication and collaboration reinforces the J-form organisation's commitment to building a responsive and agile network dedicated to customer satisfaction Japanese style.

Report to headquarters in Japan/Group management communication

The eighth and last element arising from the data within the transitional code of 'Utilising Knowledge Available in the Network' is titled "Report to Headquarters in Japan/Group Management Communication." Within the internationally operating Japanese J-form organisation, Japanese or local senior management based in the subsidiaries provides regular reports back to the headquarters in Japan. This information and explicit knowledge is then distributed throughout the network of subsidiaries and agents worldwide. This ensures that all subsidiaries of the organisation are aligned in their objectives and working towards common goals. Furthermore, the feedback loop to Japan allows for adjustments to be made in procedures, routines or strategies based on specific insights of local subsidiaries. For example, a team leader in Rotterdam explained:

'S3-san came to the Netherlands to improve our workflow in spare parts. Japan believed our services were not up to standard, although they weren't necessarily bad. S3-san came here to address the low sales, convinced that our workflow was very poor. However, after his visit, he discovered that our workflow is actually more efficient than that in Japan. He was quite impressed and wrote a report to K1-san in Japan.' (LS110203)

This system of communication and knowledge sharing is essential for maintaining a cohesive and culturally unified global organisation. It facilitates the sharing of best practices across different regions, allowing local insights to inform broader strategies. By leveraging the expertise and resources of the network, the J-form organisation can effectively operate on a global scale while retaining strong ties to its Japanese heritage. As a Director in Korea confirmed:

'There is regular contact with other subsidiaries through email and directly with top management in Japan.' (LS110113)

4.2.3.3.5 Managing global competitiveness

The fifth transitional code within the subcategory of group network learning, as depicted in Figure 4.2.3.3.5, is titled "Managing global competitiveness."

In the context of group network learning, the fifth transactional code pertains to managing global competitiveness. The challenges faced by the internationally operating J-form in the maritime industry include managing global competitiveness, sourcing products from low-cost countries, and maintaining strong relationships with customers. However, these challenges also present opportunities for the organisation to leverage its network, senmon shosha function, and transparent business approach to differentiate itself in the market.

By sourcing homogenous products from low-cost countries, the organisation can reduce procurement costs and improve its competitiveness in the industry. Additionally, its strong relationships with customers and transparent business approach are highly valued, providing a unique selling point that sets it apart from competitors. The level of information sharing within the organisation's network also allows for a deep understanding of customer behavior and challenges in different locations, enabling the organisation to make informed decisions and adapt its strategies accordingly.

Overall, while managing global competitiveness in the maritime industry presents its challenges, the internationally operating J-form organisation has a unique network set of opportunities to leverage its strengths and maintain its position as a leader in the industry. The concept of managing global competitiveness originated from three open codes during the open coding process. The open codes that have emerged under this initial classification code include: (1) Japanese as brand label, (2) Visualising customer decision making

and behaviour, (3) Understanding challenges and management overseas. To further explore how these codes have contributed to the transactional code, the open codes related to the topic will be analysed in the subsequent section.

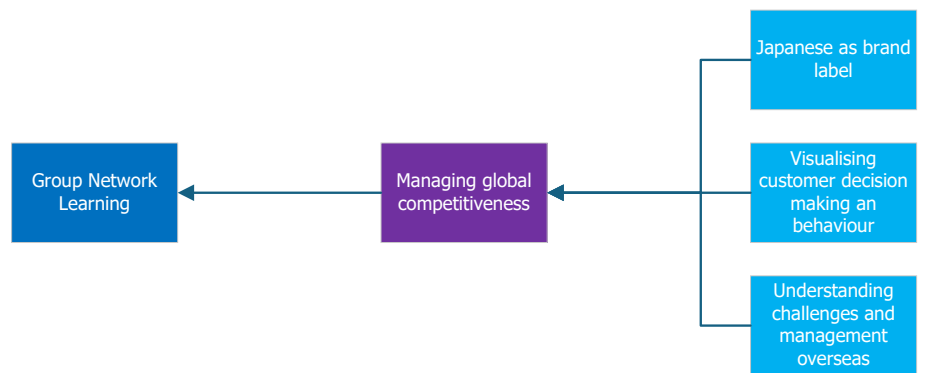


Figure 4.2.3.3.5 Managing global competitiveness

Japanese as brand label

The first element arising from the data within the transitional code of ‘Managing Global Competitiveness’ is titled "Japanese as Brand Label." The data reveals that the Japanese are well aware of the non-Japanese perception of products made in and delivered by Japanese companies. Customers value the Japanese business approach for various reasons, with a fundamental commitment to transparency, integrity, fairness, and reliability fostering trust. This open communication instils a sense of security and assurance in business relationships, allowing customers to depend on the company to fulfil its commitments.

Another reason for customer appreciation is the Japanese focus on quality, precision, and craftsmanship. Renowned for their high standards, Japanese brands consistently deliver superior quality, resonating with customers who value excellence. As illustrated by a managing director in Japan:

‘In Manila, we have N2-san, who is half Japanese (laughs... he is a well-connected Filipino). He understands Kobe Trading’s policy and philosophy. Each of our representatives should remain in overseas locations as we promote the Japanese brand globally. We feel that being Japanese is a distinctive advantage for our brand.’ (LS110105)

However, the J-form organisation faces the challenge of utilising the "Japanese" label while maintaining its competitiveness in the global maritime industry. The significance of maintaining the essence of Japanese culture in communication is further emphasised by the president of the group:

'The way we communicate, including our choice of words and language, is not purely logical; it contains virtually no emotion. The spirit of the Japanese, along with personal characteristics such as honesty and integrity, is crucial. As long as we can maintain these qualities, we will continue to have an advantage over others.' (LS110161)

The commitment to delivering a distinctly Japanese service is echoed by the previous president, who stated:

'We have Japanese representatives everywhere, as Kobe Trading's policy is to deliver a service with a distinctly Japanese spirit. We cannot leave this solely to the local staff. Japanese customers, and indeed all customers, expect our service to reflect this Japanese style. We cannot take the easy route; we must uphold these standards.' (LS110193)

Supported by a general manager, this commitment to customer satisfaction is reinforced:

'I believe that the Japanese have a good mentality for customer satisfaction.' (LS110209)

Overall, by capitalising on these fundamental aspects of the Japanese brand, Kobe Trading aims to maintain and strengthen its position in the global maritime market while effectively responding to the diverse needs of its customers.

Visualising customer decision making and behaviour

The second element arising from the data within the transitional code of 'Managing Global Competitiveness' is titled "Visualising Customer Decision Making and Behaviour." Recognising the necessity for diversifying their approach, the Japanese J-form organisation understands that while customers appreciate Japanese business and manufacturing methods, there is limited willingness to pay a premium for products that seem similar. Through

the network and feedback from their overseas subsidiaries, the J-form organisation has gained a deeper understanding of customer behaviour and preferences, prompting them to modify their strategies to better cater to the needs and expectations of the global maritime market. As explained by a board member:

'Recently, the Japan Ship Machinery and Equipment Association (JSMEA) has been discussing the competitiveness of Japanese products because Japan is losing its price competitiveness to Korea, particularly in areas such as pump and engine prices. As a result, Japanese products are becoming less competitive, and the association is trying to understand why this is happening.'

To address these issues, they have established certain material grades and maintain specific levels of material quality. For instance, these materials can last for more than 10 years, whereas, for Korean and Chinese manufacturers, a lifespan of just a few years may be acceptable. Although the products might seem comparable in their early years, problems typically arise after one, two, or three years. In contrast, the Japanese products are designed to function effectively for over a decade. The dedication to quality is evident, but it seems that Japan is becoming too expensive. When we consider why so many companies are shifting their focus to India and China, it suggests that people are willing to accept a lower quality in exchange for a more competitive price. The quality from China, for example, is generally lower than that from Japan, yet the price difference is significant enough to influence purchasing decisions. I believe this is a reality that Japanese companies must recognise: the quality they deliver does not always align with market demands.' (LS110112)

Understanding challenges and management overseas

The third element arising from the data within the transitional code of 'Managing Global Competitiveness' is titled "Understanding challenges and management overseas." The internationally operating J-form organisation is regularly facing distinct opportunities and challenges within its various overseas regional networks. In the United States region, the organisation is encountering difficulties in attracting and retaining suitable employees. The competitive nature of the job market and the lack of appealing employment

benefits may be contributing to this challenge. Moreover, the difficulty in securing and retaining skilled personnel can hinder operational efficiency and limit the organisation's ability to provide quality services. As explained by a managing director in Japan:

'The number of Japanese expatriates in the Houston office has grown from one to five. This increase is primarily due to the challenges of finding suitable American staff. However, if the issue of securing sufficient high-quality staff persists, the number of Japanese expatriates will likely be reduced again.' (LS110106)

In China, we face other challenges, he maintained:

'A3-san from our Shanghai office mentioned that there were some issues regarding legal understandings between our local Chinese president and F1-san. The Chinese president insisted on following local Chinese practices for financial matters, while F1-san requested that she adhere to Chinese law. Since she did not change her approach to local Chinese financial practices, F1-san decided to send A3-san as the president. F1-san was concerned about our reputation and position as an international company.' (LS110106)

In contrast, in the Philippines, we are successfully extending our activities, he explained:

'In the Philippines, the back office has expanded to 200 full-time equivalents (FTEs), all of whom are local employees. The office is managed by N2-san, who has been with Kobe Trading for over 20 years. The office in the Philippines is set up for catering and general administration. The decision to locate the office there is based on cost considerations, as there is a sufficient pool of available staff, and Philippine employees have an excellent command of the English language.' (LS110106)

However, the subsidiary in Rotterdam is yet faced with another challenge. A team leader professed:

'I think I understand what you're saying. You mean that you need a workers' council or a labour union, which is something the

company does not want. It's not my preference, but perhaps it's the company's stance. Kobe Trading Rotterdam has an unofficial regulation that limits us to hiring no more than 50 people. Currently, we have around 48 or 49 employees, and we cannot increase this number. To achieve higher profits, we first need to reduce costs. That's why I improved the workflow system; I aimed to make the workflow easier, which I believe is vital for reducing costs.' (LS110203)

Given these obstacles, it is essential for the J-form organisation to proactively address these issues in all regions to ensure the sustainability and expansion of its operations in the international maritime industry. This may include putting in place strategic recruitment and retention initiatives, exploring offshoring options, and making better use of expatriation tools for more effective workforce management. A thorough assessment of the challenges faced by each region will strengthen the organisation's ability to tailor solutions. Strategically addressing these obstacles, whether they pertain to legal compliance, workforce dynamics, or operational efficiency, will allow the J-form organisation to adjust and succeed amid different regional dynamics.

4.2.3.3.6 Management assignment overseas/Selecting future (senior) management

The sixth and last transitional code within the subcategory of group network learning, as depicted in Figure 4.2.3.3.6, is titled 'Management assignment overseas/Selecting future (senior) management.' In the context of group network learning, the sixth and last transitional code pertains to management assignments overseas and the selection of future (senior) management.

In the internationally operating J-form organisation, the positions of managing director in overseas subsidiaries are well planned due to the high costs of making mistakes. In a J-form organisation, the international subsidiaries typically have significant independence within the overall structure of the organisation. The managing director of each overseas subsidiary plays a crucial role in representing the company, making strategic decisions and ensuring the success of the subsidiary in the local market. Given the importance of the managing director role in driving the success of the overseas subsidiaries, the selection process is usually rigorous and carefully considered. Key factors that may be taken into account in the selection process for a managing director in an overseas subsidiary include: Relevant experience, Cultural fit,

English Language skills, and a strategic vision. The concept of management assignments overseas and the selection of future senior management originated from seven open codes during the open coding process. The open codes that have emerged under this initial classification code include: (1) Subsequent expatriate assignment, (2) Management performance, (3) Staff performance, (4) Management by objectives, (5) Overseas performance, (6) Japanese mindset, (7) Management experience in network office. To further explore how these codes have contributed to the transactional code, the open codes related to the topic will be analysed in the subsequent section.

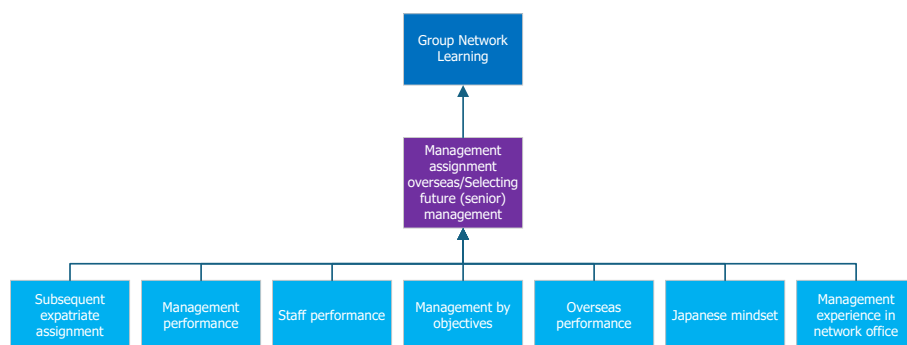


Figure 4.2.3.3.6 Management assignment overseas/Selecting future (senior) management

Subsequent expatriate assignment

The first element arising from the data within the transitional code of 'Management assignment overseas/Selecting future (senior) management' is titled "Subsequent Expatriate Assignment." Within a J-form organisation, careful consideration is given to a variety of factors. When assessing candidates for a management assignment overseas, their experience, skills, cultural adaptability, and potential for future senior management positions are all considered. It is essential to evaluate the ability of potential managers to effectively lead and communicate in a cross-cultural environment during the selection process for overseas assignments. Individuals who have excelled in subsidiary specific domestic roles may be considered for expatriate assignments in order to test their abilities in a specific overseas setting. As the president of the group company explained:

'That is a reflection of our company's character. While we do not send all our staff to work outside, we have consistently done so for several years, primarily for educational purposes. However, the case is different for managers. They will be appointed according

to the company's strategic plan. Of course, this is based on their abilities. Additionally, I believe it is essential for them to take more time to establish themselves while working alongside the local staff.' (LS110117)

Furthermore, attaining a junior manager position during an expatriate assignment serves as a valuable test for individuals aspiring to more senior management roles. This promotion demonstrates that the candidate has successfully managed the challenges of working in a foreign country and has shown ability to lead a team within a different cultural context.

Overall, the selection process for management positions in internationally operating J-form organisations is both comprehensive and strategic, concentrating on identifying and nurturing the right talent that has the potential to thrive in senior management roles, both locally and internationally. Employees serving as junior managers in expatriate or domestic roles, will be tasked with overseeing a team composed of individuals from diverse backgrounds, ensuring they work cohesively towards achieving organisational goals. They must inspire and motivate team members, delegate tasks effectively, and resolve conflicts in a professional and diplomatic manner. A managing director in Rotterdam explained:

'We go through a structured process. Initially, a manager is responsible for controlling a small group of about five or six people to help them develop their management skills. From there, they can progress to a middle management role.' (LS110121)

In essence, individuals will need to demonstrate their competence, resilience, and adaptability as they undertake these new responsibilities. Success in this role will validate their capabilities and pave the way for further advancement within the J-form organisation.

Management performance

The second element arising from the data within the transitional code of 'Management assignment overseas/Selecting future (senior) management' is titled "Management Performance." When selecting management expatriates for international assignments within a J-form organisation, careful attention is paid to a range of factors. Candidates for management assignments overseas are assessed based on their experience, skills, cultural adaptability, and

potential for future senior management positions. It is essential to evaluate the ability of potential managers to lead and communicate effectively in a cross-cultural environment during the selection process for overseas assignments. A Director in the Busan office maintained:

'I worked in the import section for three years, and then suddenly I was asked by F1-san to move to the Rotterdam office because the wife of one of the managers had health problems and needed to return to Japan. I served as the operations manager in Rotterdam for one year. After that, I was requested back to the Kobe office in the supply department, taking on the same role as in Rotterdam. I remained in the Kobe office for three years, and in 2007, I was asked to move to Korea.' (LS110113)

Overall, the selection process for management in internationally operating J-form organisations is comprehensive and strategic, aimed at identifying and nurturing the right talent with the potential to thrive in senior management roles, both in Japan and overseas. An example provided by a previous president of the company illustrates part of the journey of the current president. He professed:

'I knew it was very difficult to manage, but I considered it an excellent opportunity to learn. After that year, I decided to move him out of that department and to assign him a new challenge. Of course, I provided him with a valid reason to move out to save face. With this approach, I allowed him to develop his own style of management. For F2-san, it was very important to communicate with all levels of staff, from the shop floor to senior management. An important learning point for him was to develop the department without overly criticising the team. If he were to criticise the personnel in his department too much, I would not have been inclined to listen to what he had to say. However, he provided me with facts without personal opinions about the people. I appreciated his factual approach to the issues he was facing in the department, which garnered my trust in his character. I kept reminding him that presenting only negative points was not constructive. Nevertheless, his explanations remained very factual. I asked him how he could address the issues he was encountering, and he proposed several well-supported solutions. His role as a senior manager is crucial, as it serves as a bridge between the

employees and senior management. The senior manager is an important information source for top management and has insight into the company's thinking. From my feedback, F2-san felt that the company supported his management style.' (LS110112)

The management selection process in J-form network organisation is incremental and thorough. It aims to identify and develop the right individual capable of thriving in senior management roles, whether domestically or overseas. Yet this process is rather subjective, as maintained by a board member:

'Eventually, the Japanese expatriate will return to Japan, and at that time, if he has not performed properly, we will need to assign him to a new position. If the information we have is not accurate, we might select an inappropriate role for him, which would not be ideal. It is essential for us to ensure that the work of the Japanese expatriate is satisfactory. Therefore, we obtain performance reports through the managers of the local office, which we then compile. Do you understand what I am saying?' (LS110112)

Staff performance

The third element arising from the data within the transitional code of 'Management assignment overseas/Selecting future (senior) management' is titled "Staff Performance." The performance of junior managers will be closely assessed not only on their individual achievements but also on the performance of their team members, including both Japanese expatriates and local staff. Managing a diverse team that includes these expatriates presents unique challenges, as it requires sensitivity to cultural differences and effective communication skills.

It is essential for junior managers to gather accurate information about the performance of their teams, as this data is reported back to Japan, influencing decisions such as bonus distributions. Additionally, young employees must be evaluated by their managers, who are ultimately responsible for reporting their performance to Japan. Therefore, junior managers are expected to lead by example, set high standards for performance, and provide support and guidance to their team members, ensuring that everyone works cohesively towards common goals. As asserted by a board member:

'The managers report to Japan regarding the Japanese employees working in the local offices because bonuses are paid in Japan

based on their performance. Therefore, we must obtain information about the individuals working outside of Japan. Additionally, young employees must be evaluated by their managers. The manager is responsible for reporting that information to Japan.' (LS110112)

Management by objectives

The fourth element arising from the data within the transitional code of 'Management assignment overseas/Selecting future (senior) management' is titled "Management by Objectives." The J-form organisation is subject to an annual Management by Objectives (MBO) programme. The MBO programme involves setting specific, measurable, achievable, relevant, and time-bound goals for each employee, aligning individual objectives with the overall goals and strategic direction of the J-form organisation. The junior manager will need to work closely with each Japanese employee to define their objectives, establish key performance indicators, and provide guidance and support to assist them in achieving their targets. As asserted by a managing director in Japan:

'The first factor is based on feelings, but every year nowadays, it is bonus season. At this time, I review everyone's evaluations conducted by their managers. We employ the Management by Objectives (MBO) principle alongside sales results. Our personnel evaluations consist of three different evaluation systems.' (LS110152)

Additionally, the junior manager must ensure regular monitoring and tracking of progress towards these objectives, offering feedback and support throughout the performance evaluation period. Effective communication, feedback mechanisms, and coaching are essential components of the MBO programme, enabling Japanese employees to understand expectations, receive guidance, and make adjustments as necessary to meet their goals. A director in Japan explained the complexity of the process:

'Yes, and here is the person in question. The first evaluator is A1-san. This is the individual being evaluated. He conducts the evaluation himself, assessing his current level and the next level across the first six months and the second six months of the fiscal year. The action plan is outlined for both the first and second six months, along with the results from his self-evaluation. A1-san reviews

this, assigning ratings such as A or B based on his assessment. The second evaluation is conducted by S3-san, a senior manager, who evaluates various aspects as well. You will see that L1 represents a difference from L0, indicating that he is taking on more challenges, which qualifies him for L1, thus achieving 110 percent. This reflects a 10 percent improvement in his evaluation, resulting in an A rating. His objectives are assessed within this framework, aiming for total alignment with 100 percent of the shared objectives.' (LS110154)

The director continued:

'Fourty multiplied by 110 percent equals 4,400 (yes, 44), which means his grade is A. The final evaluation is A multiplied by A, resulting in 80. This score refers to his objective at L3. This is the basic approach to MBO, Management by Objectives. O5-san is responsible for implementing this system. MBO is applicable for individuals with more than three grades; those with less than three grades, specifically one or two, do not have this evaluation sheet. Instead, they use a simpler version. The objectives are defined by the company and are quite straightforward. The evaluation asks whether the job was completed properly and without mistakes, as well as considerations such as volume and basic behaviours, including adherence to regulations, responsibility, and cooperation. The grading system is as follows: 100 for S, 80 for A, 60 for B, 40 for C, and 20 for D. Depending on the score, the speed at which an individual can escalate to the next level is determined.' (LS110154)

Overseas performance

The fifth element arising from the data within the transitional code of 'Management assignment overseas/Selecting future (senior) management' is titled "Overseas Performance." This aspect highlights the importance of evaluating the effectiveness and contributions of employees working in international assignments. Given the geographical distance and the challenges associated with monitoring day-to-day activities, the J-form organisation has implemented a group network learning structure and performance assessment methods to ensure that goals are met and employee achievements are recognised. A senior manager in Japan explained that overseas performance is measured in different ways:

'Of course, from the Japan side, we cannot see the day-to-day performance. However, Kobe Trading is utilising MBO (Management by Objectives). Each staff member has set targets, and based on these, we assess and verify their performance every six months. Additionally, staff usually return to Japan every two years for a medical check-up, during which they must deliver a presentation to our staff at Kobe. In this presentation, they explain what they have accomplished over the past two years and provide details about their daily operations, typically lasting 30 to 40 minutes. This allows us to evaluate their experiences, which is quite interesting. This is a general practice within the company. We provide annual leave for staff to return to Japan, during which they are required to give a presentation. It is generally very interesting to see how they are working and; what they have experienced.' (LS110190)

The evaluation of overseas performance is not solely about assessing individual achievements; it also encompasses an understanding of how well each employee aligns with the organisation's wider goals. As the president of the group explained:

'We always focus on the objectives for the year. Every employee must create a plan for the year, but that plan needs to be approved by upper management because the objectives must reflect an improvement from the previous year. If someone maintains the same objective, it can sometimes occur if they were unable to meet the target last year (possibly achieving less than half). In some cases, individuals may wish to attempt the same goal again. Therefore, everyone is required to submit their objectives and plans. During the year, there is an interview assessment after six months to discuss progress, followed by another assessment at the end of the year. Management positions are typically tied to figures such as sales amounts or profit ratios. This applies mainly to those with responsibility for a department or section. While not everyone is directly linked to these figures, they still need to be considered at a certain level. Other objectives may include developing new customers in a specific area or achieving a certain number of new customers. These can also serve as targets or objectives.' (LS110161)

Overall, the process of evaluating overseas performance integrates structured goal-setting and regular assessments, ensuring that employees remain aligned with the J-form organisation's strategic goals while also facilitating their personal and professional development within their roles abroad.

Japanese mindset

The sixth element arising from the data within the transitional code of 'Management assignment overseas/Selecting future (senior) management' is titled "Japanese Mindset." As the junior manager transitions, the assessment of their performance will encompass their interactions with local staff and Japanese junior expatriates, taking into consideration the unique nuances of the Japanese mindset. Understanding and respecting this mindset is crucial, as it often emphasises harmony, group cohesion, and respect for hierarchy. As a former president of the J-form organisation maintained:

'We appreciate the local management style, as it is essential for us to be seen as a local company anywhere in the world. We value the methods they use to organise things, their working behaviours, and so on. Japanese employees do not want to have any disputes with the local staff, but they must try to demonstrate the Japanese way of behaviour to the people they work with. We should not push too hard, as we cannot adopt the typical Japanese style, the same as in Japan, because we are working abroad. Therefore, our primary focus is to appreciate the local management approach. However, the Japanese employees must also convey what they have learned from Japan and share the Japanese way of thinking.' (LS110128)

The junior manager will be evaluated on their capability to navigate these cultural values and on how well they engage with team members in a way that aligns with Japanese cultural norms and expectations. As a sales representative noted in Singapore:

'Sending Japanese staff to branch offices is partly done to maintain the same Japanese management style. Furthermore, having Japanese staff in branch offices facilitates communication with Kobe Trading or its headquarters.' (LS110119)

By incorporating an understanding of the Japanese mindset into their interactions, the junior manager can improve their leadership effectiveness and

build stronger relationships. Ultimately, this fosters a positive and productive work culture that benefits both local staff and Japanese junior expatriates alike. Cultural sensitivity and awareness are therefore essential components of the junior manager's performance assessment and overall effectiveness as they begin their leadership journey within the J-form organisation. As explained by a board member regarding a representative of the organisation overseas:

'It is a very important position; he is already the face of Kobe Trading at such a young age. Therefore, his performance is extremely important. If he is not working properly, then Kobe Trading would lose face.' (LS110127)

Management experience in the network office

The seventh and last element arising from the data within the transitional code of 'Management assignment overseas/Selecting future (senior) management' is titled "Management Experience in the Network Office." Gaining management experience in a network office is essential for employees in international assignments, as it helps them understand local dynamics while applying broader J-form organisational strategies. The following insights highlight the importance of this experience, as well as the challenges and considerations involved. A former president explained the necessity of obtaining management experience in a network office:

'I decided that it would be better for him to gain more experience, specifically in management, as he had not obtained any management experience prior to this. His previous background involved operational knowledge from the ship supply business in Yokohama.' (LS110112)

This perspective is echoed by a division manager who elaborated on the selection process for individuals returning to management roles:

'The individuals who return are selected based on specific criteria. In this case, S2 -san was chosen because he is familiar with the actual job in Rotterdam and also understands the system in Japan. Of course, he knows about the management style in Japan as well. When we selected him, we carefully considered who would be most suitable for the role, and he stood out as the best candidate. Additionally, F2-san is also quite familiar with both Rotterdam and Japan.' (LS110192)

The importance of this understanding is also emphasised by a managing director in Japan, who shared insights from his own experience:

'My last position in Rotterdam was a management role, and I had to manage local staff. Local people do not view the Marine Logistics headquarters or Kobe Trading as a cohesive group; instead, they see themselves as working for Kobe Trading Rotterdam, and they are pleased to see Kobe Trading Rotterdam growing. This reflects a completely different way of thinking. I learned a lot from these cases, and I now understand that if I go to the Rotterdam office, I am aware of their mentality and perspectives. This knowledge helps me in managing effectively. However, we sometimes send new management to Rotterdam, and they often bring the Japanese way of thinking with them. Even though the Rotterdam office may be losing money, the Kobe Trading group as a whole benefits. We should adopt this approach; when a new manager instructs local staff, it is common for them not to listen.' (LS110105)

These insights highlight that developing management experience in a group network office is crucial for fostering effective leadership and teamwork within a culturally diverse environment. Understanding local perspectives while integrating the broader cultural context of the J-form organisation can significantly enhance managerial effectiveness.

4.2.4 Organisational Changes

This section delves into the overarching core category of 'Organisational Changes,' illustrated in Figure 4.2.4, specifically within the context of Japanese J-form organisations. J-form organisations are characterised by their commitment to evolving and adapting to the ever-changing dynamics of the global maritime industry. In this framework, business development emerges as an essential aspect of the organisational growth strategy, enabling J-form organisations to explore new markets, develop strategic partnerships, and widen their service offerings. Through these efforts, J-form organisations can seize new opportunities and diversify their revenue streams, thereby enhancing their sustainability and competitiveness.

The changing landscape of the maritime sector, influenced by factors such as technological advancements and shifting regulatory environments, requires continuous organisational improvements. Responding effectively to these

changes necessitates a solid understanding of structural adjustments that ensure operational practices align with strategic goals. Furthermore, enhancing responsiveness and performance is essential for J-form organisations to remain competitive, as delays in communication or decision-making can lead to missed opportunities. Improving organisational agility equips J-form organisations with the tools to navigate unpredictable maritime market conditions, allowing for swift adjustments and expatriate resource allocation when necessary. By focusing on innovative business development strategies, J-form organisations can position themselves as leaders in the industry while sustaining the Japanese focus on long-term growth and resilience.

Ultimately, this exploration will examine four essential subcategories that underpin it: (1) Strategic Adaptations, which highlight the strategic adjustments necessary for success in a competitive market; (2) Responsiveness and Performance, which focus on the organisation's ability to adapt and perform effectively amid rapid changes; (3) Improving Organisational Agility, which emphasises the capacity to swiftly respond to evolving market conditions; and (4) Business Development, which encapsulates the proactive strategies employed to cultivate growth and innovation. By exploring these subcategories in the following sections, we will elucidate how J-form organisations implement organisational changes that not only address immediate challenges but also position them for sustained success in a volatile environment.

4.2.4.1 Strategic Adaptations

The first sub-category of the core category organisational changes is the concept of 'strategic adaptations' as depicted in figure 4.2.4.1. Strategic adaptations play a pivotal role in how J-form organisations evolve and adapt to the dynamic demands of the global maritime industry. This sub-category comprises two transactional codes that embody the strategic adjustments necessary for success in an international context. The two transactional codes are as follows: (1) Utilising network learnings/best practices and (2) Network extensions. Each of these codes has been logically derived from a selection of relevant open codes, which will be examined in detail in the following sections.

The first transactional code, titled 'Utilising network learnings/best practices,' emphasises the importance of leveraging shared knowledge within the J-form organisational network.

In the internationally operating J-form organisation, making strategic adjustments is a careful process. It's mainly guided by a deep commitment to integrating insights from both local and global practices. This method highlights the idea that innovation often comes from blending different ideas and approaches together. The key principles underlying this code centre on effectively utilising knowledge within the network organisation, adopting successful practices from the network, and achieving consensus among senior management when implementing organisational changes. This commitment to learning and adaptability, even at the cost of long-standing traditions, is essential for maintaining competitiveness and fostering innovation in the constantly evolving maritime industry. By embodying these principles, the J-form organisation enhances its ability to respond to diverse customer needs and leverage emerging maritime market trends. Ultimately, this adaptive mindset enhances the J-form organisation's ability to thrive nurtures its resilience in navigating the unpredictable nature of the industry.

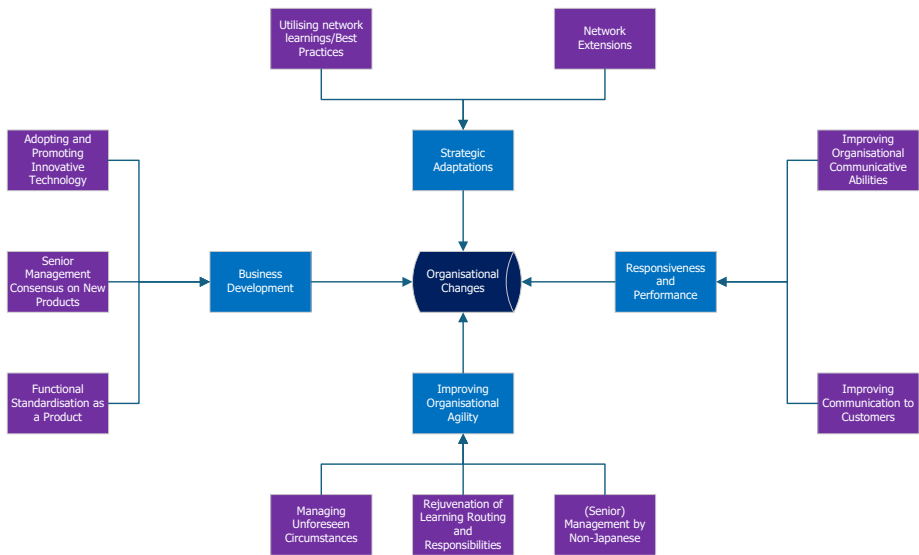


Figure 4.2.4. Organisational Changes

The second transactional code, 'Network Extensions,' underscores the proactive strategies employed by J-form organisations to expand their network and market presence. In a globalised maritime business landscape, a comprehensive network is essential for adapting to rapidly changing market dynamics and for enabling effective interactions across diverse sectors. This code illustrates the fundamental approach J-form organisations take in strengthening their

relationships with various stakeholders, ranging from business partners to suppliers and manufacturers in Japan. The relationships fostered under this code play a critical role in effectively navigating the complexities of the international maritime industry, where collaboration is key to success.

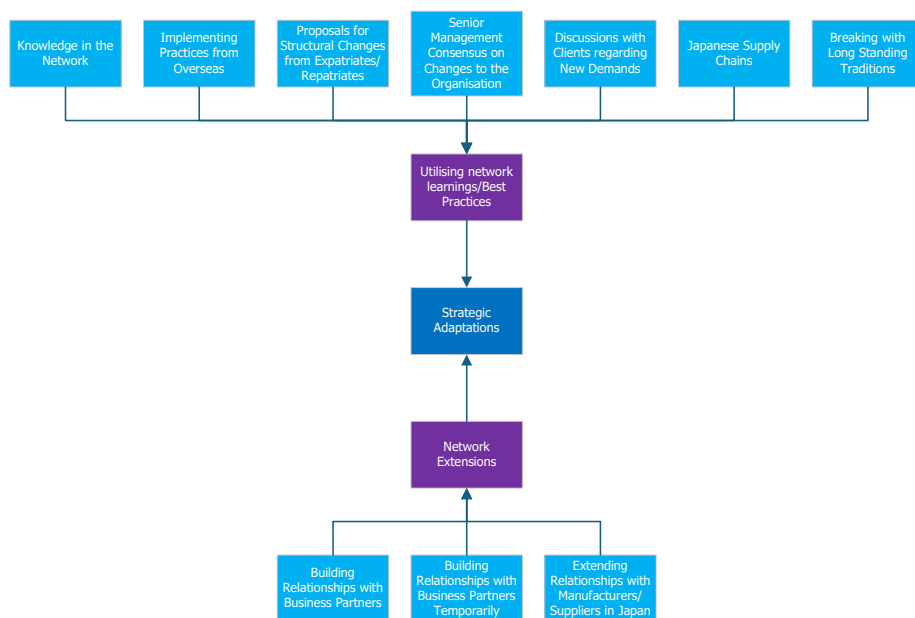


Figure 4.2.4.1 Strategic Adaptations

The open codes associated with 'Network Extensions' highlight three key elements: (1) Building relationships with business partners, (2) Establishing temporary partnerships for specific projects, and (3) Strengthening ties with local manufacturers and suppliers in Japan. The first element emphasises how J-form organisations strategically form partnerships to gain insights into new markets' cultural norms and business practices. The second element reveals the benefit of short-term collaborations and external expertise as adaptable strategies that enhance decision-making and minimise risks in new ventures. Lastly, extending relationships with Japanese manufacturers and suppliers reflects the critical nature of robust business networking in ensuring seamless operations and communication within and beyond Japan, thereby promoting more effective international cooperation. The sub-category of 'strategic adaptations' is integral to understanding how J-form organisations adapt within the intricate and continuously changing maritime sector. The transactional codes of 'Utilising network learnings/best practices' and 'Network extensions' provide a structured way to analyse the strategies that drive organisational success and resilience.

4.2.4.1.1 Utilising network learnings/Best practices

The first transitional code within the subcategory of strategic adaptations, as depicted in Figure 4.2.4.1.1, is titled 'Utilising network learnings/Best practices.' In the internationally operating Japanese J-form organisation, careful consideration is given to strategic adaptations. One key concept driving these changes is the incorporation of network learnings and best practices. The underlying principles that support this concept include the use of knowledge in the network, the implementation of practices from abroad, and the need for senior management consensus on organisational changes. In some cases, the organisation may need to deviate from long-standing traditions in order to adapt to a changing global maritime market.

This shift is essential for fostering innovation and maintaining the J-form organisation's competitive advantage in a continuously evolving maritime landscape. By embracing flexibility and openness to new ideas, the J-form organisation can better meet the diverse needs of its customers, respond to emerging trends, and capitalise on opportunities that arise in the industry. In the end, this willingness to adapt not only shows a commitment to growth but also makes the J-form organisation stronger, helping it to succeed even in the face of the uncertainties that come with volatile global markets. The concept of the utilisation of network learnings and best practices originated from seven open codes during the open coding process. The open codes that have emerged under this initial classification code include: (1) Knowledge in the network, (2) Implementing practices from overseas, (3) Proposals for structural changes from expatriates/repatriates, (4) Senior management consensus on changes to the organisation, (5) Discussions with clients regarding new demands, (6) Japanese supply chains, and (7) Breaking with long-standing traditions.

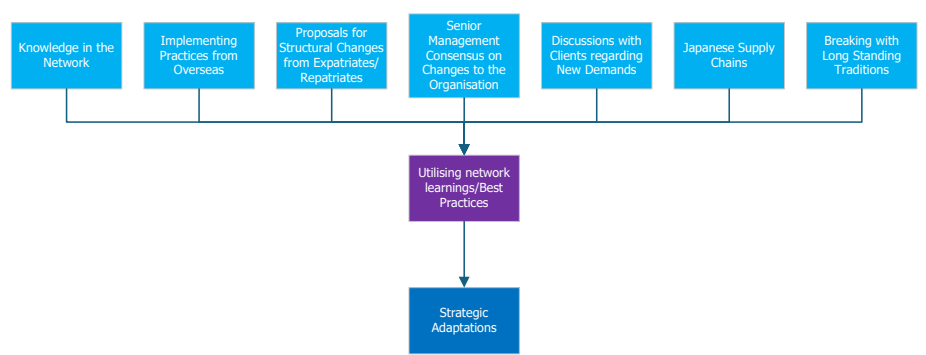


Figure 4.2.4.1.1 Utilising network learnings/Best practices

Knowledge in the network

The first element arising from the data within the transitional code of 'Utilising network learnings/Best practices' is titled "Knowledge in the Network." This concept highlights the critical importance of leveraging the knowledge and experiences accumulated within the J-form organisation's network. By understanding local cultures and practices, J-form organisations can effectively manage expatriate staff and enhance operational success in diverse markets. This shared knowledge nurtures a collaborative environment that drives innovation and continuous improvement. A director in Japan maintained:

'Specifically, those who have been in Rotterdam and Singapore possess valuable knowledge of the European style and practices. They understand good processes and systems, and their ideas can help improve our processes to align with European standards. We can work towards enhancing our systems and processes. Additionally, we also send some young women to the Rotterdam office for 2 to 3 months to study the systems, including the purchasing system, IT, and daily management practices.' (LS110192)

He further elaborated:

'In Japan, there are not many opportunities, and specifically ten years ago, Japan was very expensive, which deterred people from buying consumable items there. Singapore, as you know, has always been a very busy port, particularly for the marine business. There are and were many opportunities to learn about the shipchandling business in Singapore, including the considerable volumes of items and the process of importing products from China. I considered all this experience when I returned to Japan, and in fact, a lot of Kobe trading staff work in Kobe trading Singapore, more than in Japan. In Kobe Singapore, the supply department employs about 150 people, whereas at that time, the supply department in Japan had only 50 to 60 staff members.' (LS110192)

In addition, a managing director in Japan explained that the knowledge of the local culture and habits is essential to prevent expatriate failure and issues in subsidiaries. He professed:

'I have learned from the management failures in Rotterdam. The essence of successfully managing local staff lies in understanding the local culture, philosophy, and way of thinking. An understanding of local habits, behaviours, and motivations is essential for us to secure business both now and in the long term.' (LS110105)

He continued:

'The culture and way of working in Rotterdam are much more pragmatic than in Japan. When I returned to Japan, I implemented some of the pragmatic approaches from Rotterdam in the machinery department.' (LS110105)

This emphasis on leveraging knowledge within the global network underscores the necessity for J-form organisations to adapt and thrive in a competitive maritime landscape, as best practices, experiences and insights from international assignments can greatly enhance operational efficiencies and cultural understanding.

Implementing practices from overseas

The second element arising from the data within the transitional code of 'Utilising network learnings/Best practices' is titled "Implementing Practices from Overseas." A continuous flow of expatriates and repatriates play a crucial role in driving and facilitating strategic adaptations within the organisation by bringing in new practices and knowledge from the network. They act as a bridge between the local expertise embedded in overseas operations and the headquarters in Japan. Junior repatriates manage new employees, while middle managers handle more seasoned staff, ensuring that the Japanised learnings from overseas are gradually integrated into the network organisation, leading to incremental strategic adaptations. As explained by a managing director in Japan:

'I learned a lot from my stay in the Rotterdam office. For instance, when we send an invoice in Japan, multiple people are involved in checking it; one person checks the invoice, another person checks it, and yet another checks it again. As a result, we rarely make mistakes, but it takes a week to send the invoice. In Rotterdam, we create and send the invoice out on the same day. If we make a mistake and someone points it out, we check, identify the error,

and rectify it. We then reissue the invoice, which only takes one day. So, which approach is better? Perhaps both methods have their merits, with a balance somewhere in between being the best solution. At least I can bring these ideas from the Netherlands, the Dutch approach, back to Japan. We are trying to speed up our invoicing process significantly. Previously, three or four people were involved in checking the invoices. I have streamlined this process by reducing the number of checks. Now, we only have two people reviewing the invoice to maintain the gatekeeper principle while minimising the number of individuals involved in Kobe Trading.’ (LS110152/LS110153)

Another director explained that this process eventually led to offshoring these activities to Manila in the Philippines. He professed:

‘The office is managed by N2-san, who has been with Kobe Trading for over 20 years. The office in the Philippines is set up for catering and general administration.’ (LS110106)

Proposals for structural changes from expatriates/repatriates

The third element arising from the data within the transitional code of ‘Utilising network learnings/Best practices’ is titled “Proposals for Structural Changes from Expatriates/Repatriates.” This element underscores the critical role that expatriates and repatriates play in identifying areas for improvement within the organisational structure of the J-form organisation. Their unique experiences in different cultural and operational contexts allow them to propose meaningful changes that enhance overall efficiency and effectiveness.

The president of the group’s transport company, based in Korea, highlighted the need for structural changes within the joint venture between a Korean and Japanese owner. Due to the multi-national roots of the organisation, the logistics setup was suboptimal. The director’s knowledge of the area, combined with his understanding of the group, his relationship with the Korean owner, and senior management in Japan, led to a well-informed proposal for improvement. He maintained:

‘At present, Kobe Global Logistics (KGL) primarily manages the Korea Kobe trading items, including stores, provisions, and spare parts. KGL is responsible for local deliveries and occasionally sends items

from Korea to overseas destinations. In contrast, Kobe Transport acts as a forwarder for shipping companies, having been appointed by approximately 50 customers as their forwarder in Korea.

When a shipowner places an order for spare parts, they typically do so through a supplier such as Bosun or Korea Kobe trading, and sometimes they order directly from manufacturers like Hyundai Heavy Industries, a major marine manufacturer. Once the items are ready, the owner instructs each supplier or manufacturer to deliver to us. Kobe Transport handles the preparation and consolidation of these items, which is our primary responsibility. While both KGL and Kobe Transport handle logistics, we perform completely different jobs. I am currently considering how to teach the KGL team about our operations. This month, I asked B0-san, the president of KGL and a shareholder of Kobe Transport Korea, to send a manager to work with me. As a result, one individual joined us this month, and I am trying to teach him what we do. It is a completely different role, but gradually, I aim to transfer that knowledge to them.' (LS110115/LS110116)

He continued:

'Of course, this takes time. Currently, I am training only one manager. He is responsible for several shipping companies, and through this role, he will learn how to manage effectively, step by step. Once he is sufficiently trained, we can consider bringing in another manager, and then another. Internal learning and education are essential, and ultimately, before I leave the company, I believe the functions must merge. This is how I see things progressing.' (LS110115/LS110116)

He finalised:

'Japan has already accepted my idea and supports the follow-up. The plan is to combine the two functions one by one into a single function, so that in the future, only KGL will remain.' (LS110115/LS110116)

Despite the J-form organisation's focus on implicit knowledge and training, a joint venture subsidiary has successfully implemented a combination of

explicit knowledge transfer through a manual alongside implicit training. This approach has delivered excellent results, especially for younger staff. A Japanese director in Dubai declared:

'You know this is a joint venture and a smaller unit compared to other offices, with only 20 years of history, and the joint venture itself has been established for just 12 years. We have tried a new approach, which has only been possible because H1-san is a long-term expatriate. We have succeeded in demonstrating that this is a better way by referring to the Japan office, the Singapore office, or Rotterdam. We have successfully communicated this. I introduced the manual approach to all offices.' (LS110134/LS110135)

These insights signify the vital contributions of expatriates and repatriates in enhancing the structural foundation of the J-form organisation, ensuring it remains competitive and responsive to the challenges of the maritime industry.

Senior management consensus on changes to the organisation

The fourth element arising from the data within the transitional code of 'Utilising network learnings/Best practices' is titled "Senior Management Consensus on Changes to the Organisation." Senior management, made up of repatriates who have gained experience abroad, plays a crucial role in aligning and achieving agreement on any structural changes within the J-form organisation. Their insights bridge diverse operational practices from different cultural contexts and ensure that the J-form organisational aims are reflected in changes made.

Achieving this consensus is essential to ensure that changes align with the J-form organisation's structure, operations, and strategies. The decision-making process often involves multiple rounds of discussions, resulting in incremental developments and adjustments over time. For example a significant change in the distribution of new staff is the increased rotation between all divisions. As a manager in Japan maintained:

'When I joined Kobe Trading, the machinery department and the supply department were completely separate, with no relationship or exchange of staff. However, now there is an exchange where young staff from the machinery department go to the supply department, and young staff from the supply department come to the machinery department. This is beneficial for working

overseas. I was trained in the purchasing section at Kobe Trading Japan, which allowed me to manage only Yanmar in Kobe Trading Rotterdam. However, as you mentioned, K2-san has experience in both the machinery department and the supply department, so they can handle both roles effectively. This flexibility is a significant advantage.' (LS110194)

This shift towards increased staff rotation illustrates the J-form organisation's commitment to fostering a collaborative culture that leverages the strengths of its personnel across various functions. By fostering collaboration between divisions, Kobe Trading enhances operational efficiency.

Discussions with clients regarding new demands

The fifth element arising from the data within the transitional code of 'Utilising Network Learnings/Best Practices' is titled "Discussions with Clients Regarding New Demands." This aspect highlights the importance of engaging with customers to understand and respond to new market needs. By having these conversations, J-form organisations can adjust their services and offerings to continue to meet customer expectations, which strengthens their competitive position in the industry. A board member explained that discussions with customers about new demands have led to the organisation's development of a machinery department and eventually its specialised trading house status as Senmon Shosha. He described the inefficiencies and complexities often faced in Japanese supply chains, illustrating the challenges encountered by both manufacturers and shipowners. He maintained:

'That is correct; it is a headache for the manufacturers, and laughing, their replies were often very late, which is generally frustrating for the shipowners. This was a common experience I encountered during my 45-day trip, as many people were complaining to me. This is why we started the spare parts business directly with the manufacturers, although initially, it was a very small number. In Japan, things have always been set up this way; the factories do not have a logistics network and cannot execute tasks accordingly. As a result, you always need to go through an agent.' (LS110112)

These insights show how the company's ability to respond to customer needs drove innovation within Kobe Trading's operational structure. The ability

to listen and adapt to customer feedback has proven essential for growth. He continued:

'In 1975, I became the manager of the machinery department. The machinery department had more or less just started; for about four to five years, Kobe Trading established it in response to a customer request, as there was a considerable demand for Japanese machinery at that time. Previously, machinery had only been purchased through the shipyards. The shipowner would ask the shipyard, and the shipyard would then contact the manufacturers.' (LS110112)

This evolution highlights the proactive steps taken by Kobe Trading to meet customer demands but also illustrates the wider change within the Japanese manufacturing industry. By establishing a dedicated machinery department, the J-form organisation has positioned itself as a vital link in the maritime and Japanese supply chains, enabling more efficient operations and better service delivery. In the end, conversations with customers are crucial for continuous growth and improvement, highlighting the need to adapt to the ever-changing demands of the maritime industry.

Japanese Supply Chains

The sixth element arising from the data within the transitional code of 'Utilising Network Learnings/Best Practices' is titled "Japanese Supply Chains." This element emphasises the critical role of cultural understanding and service excellence in navigating the complexities of supply chain management within a Japanese context. A president of the organisation maintained:

'Everywhere we go, we have some Japanese presence. Kobe Trading's policy is to deliver a service with a Japanese spirit. We cannot leave that to the local staff alone. Specifically, Japanese customers as well as all customers expect our service to reflect this Japanese style. We cannot take the easy way; we cannot simply say that we do not have something available. Instead, we will offer alternatives. If something is not available, we will say, "We can offer this or that alternative." If we can spend one week to provide a solution, then we will present options.' (LS110193)

As mentioned earlier about the organisation's relationships with foreign shipowners, the network of the J-form company and its customer-focused

approach have played a significant role in shaping the Senmon Shosha function. A former president of the organisation elaborated on this context:

'Kobe Trading was a very small company in the Japanese market. Japanese shipowners typically used only their preferred suppliers or those with capital ties. Kobe Trading was entirely independent, which is why we mainly conducted business for foreign customers. Therefore, we had to look abroad for growth. Kobe Trading was ahead of its time in employing short-term expatriates for the reasons previously described. As a result, most Japanese shipowners were not familiar with Kobe Trading, and manufacturers were hesitant to do business with us because we were ship suppliers or ship chandlers. Initially, it was quite difficult to convince them to work directly with us. Consequently, at the beginning, we always had to operate through an appointed agent from the manufacturer; that was how things began. However, over time, they recognised that Kobe Trading had established good relationships with their overseas customers. Building these connections and understanding what was happening in our clients' offices was one of the expatriates' tasks, allowing us to continue providing added value for the manufacturers. Gradually, they became willing to conduct direct business with Kobe Trading, but for the main engine specifically, many years ago, they were reluctant to engage through us.' (LS110112)

These insights highlight the complex nature of Japanese supply chains, which are defined by a strong focus on customer service, building relationships, and strategically using expatriates to create connections in a market that has historically been quite exclusive.

Breaking with Long Standing Traditions

The seventh and final element emerging from the data within the transitional code of 'Utilising Network Learnings/Best Practices' is titled "Breaking with Long Standing Traditions." This element highlights a pivotal shift in management practices within Japanese J-form organisations, particularly concerning the evolution of leadership roles. Historically, management positions were predominantly held by Japanese expatriate managers, which reinforced a traditional hierarchy often resistant to change. However, recent developments have indicated a growing recognition of non-Japanese employees who have

demonstrated loyalty and commitment to the organisation by serving for over a decade and adhering to Japanese standards and management practices. This transformative approach not only marks a significant shift from the past practice of assigning management roles solely to Japanese nationals, but it also shows a growing appreciation for diverse perspectives within the organisation. A sales representative in Rotterdam remarked on this shift:

'For data encoding, we opened an office in Manila, which is the most significant change I have observed in the last 10 years. This data centre in Manila was initiated by N2-san, a Filipino national who worked for Kobe Trading in Rotterdam many years ago. I met him when he was here, and I collaborated with him for a couple of years. The reason for relocating this operation to Manila was primarily due to cost and efficiency considerations. Why do you think they established this office? It is evident that, for efficiency reasons, Japanese employees are paid significantly more than those in Manila. To enhance the productivity of the Japanese workforce, we wanted to delegate simpler tasks to locations where labour costs are lower.' (LS110207)

Despite these advancements towards inclusivity and adaptability, some elements of traditional Japanese control remain present within the organisation. A director in Japan elaborated on this nuance, stating:

'Currently, one Japanese expatriate is stationed in the Philippines to assist N2-san and learn local management practices from him.' (LS110106/LS110107)

This duality in management practices reflects the complexity of balancing innovative approaches while still honouring elements of traditional governance. The inclusion of non-Japanese managers, along with the ongoing involvement of Japanese expatriates, indicates that the organisation is in a transitional phase. It aims to enhance its leadership framework while also navigating the long-standing cultural norms typical of Japanese corporate practices.

4.2.4.1.2 Network extensions

The second transitional code within the subcategory of strategic adaptations, as depicted in Figure 4.2.4.1.2, is titled 'Network Extensions.' This code outlines the key strategies that J-form organisations use to widen their operations

and strengthen their presence in the market. In today's global business landscape, strong networking is becoming crucial for these organisations, enabling them to adjust to fast-changing market conditions and build effective relationships across different sectors in the industry. The concept of network extensions highlights the proactive approach these organisations take to forge and strengthen connections with diverse stakeholders. This includes building relationships with business partners, engaging with temporary collaborators, and extending ties with manufacturers and suppliers in Japan. Such relationships play a crucial role in navigating the complexities of the international marketplace, particularly within the offshore and maritime industry, where collaboration and mutual support significantly influence operational success.

The open codes that have emerged under this transitional code include: (1) Building relationships with business partners, (2) Building relationships with business partners (temporary), and (3) Building relationships with manufacturers/suppliers in Japan. The first element, "Building Relationships with Business Partners," highlights the strategic approach that J-form organisations adopt when entering new and unfamiliar markets, often beginning with partnerships that allow them to gain insights into cultural norms and business protocols.

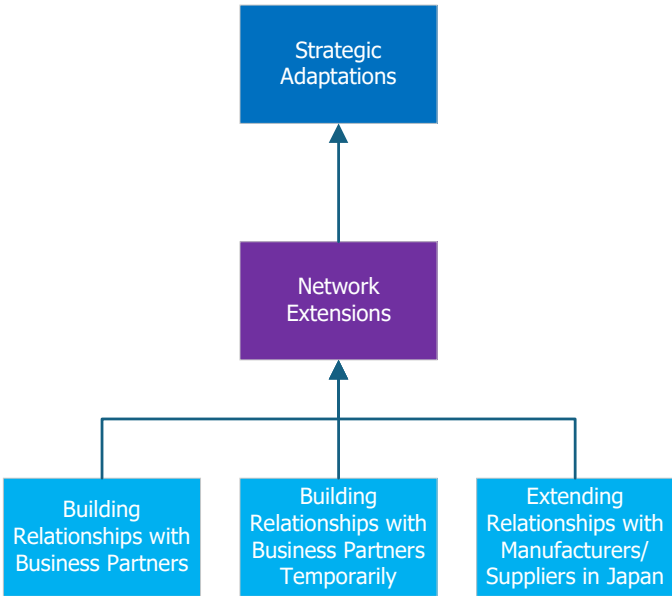


Figure 4.2.4.1.2 Network Extensions

The second element, "Building Relationships with Business Partners (Temporary)," underscores the practice of leveraging temporary partnerships or external expertise as a flexible strategy to enhance decision-making processes and reduce risks during new ventures. Finally, "Extending Relationships with Manufacturers/Suppliers in Japan" illustrates the critical role that robust networking plays in coordinating effective communications and operations between Japanese manufacturers and global subsidiaries, thus enabling a streamlined flow of goods and services. Each of these elements contributes uniquely to the overarching strategy of network extensions, illustrating the various elements of partnership development and collaboration that are essential for growth. To further explore how these codes have contributed to the transitional code, the open codes related to the topic will be analysed in the subsequent section.

Building relationships with business partners

The first element emerging from the data within the transitional code of 'Network Extensions' is titled "Building Relationships with Business Partners." This aspect captures the strategic approach taken by internationally operating J-form organisations as they navigate the challenges of entering new and unfamiliar markets. These organisations tend to be careful and deliberate when setting up wholly owned subsidiaries, often choosing to first partner with local companies. This strategy enables them to utilise the knowledge of their local partners about market nuances, cultural customs, and established business practices, helping to minimise risks and ensure smoother operations.

Moreover, this progression from partnership arrangements to joint ventures, and eventually to wholly owned subsidiaries, enables J-form organisations to gain greater control over their operations in new locations. This thoughtful approach helps ensure a smooth transition and lowers the risk of conflicts that can originate from cultural misunderstandings or different business practices. In short, the careful and thoughtful expansion strategy adopted by Japanese J-form organisations reflects their commitment to building strong, lasting partnerships, which ultimately helps secure the ongoing success of their initiatives in new and unfamiliar markets

As a former president of the group articulated:

'As long as we are doing business in this market and this field, I cannot wait for 10 years for the time when Japan might become

a shipbuilding nation again. Therefore, I have tried to expedite our efforts. Otherwise, we cannot provide proper service to the shipowners, because the ship is... So, I endeavored to establish joint ventures. As soon as I became president, I sent my colleague to Dubai and Korea. At that time, the business performance was already quite poor, but I decided to send someone to handle marketing to find the right person for us to work with in Dubai and Korea. There were a few candidates, and ultimately, we selected our current partners. I was very pleased to

start working with them. For example, I first met M3-san at an IMPA meeting. He approached me, and we exchanged business cards. I wasn't sure what he was like at the time. When I sent my colleague to Dubai, he had just started a supply business after working for Citibank as a local manager there. He graduated from an American university and had worked in that capacity for a while. Eventually, he became in charge of one of the suppliers in Dubai. He thought he might be interested in working in this business field for the long term.' (LS110127/LS110128)

The same former president further recounted a key experience that illustrates the importance of building personal relationships:

'B0-san. Of course, there were a few other candidates, but we selected him. I found him to be very honest and the right person for us after collecting a lot of information. The first time I flew to Busan to visit the office, I spoke with him, and that same evening, I was invited to a Korean restaurant by his father, the founder of the company. During our conversation, as we enjoyed our meal and drinks, the father told me, "F1-san, please help my son as much as possible." I sensed his concern that Kobe Trading might take over their business from Korea, and I felt his fears. I assured him that we had no intention of harming their business, saying, "Please trust me. We will work with your son and respect your company; Kobe Trading will collaborate with him." However, his father remained apprehensive about Kobe Trading, at least that was my impression. He was already quite elderly and no longer involved in the day-to-day operations at that time. I understood his worries, and once we established trust with him, we have worked together

for many years ever since, essentially for life. Therefore, a personal relationship is very important, and we consider ourselves fortunate to have found the right people like B0-san and also M3-san. I believe business is always about personal connections; a person's character is crucial.' (LS110127/LS110128)

Finally, the president of the group company emphasised the continuous pursuit of additional partnerships to further expand their network, underscoring the importance of adaptability in evolving markets:

'We need to consider more options. So far, we have only partnered with one agency in the Houston area. Eventually, we will need to send our own staff there.' (LS110161)

The president of the group had explained in an earlier interview that the idea to setup a venture in Houston Texas came from a question from Shell. He declared:

'They need procurement from subcontractors in that area. We were asked if we already have a unit in Houston, and we explained that we do not currently have one. They inquired whether it would be possible to establish a subsidiary in that area. Of course, everything is possible, but it depends on the amount of business we can generate there. We may have to hire some people from Texas or consider a joint venture; this point is still unclear. The question from Shell is straightforward.' (LS110130)

This focus on building robust relationships with business partners reveals a deeper understanding of the strategic imperatives that underpin successful international operations, illustrating how the cultivation of trust and collaboration contributes to mutually beneficial outcomes across the maritime industry.

Building relationships with business partners (temporary)

The second element emerging from the data within the transitional code of 'Network Extensions' is titled "Building Relationships with Business Partners (Temporary)." This aspect highlights a pivotal strategy employed by J-form organisations in their pursuit of success within the offshore and maritime industry, characterised by its unique challenges and competitive dynamics. J-form organisations occasionally engage the knowledge and expertise of temporary partners or other external sources to refine their decision-making

processes and confirm the feasibility of their new projects. This practice reflects the organisations' willingness to remain adaptable and responsive to changing market conditions while also leveraging external insights to mitigate risks inherent to the industry. As a former president of the J-form organisation articulated:

'Yes, that's correct. F and S was our first partner in Rotterdam, and at that time, we collaborated closely. Afterward, we worked with some other companies. Eventually, we decided to establish our own company.' (LS110112)

This highlights the important role that initial partnerships play in establishing a solid foundation for future growth and independence. However, collaborating with temporary partners also involves the risk of premature termination of potential ventures. A senior manager elaborated on this aspect, sharing an experience from their Singapore office:

'Our Singapore office attempted to set up a new venture focused on coordinating supplies for the cruise industry, specifically for cruises in the Singapore area. We sought to establish a partnership with another company, and I visited them to study the cruise business. After approximately six months, I prepared a report to advise whether we should proceed with the partnership. Following my report, the company decided it would be better to decline the anticipated cooperation. As a result, the Singapore office did not pursue this new business initiative.' (LS110123)

This account highlights the importance of carrying out comprehensive analyses before entering into long-term partnerships. It also emphasises the need to be ready to adapt or withdraw if circumstances indicate that a collaboration might not produce the expected outcomes. The insights developed from these temporary relationships provide valuable learning experiences, giving the J-form organisation critical knowledge for future efforts. Overall, the strategy of forming temporary partnerships demonstrates a thoughtful balance between collaboration and independence, highlighting the complexities within the strategic landscape of the offshore and maritime industry.

Extending relationships with manufacturers/suppliers in Japan

The third element emerging from the data within the transitional code of 'Network Extensions' is titled "Extending Relationships with Manufacturers/

Suppliers in Japan." This element underscores the critical role that robust networking plays in the operations of J-form organisations, particularly in the context of their relationships with Japanese manufacturers and suppliers. The complex network of customers, subsidiaries, manufacturers, and suppliers serves as the foundation of the J-form's position within the maritime industry, substantially impacting its capacity to deliver effective service offerings. The efficacy of the Senmon Shosha function, or specialised agent function, hinges on these established partner relationships, which are rooted in mutual benefits and collaborative support. As a managing director noted:

'I visit Japanese shipping companies, including NYK (Nippon Yusen Kaisha Line) and Sosen Mitsui, at their London offices. Additionally, if a special guest from a Japanese manufacturer requests my presence to accompany them on visits to customers or shipping companies, I will join them as needed.' (LS110206)

This comment highlights the active approach taken by J-form organisations to strengthen ties with key stakeholders in Japan by facilitating face-to-face interactions that foster trust and collaboration. Furthermore, the importance of an effective network is emphasised by a senior manager in Japan, who explained the pivotal role of Kobe Trading in connecting manufacturers with overseas subsidiaries:

'Our strength lies in our network at Kobe Trading, especially when it comes to engine spare parts and our engineering department. They serve as a crucial link between Japanese manufacturers and our overseas subsidiaries within our group. Kobe Trading is not a manufacturer or an engineering and design business; we primarily focus on the commercial aspects. Our role involves drafting and providing the general terms and conditions for projects, as well as controlling and checking all details. Arranging invoices and collecting payments are, of course, very important tasks. Ultimately, our work revolves around risk management.' (LS110196)

This insight illustrates how Kobe Trading's strategic positioning enables it to facilitate effective communication and coordination between Japanese manufacturers and its global subsidiaries. The focus on commercial aspects and risk management reflects an understanding of the complexities involved in international maritime trade, further reinforcing the necessity of extending

and nurturing relationships within the manufacturing and supplier domains in Japan. Such relationships are essential for operational success in the network organisation.

4.2.4.2 Responsiveness and Performance

The second sub-category of the core category of organisational changes is the concept of 'Responsiveness and Performance' as depicted in Figure 4.2.4.2. In the context of the J-form organisation within the maritime industry, responsiveness and performance are critical to navigating the complexities of a rapidly evolving industry. In an environment where efficient communication and timely decision-making are essential for success, challenges may arise due to the distinctive communication styles prevalent in Japan. Japanese communication is often characterised by indirectness, politeness, and formality, which can lead to misunderstandings or delays, particularly in cross-cultural interactions. Moreover, the unique cultural values that prioritise humility and indirect expression can sometimes hinder clear communication, especially in English. Recognising these challenges, the J-form organisation has made a coordinated effort to enhance its communicative abilities and responsiveness. By focusing on continual improvement in these areas, the organisation aims to strengthen its competitive advantage and foster more robust relationships with customers and partners within the global maritime sector. The sub-category of 'Responsiveness and Performance' highlights the importance of adapting communication practices within the organisation to support growth and stability. To better organise the open codes, an additional preliminary classification code was introduced by the researcher. These transactional codes are as follows: (1) Improving organisational communicative abilities, and (2) Improving communication to customers. Each of these transactional codes was logically derived from a selection of open codes. The following sections will examine these preliminary classification codes in detail, along with the open codes that contributed to their formation.

4.2.4.2.1 Improving organisational communicative abilities

The first transitional code within the subcategory of Responsiveness and Performance, as depicted in Figure 4.2.4.2.1, is titled "Improving Organisational Communicative Abilities." The communication styles between Japan and the West exhibit noticeable distinctions. Japanese communication is characterised by indirectness, politeness, and formality, whereas Western communication tends to be more direct and informal.

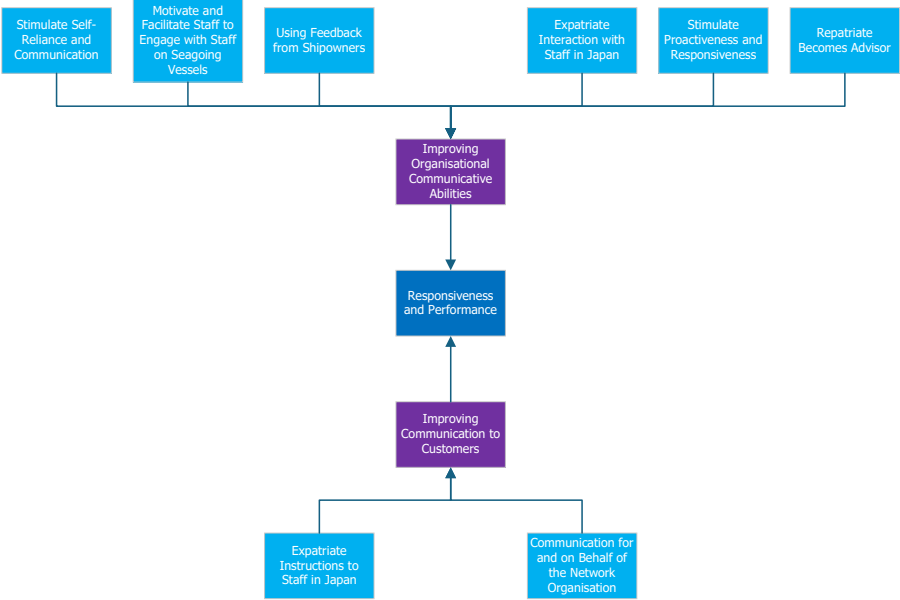


Figure 4.2.4.2 Responsiveness and Performance

These differing communication approaches can lead to misunderstandings or conflicts, thus increasing the hesitation to participate in written correspondence. Furthermore, cultural differences play a significant role in the limited communicative proficiency of Japanese speakers when using English. Japanese culture places a high value on humility and indirect communication, which can at times clash with the more direct and assertive style commonly found in English-speaking contexts. This dynamic often complicates the ability of Japanese speakers to articulate their thoughts clearly in English, resulting in misunderstandings and confusion.

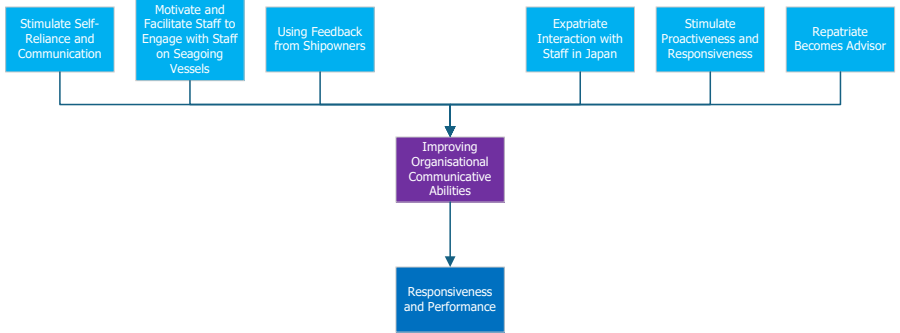


Figure 4.2.4.2.1 Improving organisational communicative abilities

Additionally, the lack of opportunities for immersion and practice in English-speaking environments can hinder the development of English communication skills for Japanese speakers, making it difficult to improve their speaking abilities. The J-form organisation in this research has demonstrated a sophisticated and effective method for addressing these challenges, highlighting the importance of implicit training to successfully overcome communication barriers. The concept of "improving the organisation's communicative abilities" originated from six open codes during the open coding process. The open codes that have emerged under this transitional code include:

1. Stimulate Self-Reliance and Communication

The first element emphasises the necessity for young Japanese businessmen to develop effective communication and self-reliance skills within the hierarchical Japanese business culture. The strict adherence to traditional customs can act as a barrier, especially when dealing with clients of different seniority levels. Encouraging assertive communication styles and offering mentorship from seasoned colleagues will enable these professionals to interact more confidently with a variety of stakeholders, ultimately enhancing their engagements in both domestic and international environments.

2. Motivate and Facilitate Staff to Engage with Staff on Seagoing Vessels

This element highlights the significance of direct interaction between onshore personnel and staff aboard vessels. Engaging with seagoing staff is crucial for understanding operational challenges and gaining practical insights essential for professional development. By motivating and facilitating this engagement, the J-form organisation enhances the competency and confidence of its staff.

3. Using Feedback from Shipowners

Effectively integrating feedback from shipowners and other stakeholders is essential for understanding employee behaviour and performance. Engaging in discussions with customers opens avenues for valuable feedback that can guide management decisions and influence training processes. Regular interaction with shipping companies enables the J-form organisation to create a feedback-rich environment that enhances employee performance and strengthens relationships with international customers.

4. Expatriate Interaction with Staff in Japan

This element underscores the importance of effective communication and cultural sensitivity among expatriates interacting with their Japanese

colleagues. Expatriates play a crucial role in bridging cultural gaps and sharing best practices, ultimately enhancing organisational performance and cohesion.

5. Stimulate Proactiveness and Responsiveness

This theme highlights the need for fostering a culture where employees are empowered to take initiative and respond proactively to challenges. Such a culture enhances organisational learning and improves customer relations, as employees become directly involved in addressing issues rather than relying on appointed representatives.

6. Repatriate Becomes Advisor

The sixth and final element focuses on the practice within the J-form organisation of leveraging the valuable experience and knowledge of retired repatriates to enhance communication and overall performance. Advisors play a vital role in fostering relationships with external partners and understanding their perspectives on the J-form company and its services. They assess the organisation's performance against competitors, gathering crucial information such as newbuilding details and docking schedules. By collaborating with various agencies, including shipyards, advisors ensure that critical insights are shared with relevant departments. This transition from repatriate to advisor not only facilitates effective communication but also strengthens the J-form organisation's operational capabilities.

To further explore how these open codes have contributed to the transitional code, the subsequent section will analyse their specific impacts on communication practices within the J-form organisation.

Stimulate self-reliance and communication

The first element emerging from the data within the transitional code of 'Improving Organisational Communicative Abilities' is titled "Stimulate Self-Reliance and Communication." In the complex landscape of Japanese business culture, effective communication and self-reliance are essential skills for young Japanese businessmen. Japanese culture places a strong emphasis on hierarchy and respect for authority, which can make it challenging for young businessmen to navigate the intricate social structures within Japanese supply chains. The rigid adherence to traditional customs and protocols can act as a mental barrier for these young professionals, especially when they are expected to interact with customers with varying levels of seniority. Furthermore, the

hierarchical nature of Japanese business relationships can lead to difficulties in communication with non-Japanese clients. The expectation of being deferential and polite to superiors can sometimes make it hard to be assertive or direct. This lack of straightforwardness may lead to misunderstandings with customers who come from different cultural backgrounds. To overcome these mental bottlenecks, young Japanese businessmen need to adapt their communication styles to become more assertive and direct when dealing with non-Japanese clients. They may also benefit from seeking cultural sensitivity training or mentorship from more experienced colleagues, who can provide valuable insights into the complexities of intercultural communication. The J-form's senior executives have recognised that necessity and try to cater for that. As a sales representative in Singapore maintained:

'S1-san's ultimate goal is to maintain a consistent business style, which blends Japanese and Singaporean approaches. He anticipates that he will need to return to Japan at times in the future. This commitment to preserving a unified style is why we have a division manager in place; he wants the team to be more aggressive while adhering to the same principles that define Kobe trading Singapore. My belief is that sending Japanese staff to our branch offices serves two purposes: it helps maintain the traditional Japanese management style and facilitates smoother communication.' (LS110119)

In alignment with these insights, a managing director in Rotterdam asserted:

'I feel that they need to understand my perspective from outside of Japan. While they have a good education and can speak and write English very well, their spirit is quite weak. By "weak," I mean that when a Japanese owner expresses a preference, they rarely challenge that viewpoint. Despite being in a 50/50 position, if there is a wrong order from a superintendent or a Japanese owner, they should feel empowered to say, "No, we cannot do this." Japanese individuals often struggle with this. This is a lesson that can certainly be learned in Rotterdam. They must develop the ability to say no, as they tend to be overly concerned about upsetting customers. This mindset is historically rooted. In the past, employees at Japanese companies often had an arrogant attitude, thinking, "We are the buyers, and you are the suppliers."' (LS110120)

To further illustrate the necessity of proactive communication, an advisor, supervisor, and retired senior manager of the organisation explained the importance of self-reliance and communicative skills among young staff in Kobe trading:

'It's important to show up and be present weekly for the people in the owner's office. In the case of the spare parts business, there is a tendency for people to conduct transactions from their own offices, using email or telephone instead of engaging in face-to-face interactions. Previously, no one would visit the owner's office. Due to the Japanese mentality, positions like the superintendent and purchaser can be perceived as very powerful, which sometimes creates intimidation among our staff. As a result, they may hesitate to reach out or visit the office to connect with them.' (LS110125)

As these perspectives demonstrate, fostering self-reliance and effective communication skills is crucial for young Japanese businessmen as they navigate their roles in both domestic and international maritime contexts. Encouraging them to break away from traditional constraints will empower them to engage more confidently and assertively in their interactions.

Motivate and facilitate staff to engage with staff on seagoing vessels

The second element emerging from the data within the transitional code of 'Improving Organisational Communicative Abilities' is titled "Motivate and Facilitate Staff to Engage with Staff on Seagoing Vessels." This aspect highlights the significance of fostering direct interaction between onshore personnel and staff aboard vessels, as it is crucial for understanding the operational challenges faced at sea. Engaging with seagoing staff not only helps bridge the communication gap but also ensures that young employees gain valuable insights and practical experience, which are essential for their professional development. An advisor and repatriate to the organisation explained the importance of engagement with staff of seagoing vessels. He maintained:

'I always tell them about my experiences as a young staff member and a young boarding officer when I attended to many Greek vessels. In some instances, the captain became very angry with me; in one case, they even threw an ashtray at me, which I can now laugh about. However, from these experiences, you learn to understand

their style. The young staff need to learn how to handle problems, but our current young staff lack such experiences. This is why I argue that they need to receive significant complaints directly from the ship-owning company, as this would help them understand the challenges involved.' (LS110125)

Building on this idea, an employee from the logistics service department shared a personal account of their experiences in Singapore. He asserted:

'I went to Singapore myself, and I can say that the actual ship handling there is totally different from that in Japan. Every day, I would go to the port, often spending about two to three hours getting to the outer anchorage to reach the ships. It was an excellent experience. Sometimes, we would stay for one or two hours before finishing and making the return journey, which would take another two hours. Overall, such visits would often take me around 6 to 7 hours. It truly was a valuable experience.' (LS110175)

These insights underscore the necessity for young staff to engage more actively with seagoing personnel, as doing so can foster a deeper understanding of the operational dynamics and challenges at sea. By motivating and facilitating this interaction, the J-form organisation can improve the overall competency and confidence of its employees.

Using feedback from shipowners

The third element emerging from the data within the transitional code of 'Improving Organisational Communicative Abilities' is titled "Using Feedback from Shipowners." Effectively integrating feedback from shipowners and other stakeholders is crucial for J-form organisations to understand employee behaviour and performance. This feedback helps in gauging individual capabilities and provides a comprehensive view of the strengths and weaknesses within the team. Facilitating conversation with customers creates channels for constructive feedback, which can inform management decisions and shape training processes. A repatriate and supervisor in the organisation shared their method of gaining insights into staff performance through direct interaction with shipping companies. He declared:

'Once a week, I visit 4 to 5 companies. In the morning, I stay in the office, and in the afternoon, I make courtesy visits to these

shipping companies to verify how our junior staff is performing. Our young staff members are responsible for conducting the actual business; that's their daily job. From time to time, I also visit customers on my own to check on how our staff is doing and to see if our clients are satisfied with their performance. I focus particularly on our Japanese shipping companies.' (LS110162)

This approach is further reinforced by a board member who explained how the organisation utilises feedback from customers and stakeholders to understand the behaviours and characters of its employees and obtain a balanced view. He maintained:

'I believe he has been in the role for about 6 to 7 years. However, I think his performance is good. For example, I have a friend in Hong Kong who visited my office the other day for a chat. He mentioned, "By the way, concerning Kobe trading's new representative in Hong Kong, he is talking with so-and-so." My friend pointed out not only the positive aspects but also shared insights about his overall performance. After receiving a report from him, I found that this representative is performing quite well. Therefore, I decided to give him another chance to advance elsewhere. It's important that he demonstrates his capabilities not just to management but also to customers, friends, and others he interacts with regularly. These day-to-day contacts can provide valuable insights into his character and performance. Sometimes, the boss may not be aware of the full picture, but we can still gather information indirectly. Ultimately, we try to confirm this information in some way.' (LS110127)

These insights illustrate the significance of utilising feedback not just as a form of evaluation but as a tool for fostering growth within the J-form organisation. By regularly engaging with customers and stakeholders, J-form organisations create a feedback-rich environment that enhances employee performance and strengthens client relationships.

Expatriate interaction with staff in Japan

The fourth element emerging from the data within the transitional code of 'Improving Organisational Communicative Abilities' is titled "Expatriate Interaction with Staff in Japan." This element highlights the importance of effective communication and cultural sensitivity among expatriates interacting

with their Japanese colleagues. Understanding the nuances of communication styles between different cultures is essential for fostering a collaborative work environment. Expatriates play a crucial role in bridging cultural gaps and sharing best practices. A sales representative in Singapore maintained:

'That is a bit of a difficult question, but after I came to Singapore, I learned how to communicate and negotiate with Singaporean customers. All of the Singaporean customers are staffed by locals, and there is a significant difference between Japanese and Singaporean cultures. At least I understand how to speak to them effectively.'

However, some Japanese who have not been exposed to other cultures or who have not been expatriated do not possess this knowledge. To be honest, there is a prevailing mindset among some Japanese that other countries in the Far East are inferior to Japan. This attitude is one of the negative aspects of Japanese culture that I have come to recognise since arriving in Singapore. We need to respect people from all backgrounds, and this shift in perspective is something I would like to teach to everyone, especially younger staff. I've noticed that some emails from Kobe trading Japan come across as positioning themselves above their customers, which is apparent from the tone of their messages. This approach is misguided and has been perpetuated by younger employees. Therefore, I aim to educate them on how to communicate appropriately and respectfully with customers in Singapore.' (LS110119)

Building on this perspective, an executive director in Singapore expressed his concerns regarding communication practices among staff at the head office in Japan. He professed:

'Yes, sometimes I receive copies of emails sent to general addresses, and I often think: "wait, this is not the correct approach". So I communicate with them and ask, "Why did you do this? Why did you do that? This should not be the way." I am constantly trying to improve their understanding. Even with the supply department in Japan or the machinery department, my primary concern is that things are done correctly. Sometimes, they may feel that they do not want to be disturbed. However, there

is no point in avoiding the issue. I need to ensure that they fully understand, listen to me, and adhere to my instructions. This way, they can learn and improve. This is what I aim for. Whether they are in Japan, Singapore, or Rotterdam, it doesn't matter to me. We are all part of the entire Kobe trading group. If I can contribute something, I must do so. I cannot be selfish; my role in Singapore is not just to protect my interests but to support the overall success of the organisation. This is my approach.' (LS110118)

These insights shed light on the continued challenges that expatriates encounter in fostering effective communication within the J-form organisation. By acknowledging cultural differences and making a genuine effort to improve their interactions with staff in Japan, expatriates can significantly contribute to creating a better communication environment for the entire network organisation.

Stimulate proactiveness and responsiveness

The fifth element emerging from the data within the transitional code of 'Improving Organisational Communicative Abilities' is titled "Stimulate Proactiveness and Responsiveness." In the context of a J-form organisation, which traditionally values consensus and respect for authority, this theme underscores the essential importance of creating a culture where employees feel empowered to take initiative and manage challenges proactively. Such a culture not only boosts organisational learning but also strengthens customer relations, as employees actively participate in resolving issues instead of relying on designated representatives. The president of the group company transport division asserted:

'I have instructed the team in Japan to consider how they explain any mistakes or issues to the customer. They should not rely solely on the representative to resolve these matters.' (LS110115)

By encouraging employees to take personal responsibility for communicating issues, the president fosters a proactive mindset that promotes ownership and accountability. This represents a shift away from the traditional dependence on hierarchical structures often found in Japanese organisations. He continued:

'I have instructed all the staff to consider and reflect deeply on what went wrong, why it happened, and what we can learn from

it to prevent recurrence in the future. These are my key messages, and I keep reiterating them to everyone. Mistakes are acceptable; everyone makes mistakes. Both mistakes and complaints provide valuable lessons. They are crucial for our growth moving forward. I believe that Japanese staff, Korean staff, and employees from other nationalities all share this experience.' (LS110115)

This statement underscores the significance of reflective practice in the workplace. In a J-form context, where shared responsibility is often emphasised, it is vital to embrace the idea that mistakes can act as catalysts for learning. By viewing errors as opportunities for growth rather than failures, the president seeks to foster an environment that encourages openness and ongoing improvement. This approach is especially relevant in Japan, where the fear of 'losing face' can often inhibit open discussions about mistakes. Therefore, cultivating a culture that views mistakes as an integral part of the learning process is crucial for promoting greater participation and responsiveness among all employees. Additionally, the president elaborated on his observations:

'Additionally, I want to highlight an impression I gained while I was in London. I noticed that many people were trying to take the easy route and relied on the representative to explain issues to the customer. I found myself saying, "Come on, why not take the time to consider these matters deeply?" This lack of care could lead to the same mistakes being made again, which is not acceptable. Moreover, there are many lessons I strive to teach to my staff.' (LS110115)

In this reflection, he points out an important issue within the organisation concerning complacency and the tendency to rely on representatives to handle customer concerns.

Repatriate becomes advisor

The sixth and final element emerging from the data within the transitional code of 'Improving Organisational Communicative Abilities' is titled "Repatriate Becomes Advisor." This section highlights a key practice within the J-form organisation, where the valuable experience and knowledge of retired repatriates are leveraged to enhance organisational communication and performance. Advisors play an essential role in fostering relationships with external partners and understanding their perspectives on the J-form company and its services. They assess the organisation's

performance in relation to competitors, gathering essential information such as newbuilding details and docking schedules for upcoming projects.

By working closely with various agencies, including shipyards, advisors ensure that critical insights are shared with relevant departments. In this collaborative environment, the transition from repatriate to advisor facilitates effective communication. Involvement of these seasoned retirees enriches the J-form company's strategic approach, providing valuable guidance. As one advisor, a retired repatriate from the organisation, explained:

'My role is to maintain relationships with companies and to understand their perspectives on Kobe trading and the services we provide. I also aim to assess how Kobe is performing in comparison to our competitors. Gathering information in general, including newbuilding details and docking schedules for upcoming projects, is essential. We have certain agencies that are shipyards, and the information I obtain will be passed on to the engineering department or other relevant teams. In Tokyo, we have A2-san's unit; he is the manager, so I certainly don't want to step on his toes (laughs). I'm simply an advisor, and how he follows up on matters will be determined by him.' (LS110162)

4.2.4.2.2 Improving communication to customers

The second transitional code within the subcategory of Responsiveness and Performance, as depicted in Figure 4.2.4.2.2, is titled "Improving Communication to Customers." This code addresses the essential need for effective communication strategies in enhancing customer satisfaction and engagement within the J-form organisation. In today's competitive and volatile maritime landscape, the ability to respond quickly and adequately to customer needs is paramount to maintaining strong relationships and ensuring organisational success. The importance of communication goes beyond simple transactions; it includes the strategies used by the J-form's expatriate leaders to lead their teams in cross-cultural situations, as well as their efforts to represent the organisation effectively within the network organisation.

The concept of 'improving communication to customers' originated from two open codes during the open coding process. The open codes that have emerged under this preliminary classification code include: (1) Expatriate instructions to staff in Japan, and (2) Communication for and on behalf of the network organisation. To

further explore how these codes have contributed to the transitional code, the open codes related to the topic will be analysed in the subsequent sections.

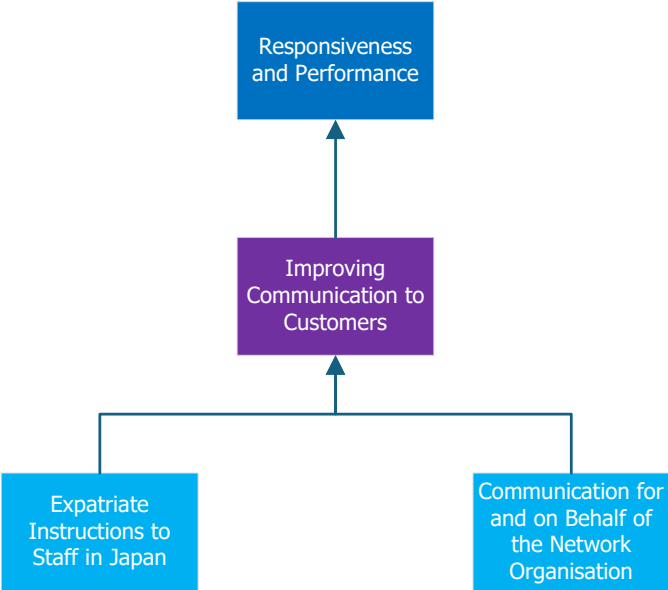


Figure 4.2.4.2.2 Improving Communication to Customers

Expatriate instructions to staff in Japan

The first element emerging from the data within the transitional code of ‘Improving Communication to Customers’ is titled “Expatriate Instructions to Staff in Japan.” This element highlights the critical role expatriate leaders play in guiding communication practices within the J-form organisation, particularly in cross-cultural contexts. The statements from a Japanese president of the J-form’s joint venture subsidiary in Korea illustrate the challenges and nuances of addressing customer complaints effectively. The president’s insights reveal a common tendency among Japanese staff to try and shift responsibility to expatriate leaders, often overlooking the importance of directly addressing issues with customers. The following excerpt captures the heart of these dynamics and emphasises the importance of actively engaging with customers in communication. As a Japanese president of the J-form’s joint venture subsidiary in Korea asserted:

‘I have consistently instructed the staff working in Japan that when they prepare reports for customers, especially in response to

complaints or mistakes, they often tend to involve me or shift the responsibility to me without thoroughly considering the reasons behind the complaints or the mistakes. While we must address these situations with all customers, it seems that the Japanese staff tend to downplay the significance of the complaints received. They might say things like, "These kinds of issues happen" or "We just overlooked this delay." In such cases, they often rely on the representative office to explain the situation. While this approach can be effective, I feel it is misguided. Therefore, I always remind the staff in Japan that when providing explanations or making excuses, they must engage directly with the customer rather than delegating the responsibility to me.' (LS110115)

Communication for and on behalf of the network organisation

The second element emerging from the data within the transitional code of 'Improving Communication to Customers' is titled "Communication for and on Behalf of the Network Organisation." This element underscores the importance of interpersonal communication in fostering strong relationships with customers. Through face-to-face interactions, representatives can effectively convey the values and offerings of the J-form organisation, bridging the gap created by geographical distances. The following interviews illustrate how representatives from different regions prioritise in-person communication to enhance customer understanding and address issues more effectively. As a sales representative in Singapore explained:

'I can visit customers for face-to-face discussions. Since Japan and Singapore are not very close, when they need to resolve an issue, they often have to rely on phone calls or emails. While this method is acceptable, being physically present at the customer's office allows us to address issues more smoothly I'm essentially serving as the bridge in these conversations. This is one example of my daily responsibilities. Another aspect of my role involves following up on quotations that Kobe trading Japan or another office has provided for stores or spare parts. In these cases, I visit the owner to discuss the quotation, gather information, and learn about the current status or situation. If they request a discount, I can then communicate with Kobe trading Japan or the other office to address that request.' (LS110119)

And as a senior manager in Japan explained:

'I have 4½ years of overseas experience in London, specifically as a representative of Kobe Trading. Visiting customers is crucial in this role, as my introductions and explanations play a significant part in helping them understand what Kobe Trading is all about.' (LS110190)

4.2.4.3 Improving organisational agility

The third sub-category of the core category of organisational changes is the concept of ‘Improving Organisational Agility,’ as depicted in Figure 4.2.4.3. In the context of the maritime industry, organisational agility refers to the ability to quickly adjust and respond to shifts in market conditions, customer needs, and a range of external factors. Traditional J-form organisations, known for their focus on detailed processes and incremental improvements, are not naturally designed to show this level of agility. In the maritime industry, where varying demand, unpredictable weather conditions, and changing regulations sometimes pose considerable challenges, J-form organisations must be able to adapt quickly and efficiently.

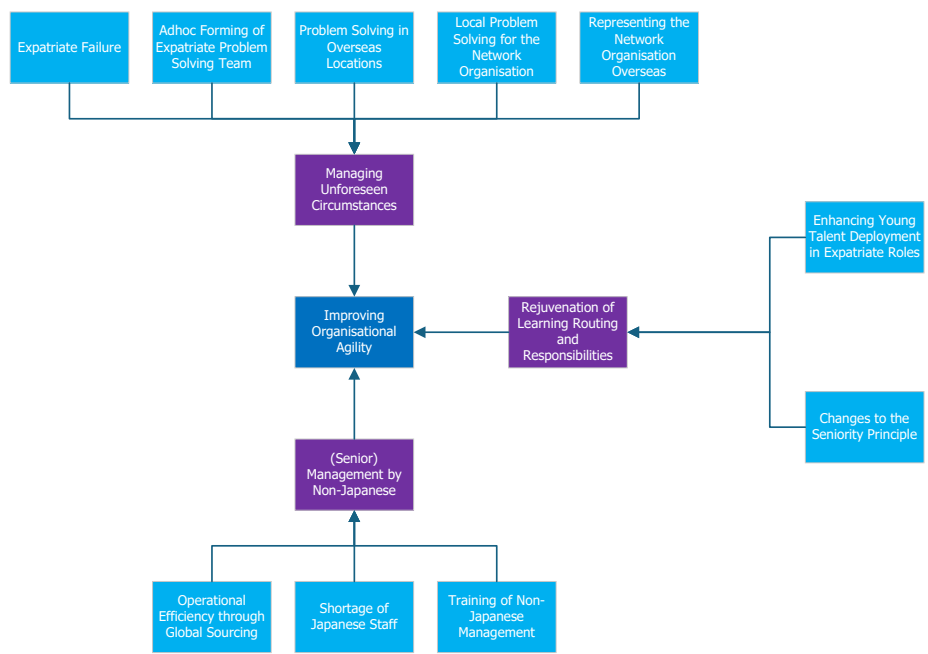


Figure 4.2.4.3 Improving Organisational Agility

This adaptability demands a degree of flexibility and responsiveness that may not always fit with the traditional, systematic methods usually found in Japanese J-form organisations. However, the J-form organisation in question has demonstrated various innovative solutions that highlight the need for a transformative change in its overall strategic vision. The sub-category of 'Improving Organisational Agility' plays a pivotal role in developing and assessing the organisation's ability to respond to rapid changes. To enhance the organisation's adaptability, the researcher introduced additional transactional codes to better organise the open codes. These transactional codes are as follows: (1) Managing unforeseen circumstances, (2) Rejuvenation of learning routines and responsibilities, and (3) (Senior) management by non-Japanese. Each of these transactional codes was logically derived from a selection of open codes, reflecting the specific practices and strategies that contribute to the J-form organisation's agility. By focusing on managing unforeseen circumstances, the J-form organisation emphasises its commitment to operational resilience when faced with unpredictability. This involves cultivating the capacity to form ad hoc problem-solving teams that can swiftly address challenges in international operations, thereby mitigating the impact of potential disruptions. Furthermore, the rejuvenation of learning routines and responsibilities is vital for empowering younger employees, preparing them for critical roles that are essential for organisational continuity and innovation. This shift not only addresses the current shortage of senior staff but also ensures that the J-form organisation can navigate the complexities of modern challenges.

Finally, the introduction of non-Japanese individuals into senior management roles represents a strategic response to the evolving workforce dynamics and the need for diverse perspectives within leadership. Collectively, these transactional codes reflect a strategic framework that aims to foster agility, ensuring that the J-form organisation not only survives but thrives in a rapidly changing volatile maritime environment.

4.2.4.3.1 Managing unforeseen circumstances

The first transitional code within the subcategory of improving organisational agility, as depicted in Figure 4.2.4.3.1, is titled "Managing Unforeseen Circumstances." This code addresses the J-form organisation's ability to effectively respond to unpredictable challenges that arise in its international operations. Managing unforeseen circumstances is crucial for maintaining operational continuity and ensuring the organisation can navigate the complexities of the industry. The J-form organisation's strategy includes

addressing various issues such as expatriate failures, which can hinder effectiveness in overseas assignments. Additionally, the ability to form ad hoc problem-solving teams is vital for quickly mobilising skilled personnel to tackle specific challenges. The organisation also emphasises effective problem-solving in overseas locations and local solutions tailored to the network organisation, utilising the strengths of its subsidiaries and their deep understanding of local contexts. Furthermore, ensuring strong representation overseas is essential for maintaining the organisation's global presence and effectiveness.

The concept of managing unforeseen circumstances originated from five open codes identified during the open coding process. The open codes that have emerged under this transactional code include: (1) Expatriate failure, (2) Ad hoc forming of expatriate problem-solving teams, (3) Problem solving in overseas locations, (4) Local problem solving for the network organisation, and (5) Representing the network organisation overseas. To further explore how these codes have contributed to the transactional code, the open codes related to the topic will be analysed in the subsequent sections.

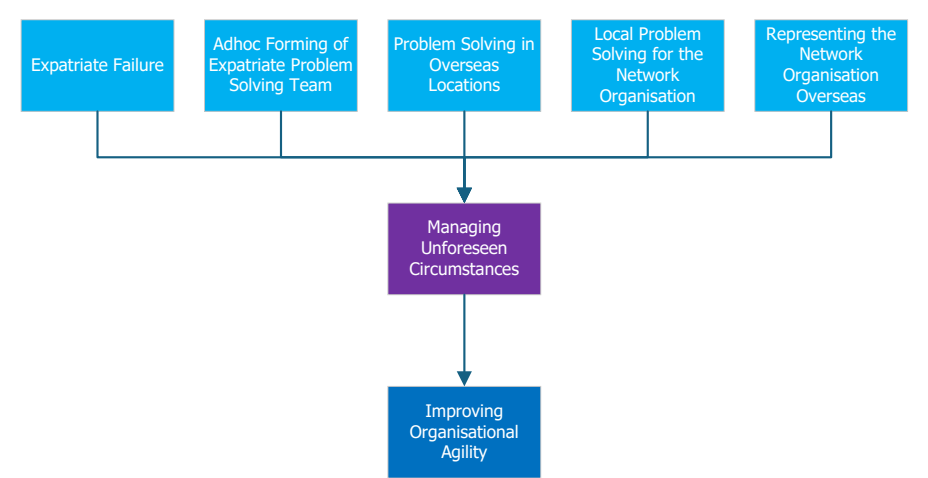


Figure 4.2.4.3.1 Managing Unforeseen Circumstances

Expatriate failure

The first element emerging from the data within the transitional code of 'managing unforeseen circumstances' is titled "Expatriate Failure." This section explores the complexities and challenges associated with expatriate assignments, particularly when cultural differences and inadequate preparation lead to unexpected outcomes. The experiences shared by senior

management highlight the critical factors that can contribute to a failure in expatriate roles, including communication styles and leadership approaches that do not resonate with the local organisational culture. Such failures not only impact the individuals involved but can also have significant consequences for the organisation as a whole. As a managing director in Japan described the situation:

'K5-san came from Japan as the newly appointed Managing Director. Prior to this role, he had been working in a different capacity in Japan. Unfortunately, he exhibited a high level of confidence in his abilities, which led him to bring a strong Japanese management style to Rotterdam. He tended to order people around, insisting that they "have to do this" or "have to do that." I understand that this approach was not well received in the Netherlands. In Japan, K5-san worked in the planning department and was not primarily a business person; rather, he focused more on processes. At times, he was responsible for overseeing the computer room and developing the company's policies and targets. He did not work in a business department and was always inclined to use his analytical skills.' (LS110105)

Another director in Japan further asserted:

'If our selection fails for some reason, someone has to take on the responsibility, and we must make appropriate replacements. This occasionally happens. In Japan, we also sometimes place a person in a position, and if they are harming the organisation, we replace them.' (LS110154)

He continued with another example of failure:

'N5-san, a Japanese expatriate who had married a local Dutch lady, became the operational manager, the second-in-command in our Rotterdam office. However, he, along with two Dutch engineers, P0-san and another local engineer, suddenly left the office, which left us in a state of shock. In response to this loss, F2-san, F3-san, and I were appointed to support the company during this challenging time. The situation we encountered was truly a nightmare; the company was in a mess.' (LS110154)

Ad-hoc forming of expatriate problem solving team

The second element emerging from the data within the transitional code of 'managing unforeseen circumstances' is titled "Ad-hoc Forming of Expatriate Problem Solving Team." When a senior manager or managing director in an overseas subsidiary is facing challenges or not performing well, the network organisation can be tapped into to find and deploy skilled expatriates who can step in and take on leadership roles. This strategic approach guarantees that the right expertise and experience are brought in to overcome the challenges effectively. Whether it means bringing on a single individual, a pair, or a whole team of expatriates, this proactive step helps keep operations running smoothly and supports the overseas subsidiary in overcoming the bottlenecks.

The ability to form such teams on an ad-hoc basis highlights the agility of the J-form organisation and underscores the value of generalised knowledge and redundancy within the workforce. This flexibility allows the network organisation to respond quickly to unforeseen circumstances, ensuring that skilled personnel are available to manage issues as they arise. This experience highlights how crucial it is to have a strong network of expatriates who can be called upon quickly, which in turn boosts the J-form organisation's overall effectiveness and resilience in tough situations.

A scenario, as outlined in the first section of this text, calls for an ad-hoc solution, showcasing the J-form organisation's agility and the value of generalised knowledge and redundancy. As a managing director in Japan shared about his role in this effort and his team:

'At that time, perhaps K0-san mentioned that F2-san might be the right candidate for the Rotterdam office. This decision was made on very short notice; you might have assumed you would be staying in London for five years, but after just two years, when issues arose in Rotterdam, the decision was made to transfer F2-san. It was a very sudden change, and I certainly didn't expect it. I mean, it could have been other people considered for the role. I believe it was partly coincidental that I was in the London office at that time. The general manager or president made the decision regarding my transfer. Maybe it was because I had experience in the supply department in Japan and also had my background from the London office. The main business focus of the Rotterdam office is supply, not spare parts. So they might have thought, "This guy is in the London office

and has a background in supply; maybe he can contribute and assist Kobe trading Rotterdam" (LS110105)

Problem solving in overseas locations

The third element emerging from the data within the transitional code of 'managing unforeseen circumstances' is titled "Problem Solving in Overseas Locations." This element focuses on the strategies employed by the J-form organisation to address challenges that arise in various international contexts. When faced with management issues or conflicting practices in overseas subsidiaries, the network organisation demonstrates a commitment to resolving these problems promptly and effectively. By deploying experiences expatriates to oversee operations and reorganising personnel as needed, the J-form organisation maintains operational continuity while navigating the complexities of cross-cultural management. As a director in Japan explained:

'A3-san from our Shanghai office explained that there were issues in the legal understanding between our local Chinese president and F1-san. The Chinese president insisted on following the local Chinese approach to financial matters, while F1-san requested that she adheres to Chinese law. Since she did not stop her local financial practices, F1-san decided to send A3-san to take over as president.' (LS110106)

As a former president and board member maintained:

'Those were the last personnel movements I ordered for our group of companies: O2-san to Rotterdam, M2-san to Dubai, A3-san to China, and N4-san to the Americas. I made these decisions because, at that time, we were facing difficulties with management in each of these areas.' (LS110127)

Local problem solving for the network organisation

The fourth element emerging from the data within the transitional code of 'managing unforeseen circumstances' is titled "Local Problem Solving for the Network Organisation." This element highlights the agility and adaptability of the J-form organisation through its overseas subsidiaries, which are characterised by their extensive local knowledge, solid connections, and in-depth understanding of cultural nuances. Usually managed by Japanese

expatriates, these subsidiaries are essential in managing and resolving issues that can come up from the main office or other subsidiaries.

The success of the J-form organisation's overseas operations demonstrates the advantages of a decentralised and networked organisational structure. By leveraging the capabilities of their international offices and empowering local Japanese leaders, the network organisation can respond quickly and effectively to threats and bottlenecks within the local environment while also utilising opportunities as they arise. An example from the office in China provided by a retired managing director and repatriate explained:

'The Japanese staff in China consisted of three members, while there were about 30 local staff, including engineers, spare parts personnel, and store-side employees. After understanding the situation, I reported back to O1-san and F1-san, and then I went again to Shanghai. Approximately half a year later, I recommended to O1-san and F1-san that the engineers would become very busy due to the dry-dockings in China. Owners needed assistance from a superintendent who could speak both Chinese and English. I realised they were going to be very busy, and a boom in spare parts was expected in the near future, particularly related to ballast water treatment because of regulations. On the store side, things were also busy, with numerous Requests for Quotations (RFQs) and positive results.' (LS110186)

Representing the network organisation overseas

The fifth and last element emerging from the data within the transitional code of 'managing unforeseen circumstances' is titled "Representing the Network Organisation Overseas." This element highlights the significance of representation in maintaining the organisation's global presence and effectiveness. Ensuring strong representation in international markets often requires experienced personnel who are deeply familiar with local dynamics and can navigate the challenges that arise. The commitment of individuals in these roles is crucial, as stability in leadership can enhance the J-form organisation's ability to respond to unforeseen circumstances and maintain its traditional values and standards.

As the president of the group explained:

'So, someone has to remain in their position; for example, M0-san has stayed in Europe for almost 25 years. We could not send someone to replace him due to various reasons. As long as they are accepted in their roles, we ask them to stay for another 2-3 years. After that period, it may be time for a change, but they still choose to remain. That is the situation as it stands now.' (LS110161)

Representation of the group overseas is one of the critical positions within the organisation. As maintained by a former president of the company:

'At that time, for example, it was also going to be O2-san's second tour. He had worked in Rotterdam for 6-7 years before I was going to send him on his second tour. So, I decided to send him over. First of all, I trusted him; I have always trusted him with everything.' (LS110127)

4.2.4.3.2 Rejuvenation of learning routing and responsibilities

The second transitional code within the subcategory of improving organisational agility, as depicted in Figure 4.2.4.3.2, is titled "Rejuvenation of Learning Routing and Responsibilities." This code emphasises the J-form organisation's commitment to adapting its learning and development strategies to better prepare younger staff for key roles, particularly in expatriate assignments. As the workplace evolves and the shortage of senior staff becomes more evident, there is a growing recognition that engaging younger employees is crucial for enhancing organisational resilience and agility.

This rejuvenation demonstrates a significant shift in the J-form organisational landscape, where traditional reliance on seniority is being re-evaluated. The president of the group has highlighted the need to address the challenges posed by the lack of experienced leaders, which necessitates the preparation of younger staff for senior positions. This transition not only aims to utilise the potential of younger staff but also to ensure that the organisation can effectively respond to current challenges while fostering a dynamic and diverse leadership pipeline.

The concept of rejuvenation of learning routing and responsibilities originated from two open codes during the open coding process. The open codes that have emerged under this transactional code include: (1) Enhancing young talent deployment in expatriate roles, and (2) Changes to the seniority principle. To

further explore how these codes have contributed to the transitional code, the open codes related to the topic will be analysed in the subsequent sections.

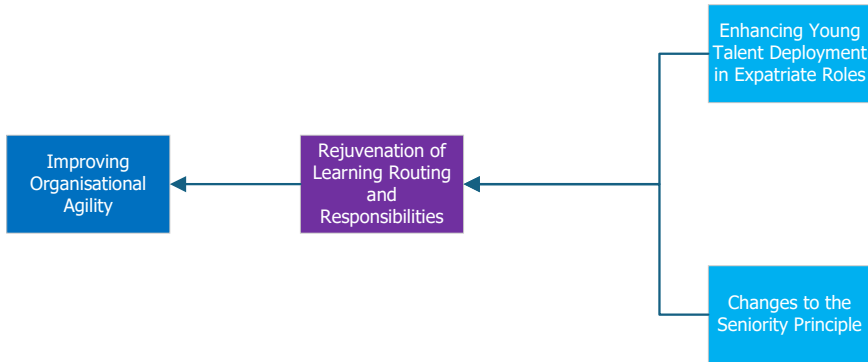


Figure 4.2.4.3.2 Rejuvenation of Learning Routing and Responsibilities

Enhancing Young talent Deployment in Expatriate Roles

The first element emerging from the data within the transitional code of 'rejuvenation of learning routing and Responsibilities' is titled "Enhancing Young Talent Deployment in Expatriate Roles." This element highlights the J-form organisation's recognition of the importance of involving younger employees in key roles, particularly in expatriate assignments. As the workplace evolves and a shortage of senior staff is evident, there is a growing understanding that fostering the development of younger staff members can lead to enhanced organisational resilience and agility. The previous president of the group maintained:

'More than 35% of our Japanese personnel are under 30. For those with even just two years of experience outside the company, their experience is quite valuable. However, there is not enough senior staff available to educate them adequately. Therefore, I have been trying to accelerate the movement of personnel, opting for shorter assignments.' (LS110117)

This need for younger personnel becomes even more significant when considering the challenges faced within the organisation. The former president elaborated on a specific instance regarding staffing in Hong Kong:

'We used to have a Japanese employee in Hong Kong, but at a certain point, we had no staff to send there. P1-san was capable of managing the situation, but he had to move to our logistics

department in Hong Kong, specifically Kobe Logistics Hong Kong. Consequently, we needed to send a representative from Japan. However, at that time, all senior personnel were already allocated to other locations. As a result, we decided to choose someone younger. Coincidentally, H2-san returned from Rotterdam and began developing experience with agency work in Tokyo, so we decided to select him. Of course, this was a very risky decision because he had no prior experience or track record in this role, and we did not know how he would be accepted by our customers in Hong Kong or the surrounding area.' (LS110130)

The president of the organisation further emphasised the necessity of challenging younger staff:

'It is time to challenge younger staff and place them in more responsible positions. Kobe trading has learned that their model was vulnerable, which means the learning curve needs to be steeper and begin at a younger age. Currently, the oldest of the younger staff members is 35-36 years old. I will need to utilise this age group, as previous reliance was placed on those in the 40-50 age range.' (LS110200)

These insights collectively illustrate the J-form organisation's commitment to nurturing young talent and adapting to evolving business needs.

Changes to the seniority principle

The second element emerging from the data within the transitional code of 'rejuvenation of learning routing and Responsibilities' is titled "Changes to the Seniority Principle." This element highlights the evolving organisational landscape, where the traditional reliance on seniority is being re-evaluated in light of current challenges. The president of the group explained that the shortage of senior staff poses a significant threat to the organisation, necessitating a shift towards preparing younger staff for senior positions. He maintained:

'I am trying to shorten the development cycle for younger individuals. Typically, people would stay in their roles for 3-5 years, but now we aim to move them after just 2 years. Previously, it would take 10-20 years to cultivate experts, but we need to have these specialists ready in 5-10 years.' (LS110130)

This shift is further reinforced by the observations of a general manager in Rotterdam, who confirmed the ongoing changes to the seniority principle:

'Yes, nowadays there are many younger individuals in expatriate functions. In the past, such roles in Greece and London were typically filled by older employees, but now we see a trend towards younger people taking on these positions.' (LS110121)

The president of the transport division in Korea also noted this trend, stating:

'The hierarchy is the main reason for this. Nowadays, there is a kind of combination; the system is changing. Younger people can climb the ladder more quickly now, but in my generation, senior positions were always held by older individuals.' (LS110115)

These insights collectively reflect a significant transformation in the seniority principle, highlighting the J-form organisation's commitment to fostering a new generation of future leaders equipped to navigate the complexities of the maritime landscape.

4.2.4.3.3 (Senior) management by non-Japanese

The third transitional code within the subcategory of improving organisational agility, as depicted in Figure 4.2.4.3.3, is titled "(Senior) Management by Non-Japanese." This code signifies a significant paradigm shift in the way Japanese organisations are approaching leadership within their operational networks. The concept of (Senior) management by non-Japanese originated from three open codes during the open coding process. The open codes that have emerged under this transitional code include: (1) Operational efficiency through global sourcing, (2) Shortage of Japanese staff, and (3) Training of non-Japanese management.

In recent years, internationally operating J-form organisations in Japan have increasingly recognised the necessity to adapt to a globalised economy characterised by rapid technological advancements and shifting workforce demographics. The reliance on non-Japanese management is indicative of this organisational adaptation, allowing companies to leverage diverse perspectives and a broader skill set that may not be as readily available within the Japanese labour pool. The decision to offshore administrative functions driven by English language proficiency and demographic changes reflects an

immediate operational response to current market demands. As the average age of the workforce in Japan continues to rise and talented individuals are in short supply, the influx of international managers presents an opportunity to infuse fresh ideas into traditional practices.

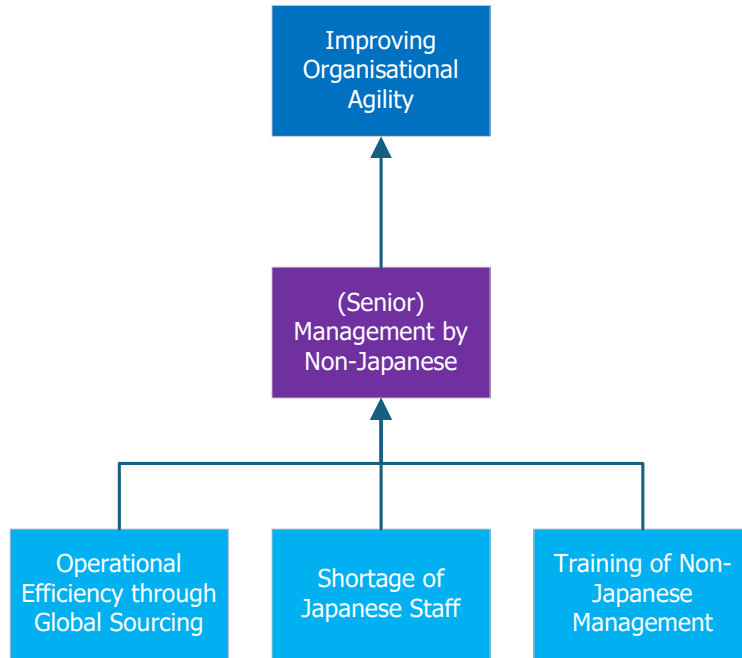


Figure 4.2.4.3.3 (Senior) management by non-Japanese

Moreover, the training of non-Japanese individuals for management roles illustrates a commitment to developing a more inclusive and diverse leadership framework. This initiative elevates the profile of non-Japanese employees but also challenges conventional hierarchies and norms within traditional J-form organisations, fostering a more dynamic and adaptable corporate environment. The combination of these elements highlights a strategic response to the evolving dynamics of today's workforce, ensuring that the J-form organisation remains competitive and adaptable in an increasingly globalised environment. By implementing (Senior) management by non-Japanese, organisations can better navigate the complexities of the industry. To further explore how these codes have contributed to the transitional code, the open codes related to the topic will be analysed in the subsequent sections.

Operational Efficiency through Global Sourcing

The first element emerging from the data within the transitional code of '(Senior) Management by Non-Japanese' is titled "Operational Efficiency through Global Sourcing". The findings indicate that the J-form organisation has begun to break with some of its long-standing traditions by offshoring a majority of its administrative functions to Manila in the Philippines. This strategic decision aims to address the challenges posed by the traditional Japanese J-form organisational structure.

In Japan, there is a strong emphasis on perfect administration, which can lead to processes like issuing invoices taking weeks as everyone works to ensure everything is accurate and precise. This commitment to precision can lead to delays and operational inefficiencies. By relocating administrative functions to Manila, the organisation can leverage several key advantages. Firstly, labour costs in the Philippines are generally lower than in Japan, facilitating potential cost savings. Additionally, the country has a rapidly growing population that provides a substantial pool of skilled workers capable of effectively handling administrative tasks.

Furthermore, Filipinos are renowned for their strong English language skills, which enhance communication with international stakeholders and streamline operations. The decision to offshore to Manila has also been influenced by insights from expatriates and repatriates, who have experienced more efficient administrative processes in other countries. Their feedback has underscored the need for change and highlighted Manila as a suitable offshoring destination. As one director noted:

'In the Philippines, the back office has expanded to include 250 full-time employees (FTEs), all of whom are local employees. The office is managed by N2-san, who has over 20 years of experience with Kobe trading in Japan and Rotterdam before establishing Kobe Philippines. The Philippine office consists of 90 staff dedicated to catering and 160 staff providing back-office support for our overseas offices. There is a persistent demand to increase local staffing to address shortages abroad, particularly in the USA, Rotterdam, Singapore, Korea, and Japan. The decision to locate the office in the Philippines was primarily driven by cost considerations and the country's large population, which ensures an ample supply of available staff. Additionally, Philippine employees possess excellent

English language skills. Yet, their job loyalty tends to be influenced more by salary and working conditions offered by competing companies rather than by loyalty to a single employer.’ (LS110106)

Shortage of Japanese staff

The second element emerging from the data within the transitional code of ‘(Senior) Management by Non-Japanese’ is titled "Shortage of Japanese Staff." As a director and part owner of the company noted:

‘The shortage of staff in Japan is becoming increasingly severe, making it difficult for Kobe trading to extend assignments for Japanese expatriates. This situation is exacerbated by a declining birth rate and a trend among young people to prioritise their personal lives over the growth of their companies and their own careers. As a result, the challenges of talent retention and recruitment intensify.’ (LS110106)

This growing shortage of skilled labor isn’t just a temporary problem; it represents a systemic problem compounded by the ageing and shrinking population in Japan. The maritime industry, in particular, faces significant challenges in attracting young professionals, as it is often perceived as less appealing compared to other sectors. Many young Japanese workers are drawn to industries that offer more modern work environments, greater job flexibility, and more opportunities for personal development.

Furthermore, from the data surfaced that the last two generations of Japanese employees, affected by the traditional J-form organisational structure, are showing less commitment to the lifetime employment principle that characterised earlier generations. This shift reflects a broader change in attitudes towards work and career aspirations, as younger workers increasingly prioritise personal fulfilment and autonomy over long-term job security with a single employer.

In light of these challenges, Japanese companies must consider offshoring non-vital jobs to other countries, such as the Philippines. The Philippine office has already demonstrated its capacity to handle tasks efficiently, allowing Japanese firms to reduce costs and redeploy resources toward more critical functions. By offshoring, J-form organisations can streamline their operations and focus on core competencies while taking advantage of the skilled labour available in other markets. In response to these challenges, organisations in

the maritime sector are exploring innovative recruitment strategies that might include attracting foreign talent or enhancing partnerships with educational institutions to develop the necessary skills and competences within the domestic workforce. Such measures are essential for addressing the pressing need for talent and creating a more appealing organisational culture that resonates with the values of the younger generation in Japan.

Training of non-Japanese management

The third element emerging from the data within the transitional code of '(Senior) Management by Non-Japanese' is titled "Training of Non-Japanese Management." In the internationally operating Japanese J-form organisation, expatriation has always played a crucial role in upholding Japanese management principles within the network organisation. However, in a recent shift from tradition, the organisation has decided to train non-Japanese staff for senior management positions within the network organisation. This change in approach is currently being implemented in a subsidiary in the Philippines, which is primarily responsible for administrative tasks. This marks a significant departure from the long-standing practice of relying solely on Japanese expatriates to uphold Japanese management principles across the network. By training non-Japanese staff for senior management roles, the organisation is taking a proactive approach towards diversifying its leadership team and embracing different perspectives and experiences. As a director in Japan declared:

'Kobe trading Japan is currently providing a one-year training programme to a Filipino woman who has been with the Philippines office for over ten years. This training is preparing her to assume some of the important responsibilities held by N2-san and the Japanese expatriates. It has now been three months since she joined Kobe trading Japan, and her progress has exceeded expectations. Consequently, Kobe trading may consider further enhancing its educational programmes to develop local management skills in Japan.' (LS110106)

The training of non-Japanese management indicates the necessity of developing foreign management due to a shortage of staff, despite previous failures. Some past attempts were indeed successful, although not all. In reflecting on these experiences, the president stated:

'In the past, we have attempted to adopt a local management approach, such as with Kobe trading Americas, where we tried to involve LO-san in management. However, he demonstrated a different mentality. Similarly, in Rotterdam, we tried to position S6-san as the top man, but he ultimately failed. H0-san in Singapore is somewhat different; he strives to understand Kobe's way. If we can find someone like him someone who genuinely attempts to grasp the Japanese way and Kobe trading's approach then I may reconsider allowing local people to manage.' (LS110200)

This willingness to adapt and learn from past experiences underscores the J-form organisation's commitment to finding effective solutions to navigate the challenges of staffing and management in a changing workforce environment.

4.2.4.4 Business Development

The fourth sub-category of the core category of organisational changes is the concept of Business Development, as depicted in Figure 4.2.4.4. In the internationally operating Japanese J-form organisation within the maritime industry (the organisation under research), business development is coordinated through various approaches.

Firstly, the organisation's Senmon Shosha function focuses on adopting and promoting innovative technology from the Japanese manufacturing industry. This involves showcasing cutting-edge advancements and solutions to existing and potential customers to drive general growth and competitiveness. Engaging in discussions around new maritime technologies highlights the functionality of the J-form and reinforces partnerships within the maritime industry. Secondly, the introduction of new products outside of the Senmon Shosha function necessitates senior management consensus on new products. Approval from senior management ensures that any new offerings align with the overall strategic direction of the J-form organisation and contribute to its long-term success. This consensus-driven approach emphasises the importance of data-driven decision-making and collaboration with Japanese manufacturers, ensuring that new products meet maritime market demands while complying with industry regulations.

Lastly, the organisation prioritises the continuous marketing of a customised code or language tailored specifically for the maritime industry, reflecting functional standardisation as a product. This bespoke communication system

fosters clarity and efficiency in operations, ultimately enhancing collaboration and productivity within the industry. The use of a standardised code improves operational effectiveness and facilitates communication between manufacturers and end-users, promoting smoother transactions. The subcategory of Business Development is a key element for any organisation. To further organise open codes, additional transactional codes as specified in the latter were introduced by the researcher. These transactional codes, which include adopting and promoting innovative technology, senior management consensus on new products, and functional standardisation as a product, are interlinked, highlighting how effective collaboration and innovation drive the success of the organisation. The following sections will examine these transactional codes in detail, along with the open codes that contributed to their formation.

4.2.4.4.1 Adopting and promoting innovative technology

The first transitional code within the subcategory of business development, as depicted in Figure 4.2.4.4.1, is titled "Adopting and Promoting Innovative Technology." This code underscores the significance of integrating cutting-edge technologies into maritime business practices to enhance operational efficiency and maintain competitiveness in the industry. Engaging in discussions with overseas customers about innovative maritime technologies is essential, demonstrating the functionality of the J-form as Senmon Shosha. The J-form network serves as a strategic asset for Japanese manufacturers, facilitating collaborative efforts to effectively promote innovative maritime products and services.

Interviews reveal a cohesive strategy among executives that emphasises the targeted promotion of new maritime products, particularly during visits by Japanese staff to overseas subsidiaries. Establishing strong connections with Japanese manufacturers and suppliers is essential for the adoption of innovative technologies specific to maritime applications. This transformation from a ship Chandler to a leading global ship supply network provider exemplifies the J-form organisation's commitment to building effective partnerships within the maritime industry. Another crucial theme is the emphasis on Japanese quality manufacturing, showing a strong commitment to upholding the high standards linked to Japanese craftsmanship and service in the maritime industry. This dedication to quality assurance is essential before any international promotion, as it strengthens customer satisfaction and maintains the integrity of Japanese maritime brands and the network organisation.

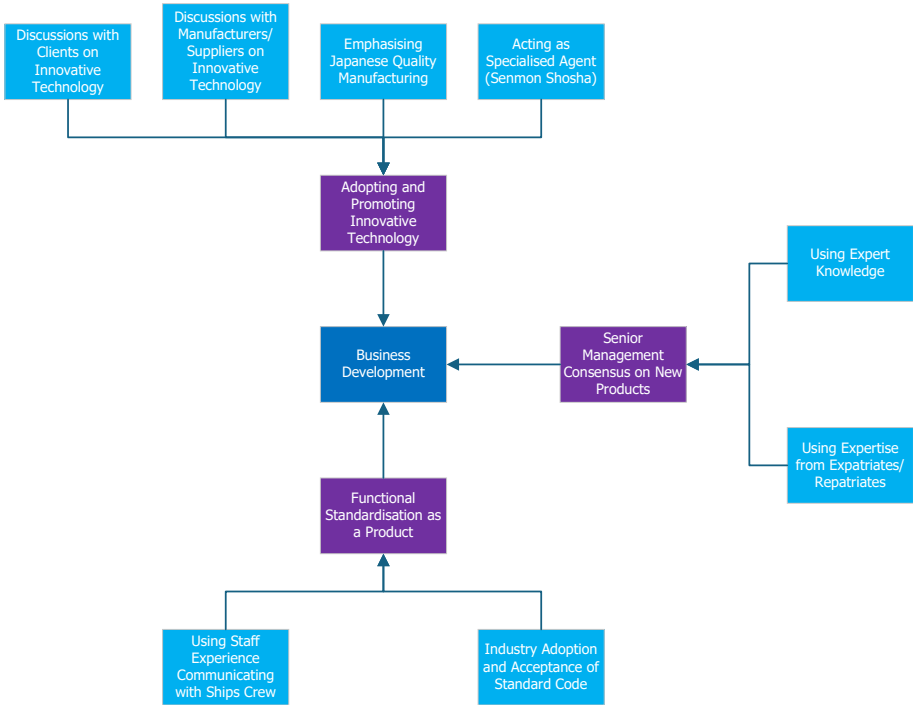


Figure 4.2.4.4 Business Development

Furthermore, the role of acting as a specialised agent, or Senmon Shosha, is pivotal in bridging the gap between manufacturers and international shipowners within the maritime industry. This role requires a comprehensive understanding of logistics, communication, and cultural engagement across different maritime markets. The responsibilities of Senmon Shosha representatives encompass securing purchase orders from shipowners and coordinating delivery arrangements for various maritime equipment, highlighting the diverse nature of their work.

Additionally, understanding customer requirements in the maritime industry necessitates adaptability to the changing landscape and diverse cultural considerations. This adaptability is essential for effectively fulfilling the role of a Senmon Shosha, ensuring that the interests of both Japanese manufacturers and shipowners are aligned for mutual benefit.

The concept of adopting and promoting innovative technology originated from four open codes during the open coding process. The open codes that have emerged under this transactional code include: (1) Discussions with clients

on innovative technology, (2) Discussions with manufacturers/suppliers on innovative technology, (3) Emphasising Japanese quality manufacturing, and (4) Acting as a specialised agent (Senmon Shosha). To further explore how these codes have contributed to the transactional code, the open codes related to the topic will be analysed jointly in the subsequent section.

Discussions with clients on innovative technology

The first element emerging from the data within the transitional code of 'adopting and promoting innovative technology' is titled "Discussions with Clients on Innovative Technology." This element underscores the importance of the J-form's Senmon Shosha functionality. The J-form network serves as a strategic asset for Japanese manufacturers to promote innovative technology. The interviews reveal a cohesive strategy among executives, highlighting the collaborative efforts with Japanese manufacturers and the targeted promotion of innovative products to shipowning customers. This approach allows the J-form to maintain its position as Senmon Shosha. Furthermore, the approach reinforces its role as a key player in advancing maritime industry standards. The president of the group provided an example, stating:

'I worked in the machinery department on a special project for equipment sales, specifically focusing on oil treatment equipment, such as blenders and special filters for main engines. This project arose because the quality of the oil was deteriorating, which, in some cases, led to engine damage. As a result, ships needed pre-treatment equipment for fuel. Previously, people would only check the viscosity; these days, there are high viscosities of 180 or even 380. Japanese manufacturers developed special filters and blenders for this purpose. I was responsible for the sales of such equipment to shipowners, specifically for retrofitting rather than new builds.' (LS110117)

This illustrates a clear understanding of customer challenges and the need for innovative solutions. Additionally, a director in Japan declared:

'For new products in general, we are primarily collaborating with Japanese manufacturers. These new products are promoted, for instance, when Japanese staff visit our overseas offices. Business travellers, often accompanied by experienced staff from the Rotterdam office, present these items abroad. Our dedicated

machinery sales department in Japan requests that all our overseas representatives promote the products identified by the machinery sales department as potentially valuable. For instance, our Rotterdam office recently promoted Miura Bilgewater Water Management System to a chemical tanker operator in Rotterdam.’ (LS110106)

This commitment to innovation and collaboration ensures that the J-form organisation can provide its network organisation with effective solutions while supporting and fostering long-term partnerships with Japanese manufacturers. By actively engaging in discussions with customers, the J-form organisation addresses immediate market needs while anticipating on future demands.

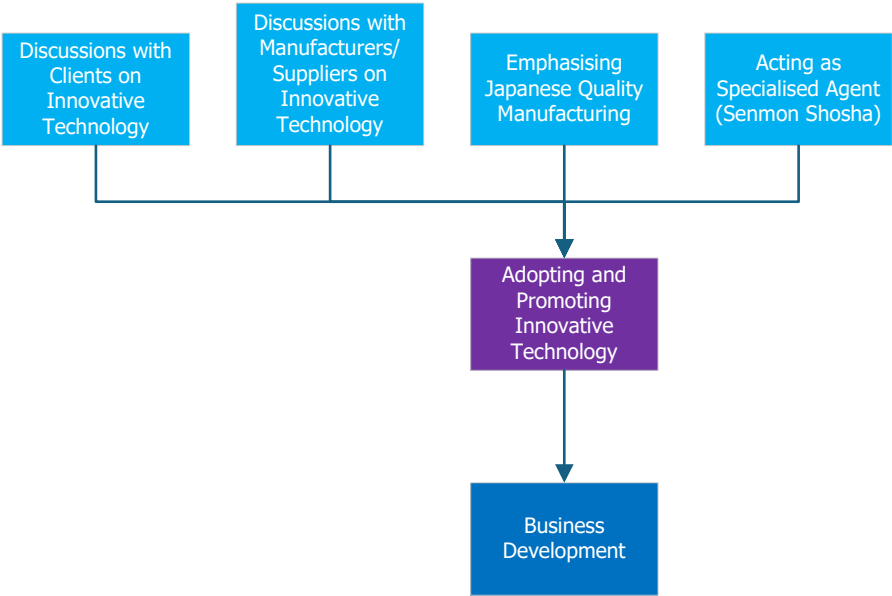


Figure 4.2.4.4.1 Adopting and Promoting Innovative Technology

Discussions with Manufacturers/Suppliers on innovative technology

The second element emerging from the data within the transitional code of ‘adopting and promoting innovative technology’ is titled “Discussions with Manufacturers/Suppliers on Innovative Technology.” The J-form organisation researched operates across three distinctive but interconnected functions within the maritime industry. Initially established as a shiphandler primarily serving foreign shipowners, the organisation has since undergone a significant transformation to emerge as one of the main global ship supply network providers through the implementation of innovative strategies and

forward-thinking initiatives. Leveraging its extensive network, highly skilled workforce, strong engineering expertise, and steady commitment to customer relationships, the organisation has successfully transitioned into a Senmon Shosha, specialising as an agent for the Japanese manufacturing industry. Today, it stands out as the preferred distributor of spare parts for Japanese machinery utilised in the maritime industry, exhibiting a strong position within the market. To be that partner for Japanese manufacturers requires knowledge and a specific skill set, as maintained by the president of the group.

'We are looking for experienced individuals who understand our customers and also know the marine spare parts business, and, above all, possess the right character. S3-san follows K1-san as we required a senior manager for that department. He is one of the candidates being considered for that role, and his suitability will depend on his performance. A1-san also possesses the right skills and knowledge from the spare parts and manufacturing perspectives, and he has therefore been assigned to the machinery department. Both of them have had experience within the company, making them knowledgeable assets. The spare parts sector is particularly unique, as it requires not only a strong relationship with customers but also a good rapport with manufacturers. Translating and balancing the demands of shipowners to the manufacturers presents quite a challenge. It necessitates a great deal of skill and knowledge to excel in this area.' (LS110130)

Emphasising Japanese quality manufacturing

The third element emerging from the data within the transitional code of 'adopting and promoting innovative technology' is titled "Emphasising Japanese Quality Manufacturing." This theme captures the commitment to upholding the high standards that are synonymous with Japanese craftsmanship and service. Japanese manufacturers are praised for their technological advancements and their commitment to quality. This forms the backbone of their international reputation. As a director in Japan noted:

'Before we promote anything abroad, the products are tested and receive positive results from some major Japanese customers.' (LS110106)

This statement underscores the fundamental principle of thorough quality checks conducted before any international marketing. A division president in Japan further emphasised this point, stating:

'All customers expect our service to reflect a Japanese style. We cannot take the easy way out; we must adhere to our standards and principles.' (LS110193)

This dedication to excellence is essential not just for ensuring customer satisfaction, but also for maintaining the integrity of the Japanese brand. Moreover, a managing director highlighted the broader strategy by saying:

'Kobe trading's policy and philosophy emphasise that each individual should be positioned in overseas locations to promote the Japanese brand globally. We believe that Japan represents a unique brand identity that we aim to share with the world.' (LS110105)

This viewpoint highlights the strategic positioning of individuals to ensure that the essence of Japanese quality is communicated clearly in the industry. Finally, the president of the group reaffirmed the collective responsibility of the network in embodying this quality-driven mentality:

'This mentality needs to be demonstrated by both Japanese and non-Japanese individuals with our network. This ensures that we can uphold the Kobe trading approach to deliver our service and performance to our customers.' (LS110161)

Above insights highlight the unwavering commitment to emphasising Japanese quality manufacturing and service through a somewhat standardised approach, cultivating a brand identity that resonates beyond borders.

Acting as specialised agent (Senmon Shosha)

The fourth element emerging from the data within the transitional code of 'adopting and promoting innovative technology' is titled "Acting as Specialised Agent (Senmon Shosha)."

This role is crucial for connecting Japanese manufacturers with international shipowners in the maritime industry. The principle of Senmon Shosha goes beyond just traditional sales; it requires a deep understanding of logistics, effective

communication, and the subtleties of cultural engagement in various overseas markets. A sales representative underscores the importance of this, stating:

'The connection between the owners and the makers is something we pride ourselves on. We refer to ourselves within that department as salespeople, but I think we are more like purchasers. It's a purchasing job, but also encompasses logistics, communication it's everything, right? I was solely dedicated to purchasing from the Japanese makers, managing the process up to the receipt of purchase orders. After that, we would pass the orders on to another team that specialised in stock keeping and delivery arrangements.' (LS110207)

This highlights the multifaceted responsibilities that Senmon Shosha representatives must manage, from securing purchase orders to coordinating delivery arrangements. A manager in Japan further elaborates on the potential of ships equipped with Japanese technology as customers for the Senmon Shosha. He explained:

'Mainly, customers visit to understand how well the relationship and the company are performing. Specifically regarding spare parts, they want to ascertain if there are any newbuilding vessels currently or in the future. Of course, this depends on the type of vessel, as we are only interested if there is Japanese equipment on board. In some cases, our clients have many ships, but we are less interested in Chinese or Korean-built ships, as there are no opportunities for us there. In fact, the primary purpose of these trips is marketing.' (LS110197)

This focus on Japanese equipment reflects the unique strategic positioning of Senmon Shosha in the maritime industry. A senior manager shared insights about the changing landscape of the maritime industry, noting that in the past:

'I worked to sell Japanese equipment to the Korean shipbuilders of newbuilding LNG carriers. At that time, many Japanese products could be sold to these shipbuilders, including three major players: Hyundai, Daewoo, and Samsung, along with Hanjin.' (LS110196)

He highlighted how strong interest in Japanese equipment facilitated numerous contracts but acknowledged that evolving domestic manufacturing capabilities have shifted the focus of their operations. He continued:

'We already had a local office in Singapore at the time when Sembcorp Marine Ltd and Keppel Shipyard began combining all crude oil tankers into FPSOs, or Floating Production Storage and Offloading units. This process required the retrofitting of steam turbine generators and pumps. As sales agents (Senmon Shosha) for Shinko, another pump manufacturer, we have been handling Shinko's equipment ever since.' (LS110196)

This illustrates the proactive approach of Senmon Shosha in adapting to industry changes and identifying new opportunities. Finally, a senior manager pointed out the cultural sensitivity and strategic adjustments crucial to their role:

'When we conduct sales promotions for our customers, whether they are American, Chinese, European, or Japanese, we need to adjust our mindset and approach accordingly. Each culture requires a different strategy.' (LS110123)

He emphasised the importance of regular visits to Japanese owners, contrasting it with the need for detailed presentations for European clients. This adaptability is essential for effectively acting as a Senmon Shosha, ensuring that the interests of both Japanese manufacturers and shipowners are aligned for mutual benefit.

4.2.4.4.2 Senior management consensus on new products

The second transitional code within the subcategory of business development, as depicted in Figure 4.2.4.4.2, is titled "Senior Management Consensus on New Products." This code highlights the strategic importance of senior management's role in decision-making related to new products, particularly within the J-form organisation. Senior management adopts a data-driven approach that prioritises long-term goals, collaboration with suppliers, and thorough market research to assess the potential success of new product initiatives.

At the heart of this process is the effective use of personal networks. The familiarity among team members enables efficient communication and collaboration, allowing for quick access to expert knowledge and a variety of specialisations. This dynamic creates an environment where decision-making is shaped by the collective expertise of senior management and their grasp of the maritime market. Additionally, incorporating insights from expatriates and repatriates is essential, as these individuals contribute valuable knowledge and

experience. By tapping into these networks and insights, senior management can more effectively align new product offerings with customer needs and market trends. Their relationships with various shipowners strengthen the organisation's capacity to successfully promote innovative solutions, ensuring that new products meet industry regulations and respond to emerging demands.

This consensus-driven approach not only supports effective product development but also reinforces Kobe Trading's reputation for delivering high-quality services in the maritime sector.

The concept of "senior management consensus on new products" originated from two open codes identified during the open coding process. The open codes that have emerged under this transactional code include: (1) Using expert knowledge and (2) Using expertise from expatriates/repatriates. To further explore how these codes have contributed to the transactional code, the open codes related to the topic will be analysed jointly in the subsequent section.

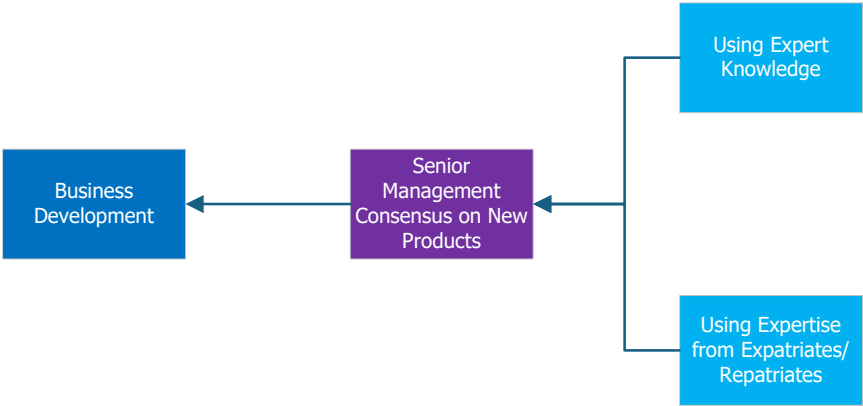


Figure 4.2.4.4.2 Senior management consensus on new products

Using expert knowledge

The first element emerging from the data within the transitional code of 'senior management consensus on new products and promoting innovative technology' is titled "Using Expert Knowledge." A director explained that the personal network within the organisation is efficient. People know each other and are familiar with each other's specialisms and knowledge. He maintained:

'We have a machinery headquarters here, and we identify the appropriate person for a specific case. Then they advise us;

otherwise, we have to search for the information ourselves. However, we are aware of who works where, as the Japanese organisation is quite transparent. For instance, with larger organisations like Toyota, we do not need to use search engines within the organisations; we know each other.' (LS110107)

The personal network in the J-form organisation is developed through expatriation and social interaction while staying abroad and travelling. This fosters collaboration and enables more effective decision-making. Senior management within the J-form organisation, particularly in the context of Senmon Shosha for the maritime industry, relies on this connectivity to access the expertise of various specialists. The familiarity within the organisation accelerates the flow of information, ensuring that the team's collective knowledge leads to solutions tailored to the maritime market.

Using expertise from expatriates/repatriates

The second element emerging from the data within the transitional code of 'senior management consensus on new products and promoting innovative technology' is titled "Using Expertise from Expatriates/Repatriates." This process is significantly influenced by senior management, who are themselves repatriates with comparable experiences and expertise. Their familiarity with the unique challenges and insights from both expatriates and repatriates serves to confirm shared knowledge that fosters consensus among senior management, thereby facilitating the implementation of new products and services. Furthermore, senior management plays a pivotal role in selecting expatriates and making decisions regarding their repatriation, ensuring that the right talents are in place to drive the organisation's objectives.

A repatriate director explained that the expertise and presence of expatriates within the global network are instrumental in promoting new products and services, which subsequently aids in expanding the product range for Kobe Trading. He noted:

'In general, we collaborate primarily with Japanese manufacturers, focusing on products such as filters for new fuels and items that comply with IMO regulations. Kobe is leveraging its network and contacts with various shipowners to promote new products from Japanese manufacturers. This involves using our knowledge and relationships with shipowners to encourage manufacturers to

work with Kobe, allowing them to access the international group of shipowners through our contacts, language skills, and extensive network.' (LS110106)

The experience of repatriates plays a crucial role in disseminating products and services where necessary. A managing director in Japan elaborated, stating:

'I went to China this week and had an extensive discussion with I2-san. The growth of our office in China is very slow. I spoke with him, and if necessary, Kobe trading Japan will provide financial assistance. Additionally, we will send someone from Japan who understands the Chinese market and speaks Chinese. This is how we build our network and knowledge.' (LS110152)

The strategic utilisation of expertise from expatriates and repatriates strengthens Kobe Trading's competitive advantage but also underscores its commitment to delivering high-quality products and services in the global market. By leveraging the continuous and collective experience of both repatriated senior management and expatriates, as well as their authority in selecting expatriates and making decisions about repatriation, this strategic approach is poised to continue to shape the future of Kobe Trading, enhancing its capacity for innovation and facilitating the expansion of its offerings within the maritime industry.

4.2.4.4.3 Functional standardisation as a product

The third transitional code within the subcategory of business development, as depicted in Figure 4.2.4.4.3, is titled "Functional Standardisation as a Product."

The development of a Japanese developed code book demonstrates how innovation can arise out of necessity. With their boarding officers unable to communicate in English, the Japanese needed a way to ensure that orders on board ships were accurately understood and fulfilled. By creating a detailed and comprehensive code book with pictures, they were able to efficiently communicate the necessary items to be on board.

The fact that the code book marketed by IMPA (International Marine Purchasing Association) has now become the standard in the industry speaks to the effectiveness and precision of the Japanese approach. Suppliers and buyers alike rely on the code book to ensure that all necessary items are included on ships, leading to smoother operations and increased efficiency. This example

exemplifies how creativity and problem-solving skills can lead to industry-wide innovation and improvement. By addressing a specific need within their own operations, the Japanese were able to create a valuable tool that continues to benefit the maritime industry as a whole. The concept of 'functional standardisation as a product' originated from two open codes during the open coding process. The open codes that have emerged under this transactional code include: (1) Using staff experience communicating with ships crew, (2) Industry adoption and acceptance of standard code. To further explore how these codes have contributed to the transactional code, the open codes related to the topic will be analysed jointly in the subsequent section.

Using Staff Experience Communicating with Ships Crew

The first element emerging from the data within the transitional code of 'functional standardisation as a product' is titled "Using Staff Experience Communicating with Ships Crew." The interaction between boarding officers and the ship's crew plays a crucial role in gathering valuable firsthand information that can enhance and refine the code book. Boarding officers, responsible for ensuring that all necessary items are on board a ship, have direct contact with the crew, allowing them to observe daily operations and the challenges faced on the ship.

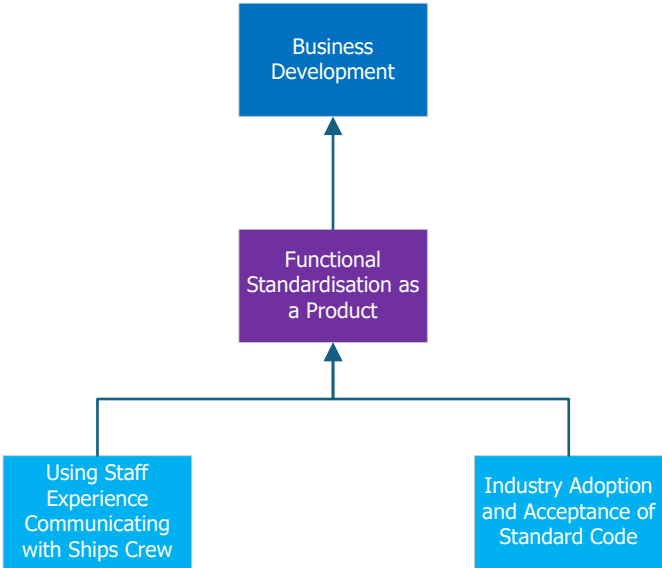


Figure 4.2.4.4.3 Functional Standardisation as a Product

By interacting with the crew, boarding officers can gather important feedback on the usability and effectiveness of the code book. This firsthand information

allows for continuous improvement and updates to ensure that the code book remains relevant and comprehensive. A division manager elaborated on the importance of communication in this process, stating:

'Once the ship arrives at the dry dock, we receive information from the shipyard or the overseas office that the ship will go to Sembawang Shipyard. The superintendent will go to the site office maybe three days before the ship's arrival, so I need to attend to speak with the superintendent to understand what type of assistance or items they need to obtain a quotation. I was looking to gather enquiries to be able to quote the superintendent. I would also try to secure orders from the captain for provisions.' (LS110192)

This dialogue is essential for ensuring that the boarding officers and managers are equipped to respond to the crew's requirements, enabling them to gather relevant information that aids in the successful incorporation of new products. A former president of the group shared insights into his experiences interacting with the ship's crew during the company's early days:

'I moved to Kobe to work in the machinery department/spare parts. At that time, the machinery department was very small, and the majority of our core business was still the shipchandling business, stores, and provisions. However, we understood that we needed to expand with technical items. Whenever we would go to a ship, we were confronted with many requests, not only for stores but also for spare parts from the chief engineer, as well as requests/demands from the ship.' (LS110117)

This highlights how direct communication not only aids in recognising customer needs but also fuels product development. Furthermore, a manager in Japan explained why the code book is vital for the organisation's operations:

'When attending to the ship, I had to receive the orders from the chief engineer or samples. He would prepare everything, including the paperwork and the samples. However, it was still my job to arrange all the items, with no other people involved. I needed to understand the items; otherwise, I could not arrange them. Effective communication with the chief engineer, the people in the engine room, the cargo engineer, the 2nd engineer, the 3rd

engineer, and the chief officer was essential to understanding the items. I had to be able to understand because they used the Kobe code book (the IMPA catalogue).' (LS110175)

This necessity for understanding highlights the critical role that effective communication plays in ensuring smooth operations. A director underscored the importance of training and learning from senior staff, stating:

'The senior staff taught me how to lead, how to deal with customers, what the customer base is, and what they need, including the descriptions from the IMPA book. I also undertook some extra study on my own for the IMPA book, as it is written in English, detailing the coding and the products with which we deal on a daily basis. A smooth operation depends on the boarding officer and how to deal with the boat captains. These are the types of things I have been learning over the past two years.' (LS110134)

This ongoing development of staff members ensures they are fully informed and capable of effectively meeting the crew's needs. Utilising staff experience in communicating with ships' crews is integral to the functional standardisation of products. It fosters an informed approach to product offerings and enhances Kobe Trading's ability to meet the evolving demands of the maritime industry. By tapping into the expertise of boarding officers and engaging with the crew effectively, the organisation ensures continuous improvement and the successful integration of new requirements into the code book.

Industry adoption and acceptance of standard code

The second element emerging from the data within the transitional code of 'functional standardisation as a product' is titled "Industry Adoption and Acceptance of Standard Code." The initiative has been extremely successful since the introduction of the Kobe trading code to the industry, as maintained by a former president of the group:

'I flew to Washington for the ISSA meeting, during which we had just begun implementing the Kobe code numbers to streamline our daily operations. Subsequently, we computerised the process. At that time, we had a very basic computer system installed in Japan. Our catalogue was just being prepared, consisting solely of the code numbers. These code numbers were communicated to

the sailing ships, and the communication was conducted using the code numbers and their descriptions. The ships would then reply by cable, providing only the code number. I brought a small data set to the ISSA meeting in Washington, and the attendees were astonished. They remarked, "Look at this! It is amazing that Kobe Trading is able to process orders solely through code numbers and quantities." This was the initial introduction of our computerised methods. At that time, the president of ISSA was B1-san, and I will never forget him. He was telling everyone, "Look at this! This is based entirely on a code number." (LS110112)

This key moment not only demonstrated Kobe Trading's innovative spirit but also underscored the increasing interest within the industry for standardised processes. The adoption of the Kobe code marked a shift towards more efficient and transparent operations in the industry. As a manager in Japan professed:

'If I couldn't understand the communication with the chief engineer, the people in the engine room, the cargo engineer, the second engineer, the third engineer, or the chief officer regarding the items, it was essential for me to gain a clear understanding. They relied on the Kobe book (the IMPA catalogue) for information, and we therefore relied on the IMPA book for reference and guidance.' (LS110175)

This statement underscores the necessity of clarity in communication across various roles within the maritime sector. The reliance on standard references like the Kobe book enabled staff to efficiently manage tasks and minimise misunderstandings. The Kobe/IMPA book is a global standard in the maritime industry.

4.3 The intricate relationships between the various components within the theoretical framework

In this paragraph, the intricate relationships between the core concepts within the theoretical framework will be examined. By examining how these elements interact and influence one another, deeper understanding of the dynamics at play in the research topic will become evident.

4.3.1 The intricate relationship between 'cultural elements of traditional Japanese management' and 'cornerstones of expatriate assignment alignment'

The intricate relationship as depicted in figure 4.3.1 between the cultural elements of traditional Japanese management and the cornerstones of expatriate assignment alignment within Japanese J-form organisations displays a complex interplay of values and practices that drive organisational success both domestically and internationally.

At the core of traditional Japanese management are key cultural components such as lifetime employment, the seniority principle, loyalty and obedience, and job rotation. These elements create a stable workforce where employees are valued for their tenure and commitment to the organisation. Lifetime employment fosters a strong sense of security and belonging, which, along with the seniority principle, provides a clear pathway for career progression that emphasises loyalty over individual performance.

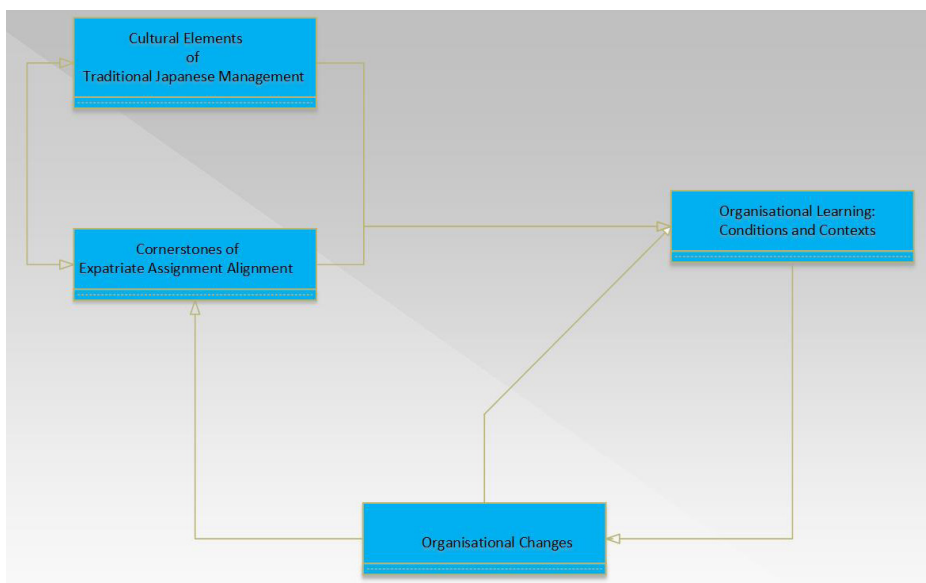


Figure 4.2 Theoretical framework: Organisational Learning in the Internationally Operating J-Form Organisation

In the context of expatriate assignments, these cultural elements significantly influence how Japanese firms operate abroad. The cornerstones of expatriate assignment alignment reflect a strategy that ensures that the expatriate experience aligns with the overarching values and practices of Japanese

management. This alignment is crucial for maintaining coherence across global networks, especially as Japanese companies seek to assert their corporate identity and management style in diverse markets.

Expatriate assignments are strategically designed to leverage the stability and loyalty inherent in Japanese management culture. Senior expatriates often serve as cultural ambassadors, bridging the gap between headquarters and local practices while maintaining fidelity to Japanese management norms. Their role is vital in transferring knowledge, preserving corporate identity, and fostering cohesion among local staff.

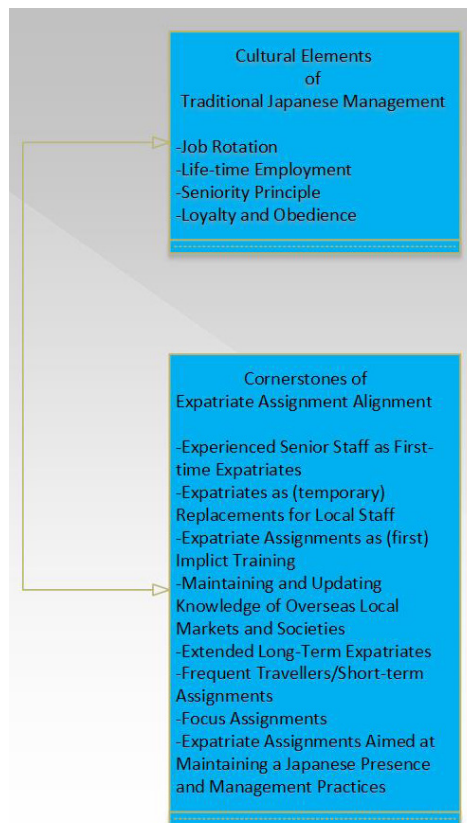


Figure 4.3.1 The intricate relationship between 'cultural elements of traditional Japanese management' and 'cornerstones of expatriate assignment alignment'

The connections between the cultural elements and expatriate assignments can be seen through several dimensions. For instance, the principle of loyalty and obedience extends to expatriate staff, who are expected to embody these

values as they adapt to local environments. Additionally, job rotation practices seen in Japan are mirrored in the way expatriates are deployed across international offices, allowing them to gain diverse experiences while also contributing to the organisation's global strategy.

Moreover, the seniority principle reinforces the structure of expatriate assignments; seasoned employees often take on expatriate roles, ensuring that the transfer of knowledge and practices is carried out by those with extensive experience. This serves to not only stabilise expatriate assignments but also helps in the effective management of local staff during transitions, particularly in situations where local expertise may be diminished.

Overall, the interrelation between the cultural elements of traditional Japanese management and the cornerstones of expatriate assignment alignment demonstrates how deeply rooted values shape the strategic approaches of Japanese companies operating in international markets. This synergy is essential for sustaining organisational integrity and cultural coherence while navigating the complexities of cross-cultural management and local adaptation.

Such a relationship underscores the importance of viewing expatriate assignments not just as operational tasks, but as integral components of a holistic management philosophy that reinforces Japanese corporate values in a global context.

4.3.2 The intricate relationship between 'cultural elements of traditional Japanese management', 'cornerstones of expatriate assignment alignment', and 'organisational learning: conditions and contexts'

The intricate relationship as depicted in figure 4.3.2 between the cultural elements of traditional Japanese management, particularly the aspects of loyalty and job rotation, and the cornerstones of expatriate assignment alignment within Japanese J-form organisations reveals how these components mutually reinforce one another to create a robust learning environment.

In traditional Japanese management, loyalty and long-term employment are pivotal.

These principles promote stability and a deep sense of commitment among employees. This context directly facilitates organisational learning: conditions and contexts by fostering an atmosphere where individuals feel secure to share

knowledge and experiences without the fear of job insecurity or competition. This loyalty encourages tacit learning, where knowledge is acquired through experience, observation, and engagement, rather than formal training or explicit instruction.

Moreover, job rotation, a key cultural practice, supports this learning approach by enabling employees to work in various roles within the company. This practice not only broadens employees' skill sets and understanding of the organisation's operations but also enhances collaboration and communication among teams. As employees rotate through different positions, they build relationships and a collective understanding of the organisation, which is crucial for effective knowledge transfer.

The core category of 'Organisational Learning: Conditions and Contexts' addresses the specific conditions necessary to enhance such tacit learning in Japanese organisations. Highlighting the interplay between human resource management practices and management strategies underscores the importance of creating environments that support practical, experiential learning. The emphasis on tacit learning aligns with the cultural elements of Japanese management by stressing the need for holistic approaches that integrate various human resource strategies to cultivate an effective learning atmosphere. In parallel, the cornerstones of expatriate assignment alignment reflect a strategic approach to ensure that expatriate experiences are in harmony with the values and practices of Japanese management. Senior expatriates, acting as cultural ambassadors, facilitate the implementation of global strategies while adapting to local conditions. Their roles are critical in transferring knowledge and ensuring that corporate identity is maintained across international contexts.

The shift to using transitional coding in the analysis highlights the complexity of this relationship and reinforces the need for nuanced examination. The three identified subcategories, Planned individual tacit learning, Structured guided learning, and Group network learning, illustrate the diverse approaches within the context of organisational learning: conditions and contexts that align with cultural practices. Each subcategory encapsulates different facets of how learning can be effectively structured to harness the experiences and insights of employees, thereby enhancing the organisation's knowledge base.

The interplay between the cultural elements of traditional Japanese management, the cornerstones of expatriate assignment alignment, and organisational

learning: conditions and contexts underscores how loyalty, job rotation, and a focus on tacit knowledge acquisition can collectively create a fertile environment for continuous learning and development within J-form organisations. By understanding these interconnections, organisations can better navigate the complexities of fostering an effective learning culture that reflects and benefits from their foundational values.

4.3.3 The intricate relationship between 'organisational learning: conditions and contexts' and 'organisational changes'

The intricate relationship as depicted in figure 4.3.3 between 'Organisational Learning: Conditions and Contexts' and 'Organisational Changes' within Japanese J-form organisations illustrates how effective learning processes underpin adaptive strategies that are essential for thriving in the dynamic and competitive maritime industry. Organisational learning emphasises the significance of tacit knowledge, acquired through practical experiences, engagement, and observation. This focus on tacit learning cultivates a culture where continuous improvement and knowledge sharing are fundamental. In J-form organisations, a holistic approach to human resource management supports this culture by encouraging collaboration and guided experiences. The framework comprises essential subcategories such as Planned Individual Tacit Learning, Structured Guided Learning, and Group Network Learning, all of which contribute to an environment conducive to adaptation.

Conversely, organisational changes are critical for J-form organisations to maintain their competitiveness and relevance in an evolving landscape. The maritime industry, shaped by technological advancements and regulatory shifts, necessitates ongoing evolution in organisational practices. A strong emphasis on business development strategies enables these organisations to explore new markets, establish strategic partnerships, and diversify their service offerings, ultimately seizing new opportunities and enhancing resilience.

Strategic adaptations changes play a pivotal role in how J-form organisations adjust to the dynamic demands of the global maritime industry. This aspect is characterised by two transactional codes.

The first, 'Utilising Network Learnings and Best Practices,' underscores the importance of leveraging shared knowledge within the organisational network. J-form organisations incorporate insights from both local and global practices,

recognising that innovation often arises from the amalgamation of diverse ideas and methodologies. Such openness to learning, even at the expense of traditional practices, enhances competitiveness and fosters innovation.

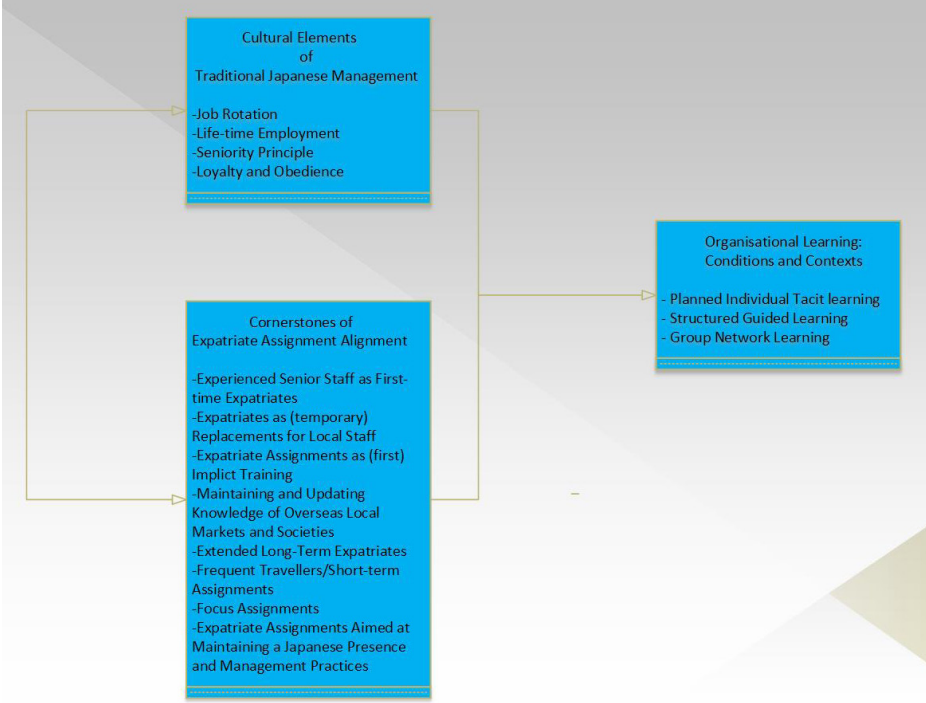


Figure 4.3.2 The intricate relationship between ‘cultural elements of traditional Japanese management’, ‘cornerstones of expatriate assignment alignment’, and ‘organisational learning: conditions and contexts’

The second transactional code, ‘Network Extensions,’ highlights the proactive strategies employed by J-form organisations to expand their operational footprint. By cultivating relationships with business partners, establishing temporary collaborations, and strengthening ties with local manufacturers, these organisations effectively navigate the complexities of the maritime industry. Robust networking facilitates seamless operations and communication, thereby promoting efficiency in partnerships.

Responsiveness and performance are also critical for J-form organisations as they navigate the intricacies of a rapidly changing global market. Efficient communication and timely decision-making are essential; however, cultural nuances in Japanese communication styles, characterised by indirectness

and formality, can pose challenges in cross-cultural interactions. This context underscores the importance of enhancing responsiveness to ensure effective performance in international dealings. Furthermore, improving organisational agility pertains to an organisation's capacity to swiftly adapt to changes in market conditions and customer demands. The traditional meticulous approaches of J-form organisations may not inherently support the level of agility required in the maritime industry, where demand fluctuations and external factors necessitate rapid pivots.

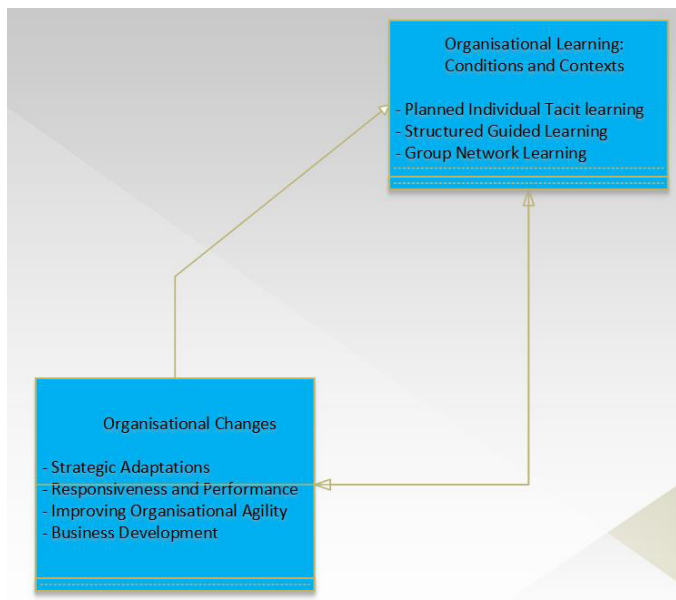


Figure 4.3.3 The intricate relationship between 'organisational learning: conditions and contexts' and 'organisational changes'

To address this need for agility, organisations are focusing on several transactional codes. For instance, managing unforeseen circumstances entails creating ad hoc problem-solving teams capable of addressing challenges that arise during international operations, thus fostering operational resilience in the face of unpredictability. The rejuvenation of learning routines and responsibilities is another critical focus, as empowering younger employees with essential roles ensures organisational continuity and promotes innovation, thereby addressing the shortages of senior staff and equipping the organisation to navigate contemporary challenges. Additionally, the introduction of diverse perspectives within senior management, including non-Japanese individuals, reflects a strategic response to evolving workforce

dynamics. Such inclusion enriches decision-making processes and further strengthens organisational agility.

The interplay between organisational learning, conditions and contexts, and organisational changes highlights the importance of fostering a culture of continuous learning and adaptability. By integrating effective learning strategies, embracing strategic adaptations, enhancing responsiveness and performance, and improving organisational agility, J-form organisations can position themselves to thrive amidst the complexities of the global maritime industry. This holistic approach not only addresses immediate operational challenges but also fosters long-term resilience and success in an ever-evolving maritime environment.

4.3.4 The intricate relationship between 'organisational changes' and 'cornerstones of expatriate assignment alignment'

The intricate relationship, as depicted in figure 4.3.4, between organisational changes and the cornerstones of expatriate assignment alignment within Japanese J-form organisations highlights how both elements are interdependent in achieving strategic adaptability and operational success in the global maritime industry. Organisational changes are essential for J-form organisations as they navigate the complexities of an evolving market landscape. These changes are characterised by a commitment to business development, which enables organisations to explore new markets, forge strategic partnerships, and broaden their service offerings. Such efforts not only allow organisations to seize new opportunities but also to diversify revenue streams, thereby enhancing sustainability and competitiveness. The necessity for continuous organisational evolution is underscored by external factors such as technological advancements and shifting regulatory environments that demand strategic adjustments to align operational practices with strategic objectives.

In this context, expatriate assignment alignment plays a vital role. The cornerstones of expatriate assignment alignment involve a strategic approach that ensures overseas offices adhere to headquarters' values, practices, and goals. Senior employees and seasoned expatriates typically carry the responsibility of implementing global strategies at the local level while adapting to regional conditions. By effectively leveraging expatriates, J-form organisations maintain consistency in their management practices across various networks, facilitate knowledge transfer, and reinforce corporate identity.

Moreover, expatriates serve as cultural ambassadors who help bridge the gap between localised operations and the broader organisational mission. They not only address immediate challenges that arise from staffing gaps but also enhance knowledge development among employees at different career stages. This is particularly important as expatriates can provide continuity and stability, especially in scenarios where experienced local staff leave unexpectedly.

The cornerstones of expatriate assignment alignment are instrumental in facilitating the necessary organisational changes. For instance, the strategic deployment of experienced senior staff as first-time expatriates and the utilisation of expatriates as temporary replacements embody the adaptability needed to respond to evolving market conditions. Additionally, the rejuvenation of learning routines facilitated by expatriate assignments promotes organisational agility, enabling the firm to respond swiftly to fluctuations in customer demands and regulatory shifts. Ultimately, through an exploration of strategic adaptations, responsiveness, and performance improvements, we uncover the intricate tapestry woven from the interdependence of organisational changes and expatriate assignment alignment, revealing a multifaceted framework essential for thriving in the maritime industry.

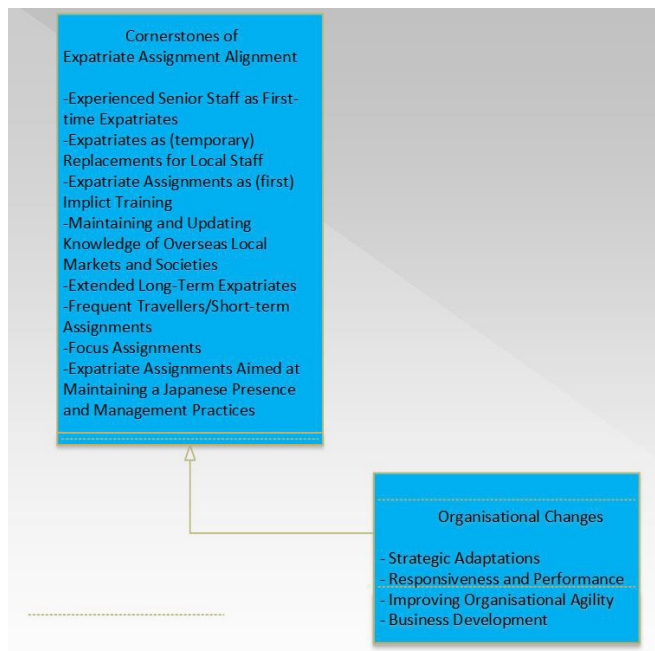


Figure 4.3.4 The intricate relationship between 'Organisational changes' and 'Cornerstones of expatriate assignment alignment'

This holistic perspective underscores the dynamic interplay of various elements cultural nuances, strategic objectives, and operational practices that collectively shape the organisational landscape. By recognising these complexities, organisations can develop an enriched understanding of how expatriate roles influence not just operational outcomes, but also the ethos and identity of the organisation itself. Furthermore, the synergy between organisational changes and expatriate alignment parallels broader theoretical constructs, such as adaptability and learning, which are crucial for sustaining competitive advantage in a rapidly changing environment. The integration of diverse perspectives through expatriate experiences cultivates innovation by challenging existing paradigms and fostering a culture of continuous learning. Ultimately, embracing this richness allows organisations to not merely react to changes but to proactively shape their futures in an increasingly interconnected global marketplace. Thus, a nuanced exploration of these factors positions J-form organisations not only for success but also for meaningful progression and transformation within the maritime industry.



Chapter 5

Unpacking Complexity: A Comparative Analysis of Grounded Theory and Established Theories in Organisational Learning and Expatriation

5.1 Introduction

In this chapter, I will compare the grounded theory developed in Chapter 4 with established theories to highlight its strengths and weaknesses. This analysis aims to discuss how the theory developed here contributes to a deeper understanding of the subject matter. As indicated in Chapter 1, this discussion forms an integral part of the theory development involved in applying the grounded theory methodology. The discussion, in which the grounded theory developed here is confronted with existing theories, is therefore not only instrumental but also necessary in answering the central research question:

How do Japanese expatriate assignments in the traditional and alternative expatriate cycles contribute to organisational learning from locally embedded knowledge in geographically dispersed subsidiaries?

Based on a detailed analysis of the data collected during a thorough process involving multiple rounds of interviews, four core categories emerged. These categories are essential for comprehending the role of expatriate arrangements in shaping organisational learning within J-form organisations. The identified categories are: (1) Cultural elements of traditional Japanese management, (2) Cornerstones of expatriate assignment alignment, (3) Organisational Learning: Conditions and Context, and (4) Organisational Changes. Each of these main concepts, explored in Chapter 4, consists of numerous interrelated concepts across various levels of abstraction, underscoring the need for a holistic framework to grasp the complexity of these interactions and their influence on organisational learning within J-form organisations.

The relationships among these core concepts are inherently reciprocal, contributing to the complexity of the phenomenon. For example, cultural elements such as loyalty enhance organisational learning by fostering trust, while ensuring that expatriate assignments reflect traditional Japanese values, even as they adapt to local contexts. The connection between 'cultural elements of traditional Japanese management' and 'cornerstones of expatriate assignment alignment' fosters a cohesive organisational identity. Lifetime employment and loyalty strengthen commitment, while alignment ensures that these values are upheld globally, thus facilitating effective knowledge transfer. The relationship between 'organisational learning: conditions and contexts' and 'organisational changes' highlights how effective learning processes and the integration of locally embedded knowledge inform adaptive strategies. Tacit knowledge

derived from experiential learning enriches organisational adaptation, reinforcing the significance of continuous improvement. Finally, the interplay between 'organisational changes' and 'cornerstones of expatriate assignment alignment' demonstrates that adaptations require alignment with expatriate practices to maintain cultural consistency and facilitate effective knowledge transfer. Together, these relationships form a complex web that necessitates a holistic theory to fully understand the dynamics within J-form organisations.

The interplay between 'cultural elements of traditional Japanese management' and 'cornerstones of expatriate assignment alignment' is crucial for success both domestically and internationally. Key cultural elements foster a stable, like-minded workforce and guide expatriate operations abroad, ensuring alignment with traditional Japanese management practices that are vital for maintaining corporate identity and promoting knowledge transfer. This relationship clarifies the first two core concepts of the grounded theory developed here, which explores the dynamic processes of organisational learning and adaptation but also highlights their critical role in enhancing organisational learning and corporate identity in complex J-form environments. The synergy among these core concepts creates a robust learning environment, as loyalty and lifetime employment encourage stability and knowledge sharing, while job rotation enhances collaboration and continuous process optimisation.

Emphasising tacit knowledge development through practical experiences supports continuous improvement and collaboration. Organisational changes are essential for adapting to macroeconomic shifts, market changes, technological advancements, and local regulatory shifts, enabling J-form organisations to diversify and explore new markets. The grounded theory includes strategic adaptations such as best practices and network extensions that foster innovation and operational efficiency. Moreover, the interdependence between organisational changes and expatriate alignment is crucial for achieving adaptability in the competitive maritime industry. This alignment enhances knowledge transfer and cultural continuity, ultimately fostering a culture of continuous learning and innovation necessary for navigating the dynamic global landscape.

The four core categories and their conceptual elaboration, together with the interrelationships between the concepts at different levels of abstraction, form the building blocks on which the narrative of the theory developed here is based. In essence: the grounded theory proposes that the first category,

which features a substantial collection of cultural elements of traditional Japanese management, serves as a central pillar of organisational learning. Changes to these cultural elements influence another pillar, the cornerstones of expatriate assignment alignment, and vice versa. Together, these two pillars and core categories establish the foundation for organisational learning in internationally operating J-form organisations. Thus, they not only facilitate knowledge transfer and cultural coherence but also strengthen the organisation's adaptive capacity in diverse contexts. Organisational changes arise from this process of organisational learning, which, in turn, leads to alterations in the ways organisational learning occurs and adjustments to the cornerstones of expatriate assignment alignment, contributing to the (re)alignment of expatriate assignments. This dynamic interplay ensures that J-form organisations remain responsive and competitive, continuously refining their practices in an ever-evolving global (maritime) landscape.

The discussion in this chapter concerns the question of how the theory described in Chapter 4 relates to other theories and models regarding the phenomenon under investigation here. For example, can the theory developed here, and extant theories sharpen, complement or nuance each other, whether mutually or not, or do they diverge from each other? That discussion is structured as follows. The four core categories are each taken as a starting point for discussion in separate sections. In each section, the discussion is conducted in three steps. First, under the heading "grounded theory," a brief summary is given of the core category in question at the level of the subcategories of that core category. The second step is entitled "Exploring the existing literature". These sub-sections provide an overview of existing theories and models that are relevant in light of the core category in question. These overviews are provided at the level of the core category; the subcategories are therefore not used here as a framework for organising the presentation in sub-sections. Finally, under the heading "A comparative analysis," a comparison is made of the results of the first two steps: what can we learn from the theory developed here about existing theories and vice versa? Like the first step, this third step is also organised according to the subcategories of the core category in question.

However, section 5.5, which addresses the fourth core category, 'Organisational changes', is structured differently. It lacks a second sub-section with relevant existing theories. These theories are presented together with those for the third core category, 'Organisational learning: conditions and context', in sub-section 5.4.2. A study of the insights relating to these two core categories revealed

that there are important interrelationships within the literature. Consequently, it was decided to merge the presentation of literature associated with these two pillars. This integration is essential for achieving a holistic view, which is necessary for the comparative analysis and calls for a broader literature review that goes beyond mere topic comparisons. Nevertheless, it should be emphasised that, although these two pillars share a literature review, they are each subjected to a comparative analysis in order to examine their unique contributions and implications.

5.2 Cultural Heritage of Traditional Japanese Management: A Comparative Analysis with Existing Literature

5.2.1 Grounded Theory

The core category "cultural elements of traditional Japanese management" encompasses several interrelated subcategories: lifetime employment, the seniority principle, loyalty and obedience, and job rotation. These elements are rooted in the values and social structures of Japanese society and J-form organisations, and they collectively shape management practices.

5.2.1.1 Lifetime Employment

The practice of lifetime employment is a hallmark of traditional Japanese management, promoting job security and fostering a stable workforce. Employees are typically recruited directly from university with the expectation of remaining with the same organisation throughout their careers. This expectation represents a distinctive feature of traditional Japanese management, deeply ingrained in Japanese culture, prioritising loyalty and viewing commitment to the organisation as a means of expressing gratitude for employment opportunities. In J-form organisations, employees are considered valuable assets contributing significantly to organisational success. J-form organisations invest heavily in training and development, thereby fostering loyalty and a commitment to career progression, supplemented by rotational programmes and international assignments.

Hiring practices often rely on introduction-based methods that enhance trust and cultural alignment by requiring recommendations from existing employees or trusted contacts, leading to prolonged employment relationships. Cultural fit is prioritised over skills during recruitment, enabling seamless integration into

teams and facilitating organisational success. Despite challenges, particularly as younger generations demonstrate less loyalty to single organisations, principles of lifetime employment remain prominent, fostering a mutually beneficial relationship between employers and employees and creating a highly skilled and motivated workforce committed to continuous learning. In J-form organisations, this principle of lifetime employment encapsulates the commitment to invest in employees not just as workers but as integral members of the organisation. By hiring preferably fresh graduates (freshmen), J-form organisations are aiming to secure a dedicated workforce and underscore the importance of building enduring relationships that emphasise job security and mutual trust throughout employees' professional journeys.

5.2.1.2 The Seniority Principle

Alongside lifetime employment, the seniority principle dictates that pay raises and promotions are based on length of service rather than performance. This deeply entrenched aspect of J-form organisations reflects a cultural commitment to loyalty and an expectation for employees to remain with the company for extended periods. In return for their commitment, organisations provide job security and benefits, fostering a stable and harmonious work environment that prioritises tenure over individual achievements.

As employees progress through the organisational hierarchy, the seniority principle nurtures a culture where loyalty and dedication are highly valued. The notion that seniority is connected to accumulated knowledge and experience is deeply embedded in the traditional hierarchy of J-form organisations, which promotes operational efficiency and a commitment to unity, thereby synthesising teamwork and organisational harmony.

Furthermore, while the seniority principle fosters stability and collaboration, it also introduces a competitive dimension at higher levels, as employees compete for limited senior management positions based on a combination of length of service and performance. This interplay between competition and collaboration exemplifies the nuanced balance within J-form organisations, reinforcing the belief that enduring commitment is essential for personal and organisational success.

5.2.1.3 Loyalty and Obedience

The values of loyalty and obedience are crucial within Japanese J-form organisations. Employees are expected to demonstrate dedication, prioritising

organisational interests above personal considerations. Obedience is central; employees must follow directives from their superiors, reflecting the centralised authority needed for efficient operations and cohesive teamwork. Key components include extended expatriate assignments, directive leadership, and a strong work ethic characterised by loyalty and dedication.

Extended expatriate assignments exemplify unwavering loyalty, with employees undertaking long-term overseas roles to foster relationships with local stakeholders, thus enhancing the organisation's integration within different cultural contexts. Directive leadership manifests through top-down decision-making, with employees recognising their hierarchical responsibilities. Loyalty forms the foundation of lifetime employment, encouraging employees to prioritise organisational needs and contributing to a sense of cohesion. Dedication is deeply rooted in a strong work ethic, with employees often exceeding expectations, while obedience is complemented by mutual respect, fostering a collaborative decision-making environment.

5.2.1.4 Job Rotation

The principle of job rotation serves as a vital connector among the cultural elements, further illustrating Japan's collectivist culture, where the company's success is tied to employee development, teamwork, and loyalty. Employees are often encouraged to prioritise the needs of the organisation over individual aspirations. Allowing employees to work in various positions fosters a comprehensive understanding of the business and cultivates a diverse skill set. Job rotation prioritises experiential learning and long-term employee development, promoting continuous improvement and flexibility within the workforce. By gaining insights into various roles, employees enhance collaboration and motivation. This structured approach contrasts with Western contexts, which often focus on individual career objectives. In Japanese organisations, job rotation emerges from two key themes: implicit training and subsequent training leading to increased responsibility.

Implicit training emphasises experiential learning through hands-on practices, enhancing adaptability and organisational understanding. Subsequent training involves incremental responsibility, preparing employees for higher roles and fostering a culture of continuous improvement and engagement. These principles underscore a commitment to employee development and the goal of cultivating a highly skilled, adaptable workforce, reinforcing the interrelated nature of the core cultural elements of traditional Japanese management.

By implementing job rotation practices, organisations in Japan endeavour to cultivate a workforce that is engaged, high-performing, and well-rounded, which also reflects the principles inherent in lifetime employment and the seniority system.

5.2.2 Exploring the Existing Literature

Central to *Nihon-teki keiei* are elements such as lifetime employment, annual recruitment of university graduates, a seniority-based promotion system, in-house training, and a specific welfare regime (Shinato & Kato, 2018). These mechanisms are deeply embedded within the cultural fabric of Japanese society, manifesting through four pivotal systems: a comprehensive human resource management framework, a unique communication and decision-making process, intercompany relationships exemplified by *keiretsu* like affiliations, and a distinctive corporate governance model (Watanabe, 2018).

The efficacy of *Nihon-teki keiei* is predicated upon a rigorous employee selection methodology that prioritises cultural fit over mere qualifications (Schneider, 1988; Watanabe, 2018; Beechler & Yang, 1994; Keys & Miller, 1984). This process is designed not only to ensure alignment with corporate values but also to foster a coherent organisational culture (Schneider, 1988; Watanabe, 2018; Beechler & Yang, 1994; Keys & Miller, 1984). New employees, informally referred to as "freshmen," typically undergo extensive training within dedicated facilities, followed by on-the-job experiences that refine their multi-functional capabilities (Sakakibara & Westney, 1992). This rotational approach aims to cultivate versatile employees, ensuring that they develop a comprehensive understanding of the organisation's operations and culture (Sugimoto, 2010). Investment in such extensive training is expected to materialise throughout the employee's career, as both parties commit to the ideals of the Japanese lifetime employment principles (Robinson, 2003; Keys & Miller, 1984).

Interestingly, this preference for hiring university graduates rather than experienced workers reflects a cultural conviction that individuals from different organisations may struggle to adjust to a new corporate environment (Robinson, 2003). This perspective considers external candidates as potentially disruptive to the existing company culture, thereby perpetuating the stability and continuity that define many Japanese firms (Robinson, 2003).

Hofstede's cultural dimensions theory provides a valuable lens through which to analyse the national cultural characteristics influencing traditional

Japanese management (Huang et al., 2019). Despite criticisms, Hofstede's model can be a useful framework for understanding the complexities of Japanese culture (Huang et al., 2019). Japan's score of 95 on the masculinity dimension illustrates a societal emphasis on perfectionism across various spheres, including work (Gustafsson & Ingvarsson, 2019; Bergiel et al., 2012). However, this does not translate to individual assertiveness; rather, it fosters a collective spirit that drives employees to compete as cohesive units against rival organisations (Gustafsson & Ingvarsson, 2019; Hofstede Insights, 2019).

In addition, the cultural phenomenon of workaholism and extreme loyalty to one's employer has been cited as a contributing factor to workplace suicides, highlighting the severe consequences of intense job dedication (Hofstede Insights, 2019). This aspect is particularly pertinent when considering the challenges faced by women in advancing within traditional corporate structures, as cultural expectations often place greater demands on male employees (Hofstede Insights, 2019).

Another noteworthy characteristic of Japanese culture is its long-term orientation, demonstrated by a score of 88 on Hofstede's scale (Hofstede Insights, 2019). Traditionally, Japanese employees have been dedicated to the long-term sustainability of their companies and stakeholder interests rather than focusing exclusively on short-term profits (Gustafsson & Ingvarsson, 2019; Bergiel et al., 2012; Hofstede Insights, 2019). However, demographic trends suggest an imminent shift towards short-term thinking as Japan grapples with a rapidly aging population, thereby compromising the traditionally robust intergenerational ethos (Gustafsson & Ingvarsson, 2019; Bergiel et al., 2012).

The commitment to lifetime employment necessitates substantial company investment in employee training and development; this enduring relationship is perceived as mutually rewarding, fostering loyalty and devotion (Robinson, 2003; Keys and Miller, 1984). Nevertheless, this implicit contract does not equate to employee complacency (Sugimoto, 2010; Ono, 2010). Companies expect significant dedication from employees, reinforcing this ethos through promotion and remuneration practices that emphasise seniority during the early stages of a career (Sugimoto, 2010; Ono, 2010). This seniority-based progression, while common in the initial phases of employment, cannot be maintained indefinitely due to the pyramidal structure of traditional Japanese companies (Takahashi, 2006). As employees advance, competition for higher

ranks becomes increasingly pronounced, necessitating a greater emphasis on performance metrics, interpersonal skills, and cooperativeness (Takahashi, 2006; Graen et al., 2006; Sugimoto, 2010).

Within this competitive context, employees are constantly aware of the evaluative processes at play and the implications these evaluations hold for their career trajectories, thereby driving them to invest considerable time and effort into their roles (Graen et al., 2006; Sugimoto, 2010). These dynamics foster a culture of company loyalty and group harmony, norms that are deeply rooted in Japan's historical and religious backgrounds, particularly family structures influenced by Shintoism, Buddhism, and Confucianism (Rarick, 1994; Bhappu, 2000). The intertwining of familial and corporate hierarchies echoes the traditional 'ie' family system, where the authority figure is expected to uphold harmony and consensus decision-making (Ala & Cordeiro, 1999). The consensus-based approach, embodied in the 'ringi system,' has evolved to accommodate the growing complexities of modern enterprises (Dasgupta et al., 2019; Kotabe, 2020; Ala & Cordeiro, 1999). This method underscores the importance of collective dialogue in decision-making, reflecting a fundamental aspect of Japanese culture that values group consensus over individual authority (Dasgupta et al., 2019; Kotabe, 2020; Ala & Cordeiro, 1999).

5.2.3. Comparative Analysis

The grounded theory elucidates the "cultural elements of traditional Japanese management" through the core subcategories: lifetime employment, the seniority principle, loyalty and obedience, and job rotation. These elements are deeply intertwined with the values and social structures mentioned in the existing literature, notably articulated by scholars such as Shinato and Kato (2018) and Watanabe (2018).

5.2.3.1 Lifetime Employment

Central to Nihon-teki keiei are elements such as lifetime employment, annual recruitment of university graduates, and a seniority-based promotion system (Shinato & Kato, 2018). These elements are woven into the cultural fabric of Japanese society, manifesting through key systems including a comprehensive human resource management framework and a distinctive corporate governance model (Watanabe, 2018).

The literature highlights that lifetime employment is fundamental to traditional Japanese management, promoting job security and fostering a stable workforce

(Shinato & Kato, 2018). In the grounded theory, this expectation reflects a commitment to loyalty, demonstrating the importance of seeing employees as integral members of the J-form organisation, which is crucial for sustainability within these firms. The efficacy of Nihon-teki keiei relies on a rigorous selection process that prioritises cultural fit over mere qualifications (Schneider, 1988; Watanabe, 2018; Beechler & Yang, 1994; Keys & Miller, 1984). This resonates with the grounded theory's emphasis on hiring practices that preferably rely on introduction-based methods to enhance trust and facilitate organisational success.

The preference for hiring university graduates rather than experienced workers reflects a cultural conviction that external candidates may disrupt the existing organisational culture and stability (Robinson, 2003). This perspective underscores the importance of job security and the responsibility of employees to embody the organisational culture and values. Hofstede's cultural dimensions theory provides valuable insights into the cultural characteristics influencing traditional Japanese management (Huang et al., 2019). While the grounded theory shares this perspective, it elucidates how loyalty is deeply ingrained in Japanese corporate culture.

Japan's score of 95 on the masculinity dimension indicates a societal emphasis on perfectionism, fostering a collective spirit among employees to work cohesively (Gustafsson & Ingvarsson, 2019; Bergiel et al., 2012). Furthermore, extreme loyalty to one's employer can have severe consequences, including workplace suicides, underscoring the intense dedication expected of employees (Hofstede Insights, 2019).

Another notable characteristic is Japan's long-term orientation, as indicated by a score of 88 on Hofstede's scale (Hofstede Insights, 2019). Traditionally, Japanese employees have focused on the sustainability of their companies rather than solely on short-term profits (Gustafsson & Ingvarsson, 2019; Bergiel et al., 2012). However, demographic trends suggest potential shifts as younger generations may begin to deviate from longstanding commitments influenced by evolving job expectations (Gustafsson & Ingvarsson, 2019; Bergiel et al., 2012).

The commitment to lifetime employment necessitates significant investment in employee training and development, seen as mutually beneficial (Robinson, 2003). This reflects the grounded theory's emphasis on extensive development opportunities while reminding us of that expectations of dedication must not lead to complacency (Sugimoto, 2010; Ono, 2010).

5.2.3.2 The Seniority Principle

The seniority principle holds an essential position in traditional Japanese management, determining that promotions and pay raises are primarily based on length of service rather than individual performance. This principle plays a more or less central role in fostering a cultural commitment to loyalty and an expectation for employees to remain with the company for extended periods (Robinson, 2003; Keys and Miller, 1984). In the grounded theory, the interplay between lifetime employment and the seniority principle reinforces the notion that employees are seen as integral members of the organisation, which is crucial for long-term sustainability (Shinato & Kato, 2018).

As employees progress through the organisational hierarchy, the seniority principle illustrates how loyalty and dedication are highly valued. The literature emphasises that this principle nurtures a stable work environment and links seniority to the accumulated knowledge and experience of employees (Takahashi, 2006; Graen et al., 2006; Sugimoto, 2010). This connection to seniority nuances the understanding of how traditional practices support operational efficiency and collective harmony within J-form organisations, ultimately fostering a sense of teamwork. However, while the seniority principle promotes stability, it also introduces a competitive dimension at higher levels, particularly as employees compete for limited senior management positions. This competition supplements the existing framework by highlighting how a combination of tenure and performance metrics influences career advancement (Graen et al., 2006; Sugimoto, 2010; Takahashi, 2006).

The grounded theory can refine this discussion by examining how employees become increasingly aware of evaluative processes that shape their roles and expectations, motivating them to invest effort into their career development. Moreover, this cultural principle often leads to the prioritisation of seniority over performance, which may not always align with modern (J-form) organisational needs. The ongoing shifts in workforce dynamics, particularly among younger generations, may indicate gaps in how these expectations are evolving, as some employees may begin to deviate from traditional loyalty commitments (Hofstede Insights, 2019; Gustafsson & Ingvarsson, 2019; Bergiel et al., 2012). This aspect raises important questions about the longevity of the seniority principle as demographic changes influence job expectations and employee behaviour.

Finally, the seniority principle's focus on collaboration and group harmony conforms to the longstanding values embedded in Japanese culture, as

reflected in the consensus-based approach seen in the 'ringi system' (Dasgupta et al., 2019; Kotabe, 2020; Ala & Cordeiro, 1999). This cultural value system fits well with the notion that successful decision-making prioritises group consensus over individual authority, further reinforcing the cultural norm of loyalty tied to seniority.

5.2.3.3 *Loyalty and Obedience*

Loyalty and obedience are foundational values in Japanese J-form organisations, considerably shaping employee behaviour and organisational dynamics. These values align closely with the principles of lifetime employment discussed in the literature, which reflect a cultural commitment to prioritising organisational needs above personal considerations (Robinson, 2003; Keys & Miller, 1984; Shinato & Kato, 2018). In the grounded theory, loyalty extends beyond mere dedication; it embodies a profound commitment that fosters cohesion within the J-form organisation.

The concept of extended expatriate assignments exemplifies loyalty in practice, with employees willingly taking on long-term roles abroad to build relationships with local stakeholders. These assignments illustrate the dedication demonstrated by Japanese expatriates, showing how personal sacrifices, such as being away from family, are often made to strengthen the J-form organisation's ties with diverse cultural contexts. This complements findings in the literature that highlight how Japanese firms emphasise enduring relationships to maintain stability and continuity (Robinson, 2003; Keys & Miller, 1984). In the grounded theory, this vision of loyalty resonates with the expectation for organisational allegiance that transcends individual considerations.

Directive leadership is a trademark of Japanese management, characterised by clear hierarchical structures that consolidate authority and streamline decision-making. This approach aligns with the findings about centralised authority being crucial for operational efficiency and cohesive teamwork (Schneider, 1988; Watanabe, 2018; Beechler & Yang, 1994; Keys & Miller, 1984). The grounded theory can supplement this understanding by focusing on how directive leadership nurtures a coherent organisational culture, thereby reinforcing employee adherence to organisational values and expectations. Loyalty is intimately connected to lifetime employment in the context of Japanese culture. The emphasis on loyalty and obedience cultivates an environment where enduring commitment is expected and highly valued. This

notion of loyalty often translates into a strong work ethic among employees, who are willing to dedicate long hours to their jobs (Sugimoto, 2010; Ono, 2010; Graen et al., 2006). The grounded theory nuances this understanding by exploring how these cultural expectations shape employee perceptions of their roles and responsibilities within the organisation.

Moreover, the principle of obedience fostered by mutual respect between management and employees is essential for collaborative decision-making. This dynamic is reflected in the literature that discusses how management often consults relevant stakeholders to ensure broad consensus before making important decisions (Dasgupta et al., 2019; Kotabe, 2020; Ala & Cordeiro, 1999). Such collaborative relationships fit well with the concept of loyalty in the grounded theory, demonstrating how a foundation of respect can enhance organisational coherence and alignment with collective objectives. Finally, the principle of determination, as intertwined with loyalty and obedience, underscores the cultural fabric of J-form organisations. Employees display deep commitment to both their individual and organisational goals, thereby reinforcing the interconnectedness of these values.

5.2.3.4 Job Rotation

The principle of job rotation serves as a vital connector among the cultural elements of traditional Japanese management, reinforcing the collectivist culture where organisational success is closely tied to employee development, teamwork, and loyalty (Rarick, 1994; Bhappu, 2000; Shinato & Kato, 2018). This principle encourages employees to prioritise organisational needs over personal aspirations, aligning well with the cultural expectations embedded in Japanese society (Dasgupta et al., 2019; Kotabe, 2020; Ala & Cordeiro, 1999).

Job rotation fosters a comprehensive understanding of the business and cultivates a diverse skill set among employees. This approach supports the notion of experiential learning, which enhances adaptability and operational understanding, as discussed by Sakakibara & Westney (1992). The grounded theory supplements this view by illustrating how exposure to various roles encourages collaboration and reinforces employee motivation.

Furthermore, job rotation is intrinsically linked to implicit training methods that emphasise hands-on experience, preparing employees for increased responsibility. This connection nuances the grounded theory, which shows how such training builds leadership qualities and teamwork abilities, essential

for creating a high-performing workforce (Schneider, 1988; Watanabe, 2018; Beechler & Yang, 1994; Keys & Miller, 1984). This aligns with the literature's emphasis on the importance of consistent, ongoing development in career growth (Schneider, 1988; Watanabe, 2018; Beechler & Yang, 1994; Keys & Miller, 1984).

Additionally, the systematic approach to job rotation promotes continuous improvement within J-form organisations. As employees gain insights into different roles, they develop a more nuanced understanding of the network organisation's operations. This aspect reflects the findings of Robinson (2003) and Keys and Miller (1984), highlighting how comprehensive development practices enhance employee engagement and satisfaction, contributing to organisational loyalty.

Importantly, the interconnection of job rotation with the principles of lifetime employment and the seniority system demonstrates how it bolsters organisational commitment. By investing in employees' diverse training opportunities, companies reinforce values of loyalty and teamwork, ultimately fostering a culture that supports sustained success (Takahashi, 2006; Graen et al., 2006).

The principle of job rotation enhances the interconnectedness of loyalty and teamwork in Japanese management as well as provides a structured strategy for developing a skilled, adaptable workforce. The insights gained from examining job rotation enrich the understanding of cultural elements inherent in Japanese organisations, showcasing the commitment to nurturing both the employees and the organisation as a whole (Takahashi, 2006; Graen et al., 2006; Sugimoto, 2010).

5.3 Strategic Foundations of Expatriate Assignment Alignment: A Comparative Analysis with Established Literature

5.3.1 Grounded Theory

The core category 'cornerstones of expatriate assignment alignment' encompasses several interrelated subcategories: experienced senior staff as first-time expatriates, expatriates as temporary replacements for local staff, expatriate assignments as implicit training, maintaining and updating knowledge of overseas local markets and societies, extended

long-term expatriates, frequent travellers or short-term assignments, focus assignments, and expatriate assignments aimed at maintaining a Japanese presence and management practices.

These subcategories are integral to the alignment of expatriate roles with organisational goals and values within J-form organisations, shaping the overall effectiveness of expatriate assignments and the success of global operations. The significance of experienced senior staff as first-time expatriates lies in their ability to adapt and share knowledge within their new environments. Expatriates as temporary replacements for local staff ensure continuity during transitions, while expatriate assignments as implicit training prepare less experienced staff for future roles.

Moreover, maintaining and updating knowledge of local markets allows expatriates to remain responsive to changing conditions, while extended long-term expatriates provide stability and continuity in Japanese leadership. Frequent travellers or short-term assignments supplement this structure, allowing for flexibility and targeted intervention, whereas focus assignments directly align with organisational strategies to achieve specific objectives. Finally, expatriate assignments aimed at maintaining a Japanese presence and management practices ensure that J-form organisational culture and traditional Japanese values are preserved across global operations. Collectively, these subcategories illustrate the strategic approach necessary for successful expatriate integration and alignment within J-form organisations.

5.3.1.1. Experienced Senior Staff as First-Time Expatriates

The sub-category 'Experienced Senior Staff as First-Time Expatriates' is a critical component of the core category 'cornerstones of expatriate assignment alignment.' This concept emerged in the post-war period as J-form organisations began deploying expatriates in accordance with traditional Japanese management principles. The seniority principle guided these organisations to choose only seasoned personnel for expatriate roles, recognising that their extensive industry experience, deep organisational insight, and strong leadership capabilities were essential for implementing Japanese management practices in overseas markets.

The Shōwa generations, particularly the Baby Boomers born from the late 1940s to early 1960s, contributed valuable expertise to the workforce. However, their exposure to contemporary global communication was often

limited, leading to challenges such as language barriers and inexperience with local practices. These factors sometimes restricted the ability of senior staff to transfer knowledge effectively, illustrating the need for J-form organisations to balance the demand for seniority with the advantages of deploying expatriates from a younger generation. The economic crisis of the 1990s intensified the shortage of senior staff, prompting organisations to begin integrating younger expatriates into their international strategies. Despite this shift, the emphasis on seniority remains a deeply ingrained aspect of Japanese corporate culture. This sub-category is informed by two key elements: (1) rotation planning and (2) multiple sequential assignments.

Firstly, *rotation planning* is a strategic framework aimed at developing a workforce endowed with diverse skills and extensive experience, crucial for addressing the challenges within the international maritime industry. By facilitating employees' exposure to various roles, rotation planning accelerates the acquisition of essential knowledge and enhances a culture of continuous learning. This breadth of experience fosters individual competency and positions employees favourably for senior roles, ensuring that seniority is achieved through merit.

Secondly, the principle of *multiple sequential assignments* has become increasingly important in response to the challenges faced by senior first-time expatriates. To foster successful transitions into substantial leadership roles abroad, senior staff deemed suitable for expatriate assignments are now required to undertake multiple sequential assignments, which may involve returning to Japan before taking on managing director positions at overseas subsidiaries. This approach strikes a balance between maintaining necessary seniority and ensuring cultural alignment with host countries, allowing expatriates to gain deeper insights into the operational and cultural nuances of these environments. Lessons learned from earlier assignments have shaped this strategy, ensuring that senior employees are well-prepared to lead effectively in diverse global maritime contexts.

5.3.1.2 Expatriates as (Temporary) Replacements for Local Staff

The second sub-category of the core category 'cornerstones of expatriate assignment alignment' is titled 'Expatriates as (Temporary) Replacements for Local Staff.' In internationally operating J-form organisations, senior management roles are predominantly filled by Japanese personnel, while other positions are generally occupied by local nationals or non-Japanese

employees. Japanese employees undergo rotational training, taking on roles either in Japan or within the network organisation. From the beginning of their employment, all new Japanese staff participate in job rotations, cultivating a reservoir of experience and knowledge to be deployed as needed. This sub-category identifies three key elements: (1) Lack of local staff, (2) Insufficient quality of local staff, and (3) Issues with local staff. Together, these factors highlight the complexities of integrating expatriates and the potential for imbalances in workforce dynamics.

First, a persistent *shortage of qualified labour* is evident in many industrialised countries. Consequently, J-form organisations may deploy Japanese expatriates as temporary replacements to maintain seamless operations, despite the associated costs. However, this practice may become increasingly challenging due to Japan's own labour market issues based on a shrinking population.

Second, perceptions of *inadequate local staff quality* prompt the strategic deployment of Japanese expatriates. These expatriates provide on-the-job training to local employees, ensuring alignment with the parent company's practices. Cultural differences significantly impact these dynamics; the Japanese work ethic, which values long hours and dedication, contrasts sharply with Western cultures that prioritise work-life balance.

Third, cultural differences and resistance to traditional Japanese management practices can lead to *resignations among local staff/issues with local staff* and declining overseas office performance. Experienced expatriates can help alleviate these issues by providing leadership and support during critical transitions and stabilising operations in response to unforeseen disruptions.

5.3.1.3. Expatriate Assignments as (First) Implicit Training

The third sub-category of the core category 'cornerstones of expatriate assignment alignment' is titled 'Expatriate Assignments as (First) Implicit Training.' This signifies a shift in practices within internationally operating J-form organisations, which historically deployed only experienced senior staff to oversee foreign subsidiary operations. In recent decades, however, less experienced personnel, including junior employees, are being assigned overseas, marking a departure from traditional methodologies. These expatriate assignments provide valuable implicit training and facilitate maritime industry exposure in learning environments often more conducive than those in Japan.

Furthermore, expatriate assignments have become an integral part of the regular rotation scheme for Japanese employees, emphasising a strategic approach to workforce development aimed at maximising employee potential. This sub-category is structured around five key elements: (1) Initial industry experience for training purposes, (2) Access to local embedded knowledge, (3) Learning from local experts, (4) Obtaining management experience, and (5) Obtaining experience with managing non-Japanese staff. Collectively, these elements broaden employees' skill sets and enhance cross-cultural competencies crucial for international collaboration.

Firstly, the element of *initial industry experience* focuses on the use of short-term expatriate assignments as a foundational form of implicit training at overseas subsidiaries. This approach reflects the J-form organisation's commitment to cultivating maritime industry expertise while developing a global perspective among new employees. By providing firsthand experiences in various specific industry facets early in their careers, J-form organisations can enhance professional development and foster collaboration within their network.

Secondly, *access to local embedded knowledge* plays a crucial role in the learning experiences of Japanese expatriates. Traditionally, older generations benefitted from extensive experience and strong relationships in host countries, allowing them to navigate international operations effectively. In contrast, younger expatriates often embark on overseas assignments shortly after joining the J-form organisation, which can present challenges due to their limited experience. The ability to leverage local knowledge is influenced by expatriates' age, experience, and the timing of their assignments. The third element highlights the importance of *interactions with local experts* for expatriates at various career stages. Beginning expatriates obtain essential insights into local business practices and cultural intricacies, benefiting from mentorship that aids their adaptation. Mid-career expatriates deepen their understanding of market dynamics through these interactions, while mature employees can focus on strategic insights, enriching their perspectives and mentoring younger colleagues upon their return.

Fourthly, *obtaining management experience* is vital for mid-career expatriates. Those in early expatriate roles may be promoted to junior management positions as part of a strategic effort to develop their leadership abilities within real-world contexts. This experience enhances their cross-cultural

communication skills and adaptability, laying a strong foundation for future leadership roles. Lastly, *obtaining experience in managing non-Japanese staff* addresses the challenges faced in predominantly homogeneous Japanese workplaces. Expatriate assignments provide crucial exposure to managing diverse teams and emphasise cross-cultural communication. This development of a global mindset is essential for success within internationally operating J-form organisations, equipping managers to navigate the complexities of a multicultural workforce effectively.

5.3.1.4. Maintaining and Updating Knowledge of Overseas Local Markets and Society

The fourth sub-category of the core category 'cornerstones of expatriate assignment alignment' is titled 'Maintaining and Updating Knowledge of Overseas Local Markets and Society.' This sub-category underscores the success of Japanese expatriates within internationally operating J-form organisations. Experienced Japanese staff, with their comprehensive understanding of the J-form organisational structures, actively monitor overseas conditions, market trends, and regulatory changes. By continuously updating their knowledge, senior expatriates can effectively adapt to dynamic business environments, thus enhancing the organisation's competitiveness in the maritime industry. This sub-category consists of two key elements: (1) Maintaining (a) personal network and (2) Maintaining and updating knowledge.

Maintaining (a) personal network is crucial, as Japanese expatriates often sustain professional connections through short-term assignments and business trips, fostering their understanding of local and global markets. This networking directly contributes to maintaining organisational knowledge.

Maintaining and updating knowledge is also vital, as headquarters recognise the necessity of understanding local conditions. Continuous access to locally embedded knowledge equips expatriates to navigate the maritime industry effectively, ensuring competitiveness and fostering a relationship between traditional Japanese management practices and local adaptations.

Promoting knowledge sharing and collaboration between headquarters and overseas subsidiary offices facilitates best practice transfer and innovative ideas, leading to efficient global operations. Incorporating locally embedded knowledge into decision-making results in culturally sensitive business practices that enhance the overall sustainability of internationally operating

J-form organisations. The engagement with local non-Japanese colleagues and partnerships with local businesses helps retain knowledge and improves competitiveness and cultural connections. By maintaining a diverse workforce that includes both Japanese expatriates and local staff, J-form organisations benefit from a blend of perspectives and enhanced innovation, ultimately contributing to a more dynamic form of Japanese management in the international and culturally diverse maritime industry.

5.3.1.5 Extended Long-Term Expatriates

The fifth sub-category of the core category 'cornerstones of expatriate assignment alignment' is titled 'Extended Long-Term Expatriates.' This phenomenon represents a strategic aspect of internationally operating J-form organisations, as Japanese expatriates face challenges in aligning management practices with culturally distant societies. Extended expatriate assignments typically last over ten years, allowing expatriates to develop close relationships with local management and become fully integrated into the local environment. Although this often deviates from traditional seniority-based promotions, it is maintained due to its strategic importance.

This sub-category encompasses four key elements: (1) Developing expert knowledge, (2) Aligning Japanese management with local practices, (3) (Serving as) ambassadors for the Japanese organisation, and (4) Senior management/managing director position overseas. The first element, *developing expert knowledge*, highlights how extended long-term expatriates gain a deep understanding of local customer behaviour and regional market dynamics. They establish robust relationships with local managers and stakeholders, balancing the need to uphold Japanese management principles while adapting to local customs. This expertise is essential for J-form organisation's global success in their network organisation.

The second element focuses on *aligning Japanese management with local practices*. Cultural sensitivity and interpersonal relationships improve employee engagement, making it vital to integrate Japanese practices with local customs. This alignment helps maintain the core values and distinctiveness of J-form organisations. The third element addresses Japanese expatriates as *ambassadors*. By bridging Japanese and local corporate cultures, they ensure the effective transfer of management practices and the cultivation of key stakeholder relationships. Their ability to adapt promotes innovation and responsiveness in the host market.

Lastly, the fourth element concerns expatriates in *senior management roles abroad*. Their international experience and understanding of global markets are invaluable upon returning to Japan, providing crucial insights for the J-form organisation. These expatriates align the parent company's objectives with local nuances, leveraging their expertise to navigate cultural challenges and enhance internal cohesion.

5.3.1.6 Frequent Travellers/Short-Term Assignments

The sixth sub-category of the core category 'cornerstones of expatriate assignment alignment' is titled 'Frequent Travellers/Short-Term Assignments.' This sub-category is vital for international J-form organisations, as Japanese expatriates in these roles maintain oversight between the head office in Japan and network subsidiary offices. These seasoned employees facilitate effective communication and ensure alignment of operational practices. Expatriates on short-term assignments are tasked with identifying new business opportunities, conducting market research, and evaluating local operations in previously assigned overseas locations. Their deployment represents a strategic approach to enhancing global integration, fostering collaboration, and exchanging information across subsidiary offices. Their expertise significantly contributes to establishing new subsidiaries and partnerships, thereby promoting the J-form organisation's overall performance. This sub-category consists of four elements: (1) Development of New Business, (2) Networking, (3) Building Overseas Network(s), and (4) Audit and Situational Analysis.

The first element, *development of new business*, highlights the role of expatriates in driving growth within Japanese J-form organisations. By visiting both integrated and non-integrated countries, they identify business opportunities, establish partnerships, and build relationships with customers and suppliers. Their cross-cultural proficiency and language skills enhance communication and negotiation processes, providing strategic advantages in navigating the complexities of the global maritime business landscape. The second element is *networking*, where frequent travellers help foster communication between international subsidiaries, joint ventures, and Japanese headquarters. Responsibilities include attending trade shows, liaising with suppliers, and engaging with customers. Their insights facilitate knowledge exchange and bridge cultural divides, making them essential for maintaining a robust global network.

The third element involves the use of *short-term expatriation for development* and establishing an overseas network (*building overseas networks*). Frequent

travellers draw on their extensive experience and understanding of local cultures and business practices, allowing them to navigate international challenges effectively. They act as ambassadors for the J-form organisation, establishing and maintaining relationships with key stakeholders, thus contributing to the success and expansion of the J-form global network. Finally, the fourth element relates to the use of expatriates for *audit and situational analysis*. Short-term assignments are strategically employed when the Japanese headquarters are concerned about the (financial) performance of overseas subsidiaries. These expatriates leverage their experience and understanding of headquarters' expectations to identify issues, conduct root cause analyses, and propose effective solutions. Their nuanced understanding of operational challenges and cultural nuances is critical in driving enhancements and improving overall performance within the J-form organisation's global network organisation.

5.3.1.7 Focus Assignments

The seventh sub-category of the core category 'cornerstones of expatriate assignment alignment' is titled 'Focus Assignments.' This sub-category showcases the benefits of Japanese rotational training, job rotation, and expatriation within J-form organisations. Employees who have completed these phases are highly skilled and adaptable, making them valuable assets. Focus assignments are typically shorter in duration, lasting from a few months to a year, and serve various purposes, such as introducing new products, evaluating local management practices, identifying new suppliers, and establishing strategic partnerships. They are critical for promoting group activities, fostering relationships with business partners, and exploring new business opportunities, all contributing to the organisation's growth and diversification.

This sub-category is based on five key elements: (1) Promotion of group activities/products, (2) Development of an overseas customer base, (3) Study of local management practices, (4) Obtaining specific/specialised knowledge (study), and (5) Sourcing new products and suppliers.

The first element, *promotion of group activities*, involves expatriates leveraging their organisational knowledge and cultural alignment to promote new products and activities. Experienced expatriates provide training to local staff, ensuring they understand new product details, target markets, and key selling points. They may collaborate with local sales teams to adapt marketing strategies to local preferences. The second element focuses on *developing*

the overseas customer base. Focus assignments allow Japanese expatriates to enhance customer relationships and drive sales growth in foreign markets. Their insights into Japanese corporate culture and local market dynamics enable J-form organisations to tailor products and services to meet specific needs, fostering a responsive approach to market demands.

The third element pertains to *studying local management practices.* In some cases, expatriates work alongside local managers to learn from a non-Japanese perspective. This immersion helps them understand effective local leadership styles and techniques, enabling the integration of these practices with traditional Japanese management principles. The fourth element involves *acquiring specialised knowledge* or conducting research. These assignments facilitate business operations while allowing Japanese expatriates to gain insights into local customs and practices, which are crucial for negotiations and operations. Participation in tailored university programmes helps expatriates acquire technical knowledge and network with other professionals, fostering relationships that can lead to collaborative opportunities.

The fifth element is *sourcing new products and suppliers.* Through focus assignments, Japanese expatriates identify and evaluate potential suppliers in local markets, enhancing the organisation's supply chain and product offerings. Their understanding of local market trends and supplier capabilities enables J-form organisations to develop partnerships that contribute to business growth and competitiveness within the maritime industry.

5.3.1.8 Expatriate Assignment Aimed at Maintaining Japanese Presence and Japanese Management Practices

The eighth sub-category of the core category 'cornerstones of expatriate assignment alignment' is titled 'Expatriate Assignment Aimed at Maintaining Japanese Presence and Japanese Management Practices.' This assignment is vital for upholding Japanese presence and management practices within overseas locations, embodying the corporate culture of J-form organisations. It ensures the continuity of the J-form organisation's values across its global network. Expatriate rotation, especially through focus assignments, bridges the gap between headquarters in Japan and international subsidiaries. These assignments educate local staff on Japanese management practices and Japanese best practices, embedding corporate culture and best practices abroad to maintain consistent standards. This sub-category is based on two elements: (1) Japanese staff in overseas offices and (2) Representation of the Japanese organisation abroad.

The first element involves *Japanese staff in overseas offices*. J-form organisations traditionally rotate expatriates to oversee the workforce and sustain management practices. This helps preserve corporate culture, ensure Japanese quality service, and promote collaboration. Senior expatriates mentor local staff, facilitating cross-cultural understanding and effective operational processes.

The second element pertains to *the role of expatriates in representing the Japanese organisation abroad*. Senior expatriates serve as key representatives, maintaining management practices and cultural uniformity. They navigate cultural complexities while managing resources effectively, making their leadership critical for organisational success.

5.3.2 Exploring the Existing Literature; Alternative Forms of Expatriation and Japanese Expatriation Practices

5.3.2.1 Global Footprints: The Journey of Assigned Expatriates

Research on assigned expatriates has historically focused mainly on traditional long-term expatriate assignments (McKenna & Richardson, 2007). Traditional long-term expatriate experiences are often characterised as once-in-a-lifetime opportunities (Bonache et al., 2017; Suutari et al., 2018). These assignments typically involve an international manager and their family relocating to the host country for a period of three years, often extending up to five years (Chiang et al., 2018; Minbaeva & Michailova, 2004; Collings et al., 2007). After completing the overseas experience, the expatriate and their family are expected to repatriate to their home country, with the expatriate returning to the parent company (Kraimer et al., 2016).

Traditional long-term expatriate assignments serve a wide range of organisational objectives, including managing and coordinating foreign operations, launching new operations, overseeing business expansion, employee development, transferring knowledge and skills, expanding business networks, and cultivating international experience and learning (Chiang et al., 2018; Belderbos & Heijltjes, 2005; Larsen & Edwards, 2019).

Harzing (2001) identified that expatriates are typically deployed to fulfill three distinct roles or combinations thereof. Harzing (2001) uses the term "bear" to describe an expatriate role focused on representing the head office. The bear expatriate is deployed to transfer and implement company policies and

procedures while embedding the company's philosophy and strategy within the subsidiary's employees Harzing (2001).

Expatriates prove to be valuable resources for developing and maintaining social networks within organisations, a role labelled as the "bumble bee" (Harzing (2001). Bumble bees are extroverted individuals skilled at making connections and developing relationships (Harzing, 2001). Other expatriates are responsible for developing formal and informal communication networks that enhance information sharing and reporting to senior management; these individuals are referred to as "spiders" (Harzing, 2001).

The company, whether intentionally or not, determines which role or combination of roles is required and attempts to select the suitable expatriate(s) (Delios & Björkman, 2000). The selection of expatriate(s) and their respective roles is generally driven by the company's strategy and a specified time frame (Delios & Björkman, 2000). However, the ability to execute a role or combination of roles, as well as dominance in a specific role, are influenced by cultural aspects of the host country, the maturity of the subsidiary, and the personal abilities, competencies, skills, and frame of reference of the expatriate (Delios & Björkman, 2000). The alignment of the expatriate's skills and competencies with the challenges faced during the assignment and the repatriation process is inherently complex and fraught with potential failure. The (traditional long-term) expatriate assignment cycle follows a logical sequential process from selection to repatriation (Delios & Björkman, 2000).

5.3.2.2 Traditional Long-term Expatriate Assignments: The Backbone of the J-form's

Global Operations

Traditional long-term expatriate assignments, known as the expatriate lifecycle or expatriate assignment cycle, begins with selection and recruitment, followed by preparation, relocation, adjustment, performance, and repatriation (Cranston, 2018; Mol, 2015). Proper management of these phases is crucial, as issues in any stage can lead to significant costs for the organisation, generally referred to as 'expatriate failure' (Conroy et al, 2018; Abdallah, 2015; Kock and Dreyer, 2018; Kang et al, 2017). This concept is central in expatriation literature, emphasising the need to prevent it (Conroy et al, 2018; Abdallah, 2015; Kock and Dreyer, 2018; Kang et al, 2017). Analysing each stage in the

assignment cycle sheds light on the reasons for expatriate failure (Conroy et al, 2018; Abdallah, 2015; Kock and Dreyer, 2018; Kang et al, 2017).

The first step, the selection process, involves finding the ideal candidate, which is challenging due to the many factors contributing to expatriate success, often found in multiple individuals (Naeem et al., 2015; Caligiuri et al., 2009; Tarique & Schuler, 2018). Companies must identify which factors are necessary for the assignment (Naeem et al., 2015; Caligiuri et al., 2009; Tarique & Schuler, 2018). While some attributes like technical skills can be assessed, others, like emotional stability and cultural empathy, are more subjective (Naeem et al., 2015; Caligiuri et al., 2009; Tarique & Schuler, 2018; Kock & Dreyer, 2018). Expatriate failure often arises from selecting individuals based solely on technical skills while ignoring soft skills, which align closely with their ability to adjust (Conroy et al., 2018; Abdallah, 2015; Kock & Dreyer, 2018; Kang et al., 2017).

The second step, expatriate preparation, is vital for expatriates and their families, addressing practical matters and cultural barriers (Haile & White, 2019). This preparation should include tailored training to meet specific needs (Cunha et al., 2019). The third step is expatriate relocation, focusing on the physical move to the host country, where support from the parent company is prerequisite (Larsen & Edwards, 2019). This support can greatly motivate expatriates and their families by providing financial assistance, career guidance, and pre-departure training (Larsen & Edwards, 2019).

Despite thorough selection and preparation, it is common for high-performing home country employees to face challenges abroad (Naeem et al., 2015; Caligiuri et al., 2009; Tarique & Schuler, 2018; Chudnovskaya & O'Hara, 2016). These challenges often stem from lacking essential soft skills that are crucial in managing unpredictable situations (Naeem et al., 2015; Caligiuri et al., 2009; Tarique & Schuler, 2018; Chudnovskaya & O'Hara, 2016). During the adjustment phase, key reasons for expatriate failure include the inability of the spouse or manager to adjust and other family-related issues (Rosenbusch et al., 2015; Cieri et al., 1991). The psychological toll on families strongly associates with expatriate failure (Rosenbusch et al., 2015; Cieri et al., 1991).

Abdallah (2015) outlines five phases of expatriate adjustment: honeymoon, culture shock, gradual adjustment, basic competence, and mastery. The honeymoon phase is characterised by optimism and excitement, whereas culture shock introduces doubt and frustration Abdallah (2015). Overcoming

culture shock requires patience, as adjustment can take up to two years (Haslberger & Brewster, 2009). Gradual adjustment leads to improved competence, and eventually, with enough time, expatriates can reach mastery in their roles (Abdallah, 2015).

The final step, repatriation, involves returning home after an assignment (Meuer et al., 2019; Akkan et al., 2018). This process is often poorly managed despite many firms having policies due to lack of structure (McEvoy & Buller, 2013; Hyder & Lövblad, 2007).

As expatriates return, a significant portion leaves their organisations soon after (Nery-Kjerfve & McLean, 2012). This leads to companies missing out on the benefits of their experience (Nery-Kjerfve & McLean, 2012). Repatriates often feel undervalued, longing for better opportunities and development (Bonache et al., 2017; Yan et al., 2002). Research shows effective repatriation support is crucial for job satisfaction and retention (Home-Walsh & Torka, 2017). The planning of support before, during, and after assignments is essential to successful repatriation (Home-Walsh & Torka, 2017).

5.3.2.3 Expatriate Knowledge: A Key to Success in the International Maritime Industry

Expatriates develop unique knowledge and experience, which can provide a competitive advantage to a company (Jitendra, 2011). However, there has been notable neglect of the return of expatriates and the repatriation process (Shen & Hall, 2009; Jitendra, 2011).

Inadequate management of the repatriation process poses a significant risk that repatriated expatriates may take their acquired knowledge and experience to a competitor due to frustration and disappointment (Shen & Hall, 2009; Jitendra, 2011).

The Japanese are known for their expatriation practices and their reluctance to use local management in overseas subsidiaries (Beamish & Inkpen, 1998; Magnier-Watanabe, 2019; Furusawa & Brewster, 2016). Yet, Japanese policies often lead to successful repatriation and heightened employee motivation, as repatriates are prepared for knowledge transfer in future assignments (Furuya et al., 2009; Amann et al., 2018; McNulty & Brewster, 2018; Crowne & Engle, 2016; Sekiguchi et al., 2016). Knowledge to the Japanese is very personal and is considered far from being detachable (Zhu, 2004). The Japanese holistic

approach to knowledge acquisition and knowledge development and the embedded emphasis on repatriation underline the importance of effectively managing expatriate assignments in the international maritime industry.

5.3.2.4 Alternative Forms of Expatriation: Exploring New Avenues in Global Assignments

Expatriate failure rates, particularly the rising costs associated with such failures, immobility, and supply issues, are part of the reasons why employers have begun to explore more non-traditional assignments (Kierner, 2018; Conroy et al., 2018; Starr & Currie, 2009). Global companies are increasingly considering alternative forms of expatriation, often opting for shorter-term assignments (up to one year) instead of traditional long-term assignments, although traditional assignments continue to be utilised regularly (Hutchings & McNulty, 2018; Benson & Pattie, 2008).

Short-term assignments are not the only alternatives for international assignments (Bonache et al., 2010). Other alternatives, such as frequent travel, commuter assignments, and virtual work, have been recognised for many years (Collings & Isichei, 2018; Collings et al., 2007; Bonache et al., 2010). One reason for these alternative expatriate assignments, in addition to cost savings, is that traditional long-term expatriate assignments have been associated with spouse and family-related challenges (Collings & Isichei, 2018; Collings et al., 2007; Bonache et al., 2010). Consequently, shorter-term alternative assignments have been introduced to address these issues (Collings & Isichei, 2018). These shorter assignments can help prevent expatriate failures related to family problems, as the expatriate period becomes more manageable (Collings & Isichei, 2018). However, a downside to alternative short-term assignments is that they may negatively impact expatriate performance due to the adjustment period required for effective performance (Abdallah, 2015; Esposito & Verma, 2017; Ehnert & Brewster, 2008).

In recent years, there has been a growing use of non-traditional assignments, including some alternatives that have evolved into extended long-term assignments, which exceed the duration of traditional expatriate assignments (Kang et al., 2017; McNulty & Brewster, 2018).

As non-traditional assignments are a relatively recent phenomenon, they have not yet received substantial academic attention and are often underestimated by IHRM research (Kang et al., 2017). Amann et al. (2018) suggest that these risks

could be mitigated by diversifying expatriation strategies, maintaining long-term expatriations for strategic roles and employing short-term expatriations for functional and operational positions to manage staff shortages.

Non-traditional, alternative expatriate assignments, or intermittent assignments, are rapidly gaining popularity as they are perceived to be a better fit for organisational needs (Kang et al., 2017; McKenna & Richardson, 2007; Mayerhofer et al., 2004). They are often shorter and, in most cases, do not involve family relocation (Kang et al., 2017; McKenna & Richardson, 2007; Mayerhofer et al., 2004). One common factor among these alternative assignments is the perception of being more cost-effective and a more appropriate fit for various purposes (Kang et al., 2017; McKenna & Richardson, 2007; Mayerhofer et al., 2004).

An increasing number of terms are being used to refer to non-traditional expatriates, including short-term assignees, flexpatriates, international business travellers, commuters, frequent flyers, and extended long-term expatriates (Kang et al., 2017; Bonache et al., 2010; McKenna & Richardson, 2007; Mayerhofer et al., 2004). Some short-term assignments do not require relocation; for instance, flexpatriates undertake frequent long and flexible business trips without relocating, while international business travellers or frequent flyers maintain a closer connection to their home countries, as they can travel to other countries daily or bi-weekly (Kang et al., 2017; Bonache et al., 2010; McKenna & Richardson, 2007; Mayerhofer et al., 2004). Some academics believe that flexpatriates and international business travellers differ due to their respective trip lengths (Conroy et al., 2018; Starr & Currie, 2009). There is often a fine line between these concepts, as many researchers consider them interchangeable (Mayerhofer et al., 2008). The category of non-traditional assignments includes two distinct types that do involve relocation: short-term assignments lasting up to one year and extended long-term assignments that differ from the standard cycle, which typically lasts 3-5 years and may extend beyond ten years (Goede & Berg, 2018; Bonache et al., 2010; McKenna & Richardson, 2007; Conroy et al., 2018; Starr & Currie, 2009).

These forms, combinations of these forms, or alternatives such as extended long-term expatriation have not been studied extensively; they are rarely viewed in a coherent manner, nor are they integrated into a company's international human resource management strategy (Goede & Berg, 2018; Bonache et al., 2010; McNulty & Brewster, 2018). Non-traditional short-term expatriates do not have multiple years to undergo the adjustment process and

must face what is referred to as the necessity for "rapid adjustment" in fast forward (Conroy et al., 2018). Consequently, the risk of failure in short-term expatriate assignments is often higher compared to traditional expatriates, and even less recognition is given to the needs and competencies of those undertaking these non-traditional assignments (Mayerhofer et al., 2004). As non-traditional assignments are a more recent phenomenon, they have yet to receive substantial academic attention and are frequently underestimated in international human resource management (IHRM) research (Kang et al., 2017). Amann et al., (2018) suggest that these risks could be mitigated by maintaining long-term expatriation for strategic roles while utilising short-term expatriation for functional and operational roles. Alternatively, organisations may deploy repatriated long-term expatriates as short-term expatriates to leverage their experience effectively.

5.3.2.5 Japanese Expatriation: Bridging Tradition and Transformation Overseas

Expatriation is a prerequisite in many Japanese organisations because these companies often rely on expatriation to ensure the continuity of Japanese management principles in overseas locations or to oversee subsidiaries, ensuring that the management practices and procedures of the head office are followed and maintained to the same standard as in Japan (Magnier-Watanabe, 2019; McNulty & Brewster, 2018; Delios & Björkman, 2000; Furusawa & Brewster, 2016). Furthermore, the Japanese aim to acquire local knowledge and transfer that knowledge back to the parent company in Japan (Magnier-Watanabe, 2019; Delios & Björkman, 2000; Beamish & Inkpen, 1998). Consequently, Japan is specifically known for its use of expatriates and its reluctance to employ local management for overseeing overseas subsidiaries (Beamish & Inkpen, 1998; Magnier-Watanabe, 2019; Furusawa & Brewster, 2016).

Japanese management philosophies, particularly lifelong employment, job rotation, and continuous training, have been crucial for successful expatriation and repatriation. Although Japanese companies have adopted elements of Western management, their fundamental management philosophies do not differ significantly from the successful post-war management and cultural aspects (Hasegawa, 2011; Sugimoto, 2010).

The first two steps of the expatriate assignment cycle, 'selection of the expatriate' and 'preparation of the expatriate,' are often dovetailed in Japanese organisations. The pre-selection of future expatriates is conducted through the

annual recruitment policy, which targets 'freshmen' from colleges (McNulty & Brewster, 2018; Beechler & Yang, 1994; Keys & Miller, 1984; Hogan & Goodson, 1990; Mestre et al., 1997). These individuals are typically like-minded and suited to integrate into the company's organisational culture (McNulty & Brewster, 2018; Beechler & Yang, 1994; Keys & Miller, 1984; Hogan & Goodson, 1990; Mestre et al., 1997). From their first day of employment, Japanese staff are mentally prepared for expatriation. In many cases, expatriates are selected from within the organisation for various assignments (Fukuda & Chu, 1994; McNulty & Brewster, 2018; Beechler & Yang, 1994; Keys & Miller, 1984; Hogan & Goodson, 1990; Mestre et al., 1997). Future expatriates are rotated between departments to provide them with a broad and in-depth understanding of the company's scope, strengths, goals, and objectives, while also developing multi-skilled generalist employees (Sugimoto, 2010; Hogan & Goodson, 1990; Fukuda & Chu, 1994).

Young Japanese expatriates typically approach their assignments in Western societies with enthusiasm and high expectations (Liu, 2019; Nicholson & Imaizumi, 1993; Sakakibara & Westney, 1992; Furusawa & Brewster, 2016). Yet, while they receive extensive rotational training, they are often unprepared and lack sufficient knowledge of the English language (Liu, 2019; Nicholson & Imaizumi, 1993; Sakakibara & Westney, 1992; Furusawa & Brewster, 2016). To partly address this issue, Japanese companies encourage future expatriates to undertake regular business trips one year prior to their planned expatriate assignments to study the local culture and, importantly, the language (Hogan & Goodson, 1990). It should be noted that Japanese individuals generally score low on English language tests; however, despite any language barriers, Japanese expatriates remain focused on completing their tasks, whether in the Japan-based parent company or at an overseas subsidiary, viewing language skills as just one of many tools at their disposal (Kubota, 2013). Nevertheless, recognising the value of English language skills, there is an evident trend towards implementing English language lessons at all levels of schooling, even in primary education (Kubota, 2013).

The steps of 'relocation', 'adjustment', and 'performance' in the expatriate assignment cycle are closely interconnected. Although information regarding relocation support from Japanese parent companies and subsidiaries is limited, interviews with Japanese expatriate managers conducted in the 1990s suggested that the support was primarily limited to basic needs (Liu, 2019; Nicholson & Imaizumi, 1993; Sakakibara & Westney, 1992; Furusawa & Brewster, 2016).

In contrast, a more recent study involving 21 large Japanese corporations around 2016 indicates that relocation support during expatriates' overseas assignments is now perceived as adequate to good (Furusawa & Brewster, 2016; Fukuda & Chu, 1994). The relocation of Japanese expatriates is also integral to the adjustment and performance processes, as these expatriates are aware that they must demonstrate their worth during the assignment to secure future promotions upon their return, where various positions will await them (Abdullah & Jin, 2015).

Part of proving their worth involves how the expatriate and their family manage the relocation process (Furusawa & Brewster, 2016; Abdullah & Jin, 2015; Fukuda & Chu, 1994; Selmer & Luk, 1995). Often, family considerations are overlooked and depending on the maturity and age of the expatriates, some individuals may be subject to 'Tanshin-funin,' which translates to taking on an expatriate assignment while leaving the family in Japan (Furusawa & Brewster, 2016; Abdullah & Jin, 2015; Fukuda & Chu, 1994; Selmer & Luk, 1995). Therefore, the ability to perform under these circumstances, managing loneliness, instability, loss of self-confidence, and subsequent mental stress, is a significant aspect of demonstrating worthiness to the organisation (Furusawa & Brewster, 2016; Abdullah & Jin, 2015; Fukuda & Chu, 1994).

The assessment of employees during expatriate assignments and in the initial years of employment often determines whether they follow a slow-track or fast-track career path (Takahashi, 2006; Graen et al., 2006; Sugimoto, 2010). Expatriates, as well as Japanese employees in general, are determined to dedicate their time and efforts to the company to access higher ranks and better pay (Takahashi, 2006; Graen et al., 2006; Sugimoto, 2010). Japanese companies frequently employ management by objectives to monitor the performance of expatriates and staff, with expatriates undergoing continuous scrutiny (Ueno & Scarbrough, 2016; Graen et al., 2006; Sugimoto, 2010; Takahashi, 2006; Furusawa & Brewster, 2016; Abdullah & Jin, 2015; Fukuda & Chu, 1994).

Japanese organisations are particularly successful in the repatriation process due to their comprehensive selection procedures, which are embedded in Japanese management practices (Belderbos & Heijltjes, 2005; Tung, 1984; Peterson et al., 1996). These processes facilitate years of general preparation, specific pre-assignment training, ample time for learning, sometimes extended assignments, and follow-up expatriate assignments (Abdullah & Jin, 2015; Belderbos & Heijltjes, 2005; Tung, 1984; Peterson et al., 1996). Furthermore,

Japanese firms are observed to have robust repatriation policies and provide available positions upon return (Abdullah & Jin, 2015; Belderbos & Heijltjes, 2005; Tung, 1984; Peterson et al., 1996).

Japanese human resource management strategies are designed to support learning and information sharing through open communication, job rotation, internal training, and a focus on teamwork (Beechler & Yang, 1994). The success of repatriation among Japanese expatriates is also attributed to their strong commitment to the parent company, as they typically return to and remain with the organisation after one or multiple international assignments (Sueda, 2019; Gregersen & Black, 1996; Tung, 1987). The success of Japanese repatriates is ingrained in the philosophies of Japanese companies, which value and build upon staff with international experience, recognising the adjustments required to undertake assignments outside of Japan (Sueda, 2019; Gregersen & Black, 1996).

Japanese policies can lead to successful repatriation and heightened employee motivation, as well as increased overall performance. It is evident that repatriates are prepared for knowledge transfer in subsequent or alternative assignments (Furuya et al., 2009; Amann et al., 2018; McNulty & Brewster, 2018; Crowne & Engle, 2016; Sekiguchi et al., 2016). It is widely accepted that Japanese repatriates are often assigned to subsequent roles, and those who demonstrate successful performance and prove their worthiness are likely to be promoted to senior positions (Furuya et al., 2009; Amann et al., 2018; McNulty & Brewster, 2018; Crowne & Engle, 2016; Sekiguchi et al., 2016; Sueda, 2019; Gregersen & Black, 1996; Ueno & Scarbrough, 2016; Graen et al., 2006; Sugimoto, 2010; Takahashi, 2006; Furusawa & Brewster, 2016; Abdullah & Jin, 2015; Fukuda & Chu, 1994). These managers will be engaged in future expatriate assignments, extended expatriate assignments, and alternative assignments (Furuya et al., 2009; Amann et al., 2018; McNulty & Brewster, 2018; Crowne & Engle, 2016; Sekiguchi et al., 2016; Sueda, 2019; Gregersen & Black, 1996; Ueno & Scarbrough, 2016; Graen et al., 2006; Sugimoto, 2010; Takahashi, 2006; Furusawa & Brewster, 2016; Abdullah & Jin, 2015; Fukuda & Chu, 1994).

5.3.3 Comparative Analysis

5.3.3.1 Comparative Analysis: Experienced Senior Staff as First-Time Expatriates

Firstly, the concept of the expatriate assignment cycle as discussed by Cranston (2018) and Mol (2015) fundamentally mirrors the formal structure

that underpins the traditional long-term expatriate journey. While the literature outlines a logical sequential process encompassing selection, preparation, relocation, adjustment, performance, and repatriation, the grounded theory highlights that in the J-form organisation the preparational phase is not merely a preliminary step but rather an ongoing endeavour, particularly for senior expatriates. The literature posits that preparation addresses not only practical matters but also cultural barriers (Haile & White, 2019; Cunha et al., 2019). In contrast, the grounded theory suggests that rotation planning and multiple sequential assignments represent an evolved understanding of preparation, augmenting the conventional view by illustrating how such strategies enable senior expatriates to acquire diverse skills while enhancing cultural insight.

Furthermore, the literature's discussion regarding the importance of language proficiency among Japanese expatriates (Kubota, 2013) aligns with the grounded theory's exploration of challenges faced by senior staff in transferring knowledge due to language barriers. This is particularly relevant for the Shōwa generation, comprising the Baby Boomers born from the late 1940s to the early 1960s. Their extensive industry experience is invaluable, yet their exposure to contemporary global communication often remains limited, leading to challenges such as language barriers and unfamiliarity with local practices. While Kubota (2013) emphasises a deficit in English language skills, the grounded theory nuances this by drawing attention to the multifaceted nature of communication, framing language proficiency as merely one of many tools available to expatriates. This perspective illustrates the necessity for J-form organisations to balance seniority with the deployment of younger staff, who may possess stronger language capabilities, thereby supplementing the language limitations prevalent among senior staff from the Shōwa generation.

The consideration of familial obligations as highlighted in the literature (Furusawa & Brewster, 2016; Abdullah & Jin, 2015; Fukuda & Chu, 1994; Selmer & Luk, 1995) is pertinent in refining the understanding of expatriate adjustments. The challenges of 'Tanshin-funin,' the practice of expatriates leaving their families behind, are significant factors influencing the mental well-being of expatriates (Furusawa & Brewster, 2016; Abdullah & Jin, 2015; Fukuda & Chu, 1994; Selmer & Luk, 1995). The grounded theory proposes that multiple sequential assignments are necessary to foster effective transitions into substantial leadership roles abroad, allowing senior expatriates to develop the cultural insights and operational understanding required for successful expatriate assignments. This approach illustrates the increasingly

sophisticated measures that J-form organisations are adopting to maintain the effectiveness of expatriate roles while addressing the complexities of international assignments.

Moreover, the literature asserts that the ability to endure and perform despite adverse circumstances is crucial for an expatriate's perceived value within the organisation (Furusawa & Brewster, 2016; Abdullah & Jin, 2015; Fukuda & Chu, 1994; Selmer & Luk, 1995). The grounded theory, however, deviates from this notion by suggesting that merely enduring is insufficient; rather, fostering robust leadership capabilities through multiple sequential assignments is essential for ensuring that expatriates are not only surviving but also thriving in their roles abroad. This notion further refines the existing literature's implications by proposing that J-form organisations should focus on empowering senior staff through carefully planned subsequent experiences to enhance their performance in complex international maritime contexts.

5.3.3.2 Comparative Analysis: Expatriates as (Temporary) Replacements for Local Staff

In exploring the subcategory 'Expatriates as (Temporary) Replacements for Local Staff,' the grounded theory illuminates the complexities faced by Japanese expatriates in J-form organisations while engaging with existing literature to provide a comprehensive understanding of the context. To illustrate, the deployment of Japanese expatriates as temporary replacements due to a lack of qualified local staff reflects insights from the literature that point to a persistent shortage of skilled labour in industrialised countries (Amann et al., 2018; Kang et al., 2017; McKenna & Richardson, 2007; Mayerhofer et al., 2004). This connection indicates that the use of expatriates is not merely a tactical decision but rather a strategic necessity for ensuring operational continuity despite the financial costs associated with expatriation (Furusawa & Brewster, 2016; Beamish & Inkpen, 1998; Magnier-Watanabe, 2019). In this framework, the practice serves a more or less central role in maintaining the effectiveness of global operations, raising important considerations about the long-term implications for local workforce development.

Moreover, the literature offers a nuanced perspective on the assertion within the grounded theory regarding the perceived quality of local staff. Young Japanese expatriates often approach these assignments with enthusiasm; however, they frequently encounter limitations due to insufficient knowledge of the local language and culture (Liu, 2019; Nicholson & Imaizumi, 1993;

Sakakibara & Westney, 1992). This challenge can compromise their effectiveness in supporting local staff, suggesting that while expatriates serve as temporary replacements, they may face obstacles that hinder their ability to properly train and mentor local employees. Thus, this aspect enriches the understanding of the complexities inherent in ensuring that expatriates can effectively transfer knowledge and management practices, aligning with the J-form organisation's expectations (Liu, 2019; Nicholson & Imaizumi, 1993; Sakakibara & Westney, 1992).

Cultural differences further complicate the interplay between expatriates and local staff. As noted in the literature, the Japanese work ethic, which emphasises long hours and dedication, often contrasts sharply with Western cultural values that prioritise work-life balance (Hasegawa, 2011; Sugimoto, 2010; Graen et al., 2006). This dissonance can lead to significant challenges with local staff, underscoring the necessity for Japanese expatriates to cultivate a greater understanding of local cultural dynamics to foster smoother integrations. The grounded theory posits that experienced expatriates play a crucial role in providing leadership and support during transitions, thereby contributing to operational stability in the face of unforeseen disruptions caused by cultural conflicts.

Additionally, the literature indicates that Japanese expatriates are selected from within the organisation to ensure alignment with corporate culture, reflecting a commitment to maintaining Japanese management principles abroad (Hogan & Goodson, 1990; McNulty & Brewster, 2018; Beechler & Yang, 1994; Keys & Miller, 1984; Mestre et al., 1997). This understanding enhances the grounded theory's exploration of the strategic nature of expatriation, revealing a broader context in which these assignments aim to blend local knowledge with traditional Japanese methodologies.

5.3.3.3 Comparative Analysis: Expatriate Assignments as (First) Implicit Training

The third sub-category of the core category 'cornerstones of expatriate assignment alignment', titled 'Expatriate Assignments as (First) Implicit Training,' illustrates a significant shift within the practices of internationally operating J-form organisations. This shift parallels aspects highlighted within the existing literature regarding traditional long-term expatriate assignments, which have historically served diverse organisational objectives, including managing foreign operations and employee development (Chiang et al., 2018;

Belderbos & Heijltjes, 2005; Larsen & Edwards, 2019). In this context, the grounded theory suggests that expatriate assignments are increasingly framed as platforms for initial implicit training, particularly for junior personnel, thereby hinting at a deviation from conventional methodologies centred around the deployment of senior staff.

While the literature outlines the various roles expatriates undertake, such as the "bear," "bumble bee," and "spider" (Harzing, 2001), the grounded theory nuances this discussion by illustrating how less experienced employees are being entrusted with expatriate roles to gain essential industry exposure. This broadens the talent pool but also signifies a re-evaluation of how J-form organisations view the potential of younger expatriates to contribute to learning and knowledge transfer, moving beyond traditional hierarchies.

The first element, initial industry experience, highlights how short-term expatriate assignments serve as a form of foundational implicit training. This aligns with existing perspectives regarding the sequential nature of expatriate assignment cycles, yet the grounded theory refines these notions by asserting that early industry exposure encourages cross-border collaboration. This is particularly relevant in J-form organisations, where extensive preparation and support for expatriates' aid in developing maritime industry expertise, thus aligning with the practices identified by Abdullah & Jin (2015), Belderbos & Heijltjes (2005), Tung (1984), and Peterson et al. (1996).

Access to local embedded knowledge, another key element of the grounded theory, underscores the complexities faced by younger expatriates tasked with leveraging local expertise. The literature indicates that older expatriates' extensive networks facilitated their effectiveness in foreign markets (Delios & Björkman, 2000). Conversely, the grounded theory posits that the challenge for younger expatriates captures a pivotal moment in their development, as they navigate new environments while relying on the host culture's insights. This learning is reciprocal, as it aids in developing their cross-cultural competencies and mitigates potential risks surrounding repatriation as discussed by Shen and Hall (2009) and Jitendra (2011).

The importance of interaction with local experts also serves as a significant element of the grounded theory, enhancing the learning experiences of expatriates. Mentorship from local experts is identified as an essential component of knowledge transfer, aligning with literature around the

competitive advantages of expatriate experiences (Jitendra, 2011). The grounded theory, however, pushes further by positing that these interactions are integral to shaping the expatriates' adaptability and resilience across various career stages.

In terms of obtaining management experience, the grounded theory complements the literature that identifies the strategic cultivation of leadership abilities through expatriate roles (Furuya et al., 2009; Amann et al., 2018; McNulty & Brewster, 2018; Crowne & Engle, 2016; Sekiguchi et al., 2016; Sueda, 2019; Gregersen & Black, 1996; Ueno & Scarbrough, 2016; Graen et al., 2006; Sugimoto, 2010; Takahashi, 2006; Furusawa & Brewster, 2016; Abdullah & Jin, 2015; Fukuda & Chu, 1994). By promoting junior expatriates to management positions, the grounded theory suggests that J-form organisations are investing in the long-term development of their workforce, fostering vital cross-cultural communication skills and adaptability skills that are increasingly recognised as essential in multicultural environments.

Lastly, the element of managing non-Japanese staff, as presented in the grounded theory, directly addresses the challenges of predominantly homogeneous workplaces. This development of cross-cultural communication capabilities is underscored in the literature, particularly regarding the necessity for skills that aid in navigating organisational complexities and enhancing team dynamics (Abdullah & Jin, 2015; Harzing, 2001). Thus, the grounded theory refines the understanding of expatriation by framing these assignments as crucial for cultivating a global mindset that is requisite for success within internationally operating J-form organisations and their network organisation.

5.3.3.4 Comparative Analysis: Maintaining and Updating Knowledge of Overseas Local Markets and Society

The fourth sub-category of the core category 'cornerstones of expatriate assignment alignment', titled 'Maintaining and Updating Knowledge of Overseas Local Markets and Society,' illustrates a critical aspect of the success of Japanese expatriates within internationally operating J-form organisations. This sub-category highlights how experienced Japanese staff leverage their comprehensive understanding of organisational structures to closely monitor overseas conditions, market trends, and regulatory changes. In this regard, the grounded theory nuances existing literature by showcasing how continuous knowledge updates enhance the J-form organisation's competitiveness in the maritime industry, deviating from traditional concepts of static expatriate roles.

The element of maintaining a personal network emerges as vital, as Japanese expatriates cultivate professional connections through short-term assignments and business trips. This aligns with the literature, which indicates that global companies are increasingly considering alternative forms of expatriation, often favouring shorter-term assignments over traditional long-term models (Hutchings & McNulty, 2018; Benson & Pattie, 2008). It supplements the existing discourse by positing that these flexible arrangements foster a deeper understanding of both local and global markets, thereby contributing directly to organisational success. However, it also deviates from the literature's focus solely on short-term arrangements by emphasising the critical role of networking in retaining knowledge and enhancing organisational competence.

Ongoing knowledge updates, as identified in the grounded theory, are also essential. The recognition by headquarters in Japan of the necessity for understanding local conditions aligns with the insights of Magnier-Watanabe (2019) and Delios & Björkman (2000), which note Japan's deliberate focus on acquiring local knowledge and subsequently transferring that back to the parent company. The grounded theory refines this discussion by illustrating that continuous access to locally embedded knowledge equips expatriates to navigate the maritime industry effectively, thereby ensuring competitiveness and culturally sensitive business practices.

The facilitation of knowledge sharing and collaboration between headquarters and overseas subsidiary offices, emphasised in the grounded theory, is complemented by literature that discusses the role of Japanese human resource management strategies, which advocate for learning and information sharing through open communication and teamwork (Beechler & Yang, 1994; Keys & Miller, 1984; Hogan & Goodson, 1990; Mestre et al., 1997). This indicates a synergy between traditional Japanese management practices and necessary local adaptations, ultimately enhancing global operations and innovation.

Furthermore, the grounded theory highlights the importance of engaging with local non-Japanese colleagues and fostering partnerships with local businesses to retain knowledge and enhance competitiveness. This approach aligns with the literature discussing the varied terminology surrounding non-traditional expatriates, including short-term assignees, flexpatriates, and international business travellers (Kang et al., 2017; Bonache et al., 2010; McKenna & Richardson, 2007; Mayerhofer et al., 2004).

5.3.3.5 Comparative Analysis: Extended Long-Term Expatriates

The fifth sub-category of the core category 'cornerstones of expatriate assignment alignment', titled 'Extended Long-Term Expatriates,' illustrates a strategic aspect of internationally operating J-form organisations, particularly in the context of Japanese expatriates who encounter challenges in aligning management practices with culturally distant societies and specifically in the maritime industry. This notion significantly deviates from the literature's emphasis on traditional long-term expatriate assignments, which often encompass a duration of three to five years (Chiang et al., 2018; Minbaeva & Michailova, 2004; Collings et al., 2007). The grounded theory proposes that extended expatriate assignments, lasting over ten years, allow expatriates to develop deeper relationships with local management and become more integrated into the local environment, thereby enriching their contributions to the network organisation.

The first element, developing expert knowledge, reflects how long-term expatriates achieve a nuanced understanding of local customer behaviour and regional market dynamics. This aligns with the literature that characterises traditional long-term expatriate experiences as once-in-a-lifetime opportunities (Bonache et al., 2017; Suutari et al., 2018). Such extensive assignment durations enable expatriates to establish robust relationships with local managers and stakeholders, balancing traditional Japanese management principles with local customs. This expertise stands as an essential contributor to the success of the J-form organisation and its network organisation.

The second element focuses on aligning management practices, highlighting the importance of cultural sensitivity and interpersonal relationships in improving employee engagement. This aspect resonates with Abdallah's (2015) framework of expatriate adjustment, which includes a gradual transition towards mastering local customs, suggesting that an extended period abroad can facilitate deeper integration (Abdallah, 2015). The grounded theory nuances this by indicating that prolonged expatriate assignments enable the alignment of Japanese practices with local customs, ultimately helping maintain the core values and distinctiveness of Japanese companies.

The third element addresses the role of Japanese expatriates as cultural ambassadors, bridging Japanese and local corporate cultures. This aligns with the insights from the literature that emphasise the necessity for expatriates to adapt and act as conduits for effective knowledge transfer and

stakeholder relationship cultivation (Furuya et al., 2009; Amann et al., 2018; McNulty & Brewster, 2018; Crowne & Engle, 2016; Sekiguchi et al., 2016). The grounded theory posits that their ability to adapt promotes innovation and also responsiveness in the host market, thereby supporting the assertion that expatriates need to actively engage in both cultures for enhanced organisational effectiveness.

Lastly, the fourth element concerning expatriates in senior management roles abroad reinforces the idea that their accumulated international experience is invaluable upon returning to Japan. Here, the grounded theory exhibits a notable connection to literature suggesting that repatriates are frequently prepared for knowledge transfer in subsequent roles, with those who demonstrate successful performance likely to be promoted (Furuya et al., 2009; Amann et al., 2018; McNulty & Brewster, 2018; Crowne & Engle, 2016; Sekiguchi et al., 2016; Sueda, 2019; Gregersen & Black, 1996; Ueno & Scarbrough, 2016; Graen et al., 2006; Sugimoto, 2010; Takahashi, 2006; Furusawa & Brewster, 2016; Abdullah & Jin, 2015; Fukuda & Chu, 1994). This highlights the vital role that extended expatriate assignments play in aligning the Japanese parent organisation's objectives with local nuances, which is crucial for navigating cultural challenges and fostering internal cohesion within J-form organisations and particularly in the maritime industry.

5.3.3.6 Comparative Analysis: Frequent Travellers/Short-Term Assignments

The sixth sub-category of the core category 'cornerstones of expatriate assignment alignment', titled 'Frequent Travellers/Short-Term Assignments,' underscores a critical dynamic within internationally operating J-form organisations. This phenomenon illustrates how Japanese expatriates in these roles maintain oversight between the head office in Japan and network subsidiary offices, thus facilitating effective communication and alignment of operational practices. The grounded theory posits that expatriates on short-term assignments are strategically positioned to enhance global integration, which nuances the traditional emphasis found in existing literature regarding expatriate roles.

The first element, development of new business, highlights how frequent travellers drive growth within J-form organisations. Their role involves identifying business opportunities, conducting market research, and evaluating local operations within previously assigned overseas locations. This aspect resonates

with the research indicating that expatriates typically fulfil distinct roles, such as the "bear," "bumble bee," and "spider," as described by Harzing (2001). The grounded theory refines this narrative by focusing on how these seasoned employees leverage their cross-cultural proficiency and language skills to enhance communication and negotiation processes, thereby allowing for strategic advantages in navigating the complexities of the global maritime industry.

The second element, networking, further illustrates the importance of maintaining robust communication between international subsidiaries, joint ventures, and headquarters. Frequent travellers are pivotal in attending trade shows, liaising with suppliers, and engaging with customers, thereby cultivating knowledge exchange and bridging cultural divides. This aligns with literature noting that expatriates play vital roles in developing and maintaining social networks (Harzing, 2001). The grounded theory, however, supplements this understanding by reflecting how these interactions foster collaboration and contribute significantly to enhancing the J-form organisation's overall performance.

The third element concerns establishing overseas networks, where frequent travellers draw upon their extensive knowledge of local cultures and business practices. This aligns with insights from the literature, which underscore that expatriates often act as ambassadors for their organisations (Delios & Björkman, 2000; Magnier-Watanabe, 2019; McNulty & Brewster, 2018; Furusawa & Brewster, 2016). The grounded theory nuances this by suggesting that their abilities to navigate international challenges significantly bolster the success and expansion of the J-form global network. By building strong relationships with stakeholders, these expatriates contribute to the overall effectiveness and adaptability of their organisations in diverse markets.

The fourth element focuses on audit and situational analysis, wherein short-term assignments are strategically utilised when Japanese headquarters is concerned about the (financial) performance of overseas subsidiaries. The grounded theory emphasises that these expatriates leverage their nuanced understanding of operational challenges and cultural contexts to identify issues and propose effective solutions. This perspective reflects findings in the literature regarding the increasing use of non-traditional assignments as a response to the complexities faced by expatriates (Collings & Isichei, 2018; Bonache et al., 2010). The grounded theory expands upon this by suggesting that the ability of frequent travellers to conduct thorough situational analyses

is critical in driving enhancements and improving overall performance within the J-form organisation's global network operations.

Moreover, the grounded theory highlights the tension surrounding the management of short-term expatriate assignments considering the challenges commonly associated with family-related issues in traditional long-term assignments (Collings & Isichei, 2018). This reveals a deviation from solely viewing expatriate roles through the lens of traditional long-term assignments, as non-traditional forms can cater to various organisational needs while providing significant benefits. The dynamic nature of frequent travellers' responsibilities illustrates that these roles are more than mere alternatives; they are integral to maintaining the competitiveness and innovation of J-form organisations. The grounded theory surrounding 'Frequent Travellers/Short-Term Assignments' deepens the understanding of expatriate assignment alignment by framing these roles as essential facilitators for J-form organisational success.

5.3.3.7 Comparative Analysis: Focus Assignments

The seventh sub-category of the core category 'cornerstones of expatriate assignment alignment', titled 'Focus Assignments,' elucidates the multifaceted benefits associated with Japanese rotational training, job rotation, and expatriation within J-form organisations. This phenomenon reflects a significant evolution in how short-term assignments are conceptualised and executed, deviating from the traditional long-term expatriate roles outlined in the literature (Chiang et al., 2018; Belderbos & Heijltjes, 2005; Larsen & Edwards, 2019). Focus assignments, which typically last from a few months to a year, serve various strategic purposes and play a crucial role in promoting organisational growth and diversification.

The first element, promotion of group activities/products, highlights how expatriates leverage their organisational knowledge and cultural alignment to introduce new products and activities effectively. This aspect resonates with Harzing's (2001) identification of expatriates as "bumble bees," skilled at developing relationships and facilitating communication. The grounded theory supplements this perspective by demonstrating how experienced expatriates provide training to local staff, thereby ensuring that new product details, target markets, and key selling points are understood. This enriched understanding fostered by the focus assignments directly contributes to enhancing the J-form organisation's adaptability in diverse markets.

The second element centres on the development of an overseas customer base, where Japanese expatriates enhance customer relationships and drive sales growth in foreign markets. This aligns with research suggesting that expatriates play a valuable role in establishing and maintaining social networks (Harzing, 2001). The grounded theory nuances this by emphasising that the insights gained by these expatriates into both Japanese corporate culture and local market dynamics uniquely position J-form organisations to tailor their offerings to meet specific customer needs, thus fostering a responsive approach to market demands.

The third element pertains to the study of local management practices. This component illustrates the reciprocal learning process where expatriates collaborate with local managers to gain insights into effective leadership styles and techniques. Such integration aligns with the existing literature that underscores the importance of cultural sensitivity and adaptability for expatriates' success (Delios & Björkman, 2000; Belderbos & Heijltjes, 2005; Tung, 1984; Peterson et al., 1996). The grounded theory refines this concept by indicating how assimilation of local best practices can enhance the integration of traditional Japanese management principles, thus bolstering the overall effectiveness of J-form organisations.

The fourth element involves acquiring specialised knowledge or conducting research. Focus assignments facilitate operations while allowing expatriates to gain insights into local customs and practices critical for negotiations. This aspect aligns with the literature suggesting that organisations benefit from expatriates' international experiences (Nery-Kjerfve & McLean, 2012). The grounded theory enhances this understanding by highlighting that participation in tailored university programmes enriches expatriates' technical knowledge and simultaneously helps them establish professional networks that can lead to valuable collaborative opportunities.

The fifth element, sourcing new products and suppliers, illustrates how Japanese expatriates utilise focus assignments to identify and evaluate local suppliers. This reflects the insights of Kang et al. (2017), McKenna and Richardson (2007), and Mayerhofer et al. (2004), who note that shorter, non-traditional assignments can be perceived as a better fit for achieving organisational objectives. The grounded theory expands on this by indicating that expatriates' comprehensive understanding of local trends enables J-form organisations to develop strategic partnerships that enhance their competitive

advantage within the maritime industry. My grounded theory concerning 'Focus Assignments' adds depth to the discourse surrounding expatriate roles in J-form organisations by illustrating how these assignments facilitate essential functions critical for J-form organisational success.

5.3.3.8 Comparative Analysis: Expatriate Assignment Aimed at Maintaining Japanese Presence and Japanese Management Practices

The eighth sub-category of the core category 'cornerstones of expatriate assignment alignment,' titled 'Expatriate Assignment Aimed at Maintaining Japanese Presence and Japanese Management Practices,' highlights the significant role of expatriate assignments in preserving the traditional culture of J-form organisations. This perspective illuminates a strategic necessity that underscores the continuity of traditional Japanese values across global operations, thereby reinforcing the alignment of expatriate roles with prevailing J-form organisational objectives.

The emphasis on expatriate rotation, particularly through focus assignments, serves to bridge the gap between headquarters in Japan and international subsidiaries. This practice resonates with the findings of Magnier-Watanabe (2019), McNulty and Brewster (2018), Delios and Björkman (2000), and Furusawa and Brewster (2016), who collectively articulate that expatriation is often integral to ensuring the continuation and commitment to Japanese management practices in overseas locations. The grounded theory elaborates on this by illustrating how these assignments educate local staff in Japanese management methodologies, thereby embedding corporate culture and best practices abroad, which ensures consistency in Japanese operational standards.

The first element, which focuses on Japanese staff in overseas offices, underscores the traditional practice of rotating expatriates to oversee the local workforce and sustain Japanese management practices. This aligns with existing literature that emphasises the importance of expatriate management in preserving corporate culture and ensuring collaborative efforts within J-form organisations (Naeem et al., 2015; Caligiuri et al., 2009; Tarique & Schuler, 2018). The grounded theory nuances this understanding by suggesting that senior expatriates not only serve as mentors to local staff but also facilitate cross-cultural understanding and effective operational processes, thus enhancing the overall workplace synergy.

The second element pertains to the representation of the Japanese organisation abroad by senior expatriates. This aspect complements the expatriate lifecycle

model, which emphasises selection, preparation, relocation, adjustment, performance, and repatriation (Cranston, 2018; Mol, 2015). The importance of expatriates as key representatives in maintaining management practices and cultural uniformity reflects the perspectives presented in the literature regarding expatriate roles as vital links within organisational frameworks (Harzing, 2001). The grounded theory refines this by asserting that expatriates navigate cultural complexities while managing resources, making their leadership critical for J-form organisational success. By fostering collaboration across diverse teams, these expatriates enhance both the effectiveness of the J-form organisation and its adaptability within the international maritime business landscape.

Moreover, the grounded theory posits that Japanese expatriates must adapt to the cultural nuances of the host country while still upholding Japanese corporate values. This situation is closely tied to the existing literature on expatriate success factors, which notes that cultural sensitivity and adaptability are essential (Naeem et al., 2015; Caligiuri et al., 2009; Tarique & Schuler, 2018). The grounded theory adds depth by illustrating that the alignment of local practices with Japanese management philosophies can facilitate a more harmonious operational environment. The grounded theory part regarding 'Expatriate Assignment Aimed at Maintaining Japanese Presence and Japanese Management Practices' elucidates the vital contribution of expatriate roles in preserving traditional Japanese organisational culture within J-form organisations.

5.4 Situating Organisational Learning: A Comparative Analysis of Conditions and Context in Grounded Theory and Existing Research

5.4.1 Grounded Theory

The core category 'Organisational Learning: Conditions and Contexts' comprises several interrelated subcategories: planned individual tacit learning, structured guided learning, and group network learning. These subcategories are fundamental to understanding how J-form organisations foster a learning environment that aligns with their unique cultural and operational contexts, and they are grounded in a complex myriad of elements that interact in dynamic ways.

Planned individual tacit learning highlights the importance of personal experiences and self-directed learning in developing key competencies. This

subcategory illuminates the value placed on experiential knowledge, allowing individuals to enhance skills in real-world settings. Structured guided learning, by contrast, involves formal mechanisms and frameworks designed to facilitate knowledge transfer and skill development. This approach is particularly effective in ensuring that explicit knowledge is systematically disseminated throughout the J-form network organisation while maintaining an emphasis on the practical application and transfer of tacit knowledge, acquired knowledge, and the development of expert knowledge.

Group network learning extends this framework by fostering collaboration and knowledge sharing among teams. This subcategory underscores the significance of collective learning, where insights and experiences are exchanged, enriching the J-form organisational knowledge base. By creating an environment that supports teamwork, J-form organisations can harness the diversity of perspectives and expertise present within their workforce. Together, these subcategories illuminate the intricate conditions necessary for effective organisational learning in J-form contexts. They demonstrate that fostering a culture of learning requires the enhancement of tacit knowledge and the deliberate integration of structured processes and collaborative practices. This multifaceted approach is essential for guiding, managing, and supporting the ongoing development of expertise, knowledge, and incremental innovation within J-form organisations, ultimately enhancing their adaptability, growth, and success in the global maritime industry.

5.4.1.1 Planned Individual Tacit Learning

The concept of Planned Individual Tacit Learning forms an integral component of the broader framework of 'Organisational Learning: Conditions and Contexts' within J-form organisations. This subcategory highlights the human resource management (HRM) strategies designed to enhance workforce competences, ensuring employees are well prepared for the maritime industry's demands. The process begins with one of the main transitional codes, namely selection, segregation, and training, which is essential for assessing suitability and facilitating the onboarding of new employees.

Selection, Segregation, and Training for Suitability

The first transitional code, 'Selection, segregation, and training to verify suitability,' outlines the rigorous selection process used by J-form organisations. Candidates submit applications that undergo thorough assessment through motivational letters and English proficiency evaluations to determine their

suitability for the maritime sector and alignment with organisational culture. Post-selection, candidates are categorised into groups based on function (technical or non-technical), allowing for targeted development and comprehensive training. This training encompasses classroom learning and practical experience, focusing on essential business communication and safety protocols.

In the Japanese context, recruitment often utilises personal endorsements, yet efforts towards diversification have seen organisations like Kobe Trading engage with various universities to attract a wider pool of candidates. The initial training phase is paramount, where freshmen are paired with mentors, fostering a culture of continuous learning. Notably, candidates are organised based on their English proficiency and performance metrics, thereby aligning role assignments with their respective capabilities and academic backgrounds.

Subsequent Segregation and Selection of Staff

The second transitional code, 'Subsequent segregation and selection of staff,' emerges following the initial training phase. It emphasises English proficiency, persistence, work ethic, and cultural alignment as essential selection criteria impacting career progression, particularly for expatriate assignments. Language skills serve as a distinguishing factor across generational lines in J-form organisations, with younger employees demonstrating improved English proficiency compared to their older counterparts. However, the cyclical nature of training opportunities and the cultural implications surrounding language use can still pose barriers to effective communication with international customers.

This subsequent development phase prioritises the cultivation of a capable workforce through structured professional growth, aligning individual performance with the J-form organisation's long-term objectives. Japanese cultural values resonate through expectations of dedication and resilience, where employees embody principles of loyalty and commitment. A conscientious work attitude is integral within the hierarchical structure of J-form organisations, functioning as a demonstration of responsibility and dependability.

Expatriate Preparation

The third transitional code, 'Expatriate Preparation,' positions expatriates as essential channels for knowledge transfer and organisational advancement. Recognised for their ability to provide diverse perspectives, expatriates play a crucial role in enhancing organisational learning and competitiveness. Japanese expatriate preparation employs a robust strategy that includes implicit training

in maritime industry-specific skills, competences, and fostering international customer relationships. Former expatriates manage and mentor junior expatriates over several years, fostering effective knowledge transfer.

The cultural emphasis on organisational harmony and continuous improvement facilitates rotational training, allowing individuals to commence their careers at foundational levels, which is fundamental for adapting to and understanding of the evolving dynamics in the maritime industry. Pre-expatriate training is emphasised, with J-form organisations utilising subsequent assignments to broaden learning experiences. Short-term assignments and business travel are instrumental for pre-expatriates, enabling them to assimilate into foreign cultures and understand their influence on business operations. J-form organisations typically adopt a hybrid methodology that merges traditional and modern training techniques, featuring an initial domestic work period of three years under the guidance of repatriates, effectively maximising employee learning through exposure to both domestic and international maritime contexts.

Preventing Expatriate Failure

The fourth transitional code, 'Prevent Expatriate Failure,' underscores the importance of cultural sensitivity and alignment with host country values, which facilitates expatriate adaptation and interaction with local colleagues. Japanese cultural homogeneity presents challenges for expatriates, necessitating comprehensive training that cultivates cultural awareness and appreciation. Expatriates are implicitly equipped with skills crucial for navigating international assignments, especially in understanding local regulations and customs. Initiatives, such as selecting employees with prior international experiences and providing short training periods in busy international ports such as Singapore or Rotterdam, are instituted to ease cultural integration. A structured three-year preparatory programme under seasoned repatriates ensures expatriates develop the cultural adaptability needed for successful overseas assignments. Cultural fit significantly influences expatriate effectiveness; alignment with local values strengthens communication and interpersonal relations. Promoting cultural compatibility empowers expatriates to excel in complex environments, thereby facilitating organisational success and the effectiveness of high-performing teams abroad.

Building Competence Overseas

The transitional code 'Building Competence Overseas' includes various dimensions of the expatriate learning experience. Historically, only highly

experienced employees were considered for expatriate roles, but modern strategies now advocate for employees to spend three to five years in operational positions before such assignments. This shift denotes a dedication to professional competence enhancement. Expatriate assignments immerse employees in diverse cultures, preparing them for effective management of non-Japanese colleagues. Practical experience is deemed paramount in experiential learning. Enhanced English skills bolster expatriates' capacities to navigate international maritime environments, particularly in culturally mixed settings like Rotterdam and Singapore. Effective communication is pivotal to success in the global maritime industry, where fostering relationships and succeeding in business depend on adapting to direct communication styles.

Working collaboratively with local experts enhances both operational effectiveness and comprehension of regional business nuances, thereby making interdepartmental collaboration essential. Successful expatriates often receive recognition and promotions upon their return to Japan, marking significant personal growth and organisational advancement. Nevertheless, the J-form organisation must adapt its expatriate strategies to overcome staffing challenges induced by economic and demographic factors, leading to faster elevation of younger employees into initial assignments with ongoing support from seasoned mentors.

Managerial Experience / Training of High Potentials

The final transitional code, 'Managerial Experience / Training of High Potentials,' centres on amplifying managerial competencies through expatriate assignments. Recognising the connection between international assignments and subsequent repatriation is vital for the J-form's global operations. Expatriates form partnerships with overseas counterparts, while repatriates translate their international insights back into local markets.

Career trajectories of repatriates often lead them to occupy junior or mid-level management roles initially, which promotes more effective knowledge transfer. Strategic medium-term planning encourages collaborative engagement between senior managers and younger team members, driving innovative thinking and collaborative strategies. Management training combined with onsite knowledge sharing equips future leaders with crucial skills, facilitating expertise transfer from Japan to subsidiary offices. The selection process for managerial roles is influenced by candidates' personal attributes and leadership styles, with senior management carefully

considering these alignments within the local cultural context. Moreover, acquiring engineering knowledge through structured educational programmes or practical experience is essential for grooming future leaders in J-form organisations, thus ensuring they possess the essential expertise to drive the J-form organisational innovation forward.

5.4.1.2 Structured Guided Learning

Structured Guided Learning represents a systematic approach within J-form organisations, defined by several transitional codes that operationalise its framework. This approach is aimed at enhancing knowledge management and sharing among employees, fostering an adaptable and competitive organisation in a complex business landscape. The six key transitional codes include: (1) Informal day-to-day (tacit) knowledge sharing; (2) Formal knowledge sharing sessions; (3) Management training and in situ knowledge sharing; (4) Developing expert knowledge; (5) Formal information sharing sessions; and (6) Documenting in a central information system.

Informal Day-to-Day (Tacit) Knowledge Sharing

The first transitional code is titled 'Informal Day-to-Day (Tacit) Knowledge Sharing.' This code is crucial within Japanese J-form organisations for promoting collaboration, innovation, and continuous improvement. The sharing of knowledge, experiences, and insights takes place through informal daily interactions among team members, where learning often occurs through observation and emulation. Employees gain insights into task execution and problem-solving by interacting with more seasoned colleagues during various workplace activities, including meetings and casual settings. A significant component of this code is the management by (extended) long-term expatriates, who immerse themselves in overseas subsidiaries for 15 to 20 years. Their extended service allows them to build strong stakeholder relationships and facilitate informal exchanges of tacit knowledge with visiting expatriates and new staff. Similarly, management by repatriates enables returning employees to share their international experiences and best practices, further enhancing knowledge transfer within their teams.

Coaching new recruits is another vital practice, where recently graduated employees, or freshmen, are mentored by slightly more experienced peers. This peer support helps new employees integrate into the corporate culture and promotes collaboration. Additionally, expatriate managers are strategically deployed, ensuring effective oversight of both Japanese and local

staff, thereby facilitating knowledge transfer across subsidiaries. Interaction through social settings, such as dinners, further strengthens relationships and enhances information flow between headquarters and overseas branches, highlighting the significance of informal learning in J-form organisations.

Formal Knowledge Sharing Sessions

The second transitional code, 'Formal Knowledge Sharing Sessions,' encompasses structured meetings designed to foster communication and collaboration among employees. These sessions provide platforms for sharing updates, discussing project progress, and exchanging pertinent information, ensuring that all team members align toward shared objectives. A primary foundation for this initiative is the leading of informative daily morning meetings by seasoned expatriates in international subsidiaries. These sessions are effective in enhancing collaboration between local and Japanese staff. Conducting daily morning meetings is also emphasised, where team members are encouraged to openly address issues. This open-floor approach not only aids in analysing root causes but also promotes accountability and shared responsibility for success. Such a culture fosters continuous learning, highlighting how formal information-sharing sessions can significantly enhance organisational performance and cohesion.

Management Training and In Situ Knowledge Sharing

The third transitional code, 'Management Training and In Situ Knowledge Sharing,' is crucial for developing future leaders in J-form organisations. This code incorporates structured job rotation, rotational training, and in situ knowledge sharing. Management strategy plays a vital role in adapting to market dynamics; for instance, the focus within the organisation may shift from consumables and stores training to training aimed at spare parts, reflecting a strategic embrace of the Senmon Shosha model. Selecting Japanese staff for managing overseas subsidiaries is pivotal, particularly for managing directors who must navigate local culture and foster rapport with employees. Senior management also plays a role in coaching high-potential individuals for leadership roles, emphasising qualitative assessments alongside objective criteria. This approach connects the experiences of expatriates and local managers, promoting effective knowledge transfer and cultural sensitivity across the organisation.

Developing Expert Knowledge

The fourth transitional code, 'Developing Expert Knowledge,' illustrates the importance of both new and existing employees participating in rotational

training schemes. Such schemes allow employees to rotate through various roles, cultivating a comprehensive skill set and a deep understanding of the organisation. This initiative promotes employee engagement in specific projects, where specialised skills can be applied effectively in practical scenarios.

Strategic assignments for expatriate employees enable them to gain expertise in vital areas, making them invaluable organisational assets. Senior managers and expatriates leverage their knowledge of local traditions and market nuances to navigate client interactions successfully.

Additionally, employees may also be assigned to long-term strategic projects, such as sourcing materials or implementing innovative technologies. These projects generate valuable experience and expertise, which subsequently enriches the organisation's capabilities. The success of initiatives, exemplified by efforts to create comprehensive resource catalogues for the maritime industry, underscores the synergy between focused work and regular roles, fostering camaraderie and innovation essential to leading J-form organisations in the maritime industry.

Formal Information Sharing Sessions

The fifth transitional code, 'Formal Information Sharing Sessions,' reinforces the necessity of structured meetings that enhance communication and collaboration among team members. These sessions are crucial for sharing updates, discussing project developments, and ensuring alignment towards common objectives. Informative daily morning meetings, often led by experienced expatriates, serve as a framework for enhancing cross-cultural collaboration and learning between local and Japanese staff. Furthermore, conducting these morning meetings enables team members to openly discuss emerging issues, further promoting a culture of accountability and continuous improvement. This openness encourages employees to engage in self-reflection, adapt, and innovate, ultimately driving the success and efficiency of the J-form organisation.

Documenting in the Central Information System

The sixth and final transitional code is 'Documenting in the Central Information System,' which addresses the importance of efficiently managing implicit and explicit knowledge. Although J-form organisations highly value interpersonal relationships and experiential knowledge, they also recognise the necessity for a globally accessible information system, especially vital for the maritime

industry. This centralised storage enhances the efficient sharing of explicit knowledge across subsidiary regions and time zones.

Creating general guidelines and developing a robust database related to LNG project management exemplifies the explicit sharing of critical information within the J-form organisational network. By centralising communication and updates, the J-form organisation not only enhances transparency but also fosters a culture of informed collaboration and alignment across its subsidiaries.

5.4.1.3 Group Network learning

In Japanese J-form organisations, group network learning plays a crucial role by integrating collaboration, communication, and knowledge sharing at various organisational levels. This concept serves as a comprehensive theoretical framework demonstrating how organisations can embed learning in their culture. By cultivating a prosperous culture of group network learning, J-form organisations enhance their adaptability, innovation, and overall effectiveness in the volatile maritime industry.

The transitional codes linked to group network learning reveal the different aspects of this framework. These include: (1) Developing the subsidiary network; (2) Building network relationships and expanding the network; (3) Extending and maintaining network relationships; (4) Utilising knowledge available in the network; (5) Managing global competitiveness; and (6) Management assignments overseas and the selection of future senior management.

Developing the Subsidiary Network

The first transitional code, 'Developing the Subsidiary Network,' highlights the importance of establishing and enhancing the subsidiary network, pivotal for the growth of J-form organisations, especially in the maritime industry. The effectiveness of these subsidiaries depends on robust collaboration among Japanese expatriates, local staff, and local management. In certain instances, subsidiaries operate as joint ventures, with local partners holding 51% of the stake and the Japanese organisation retaining 49%. Establishing strong relationships with local partners is essential, as expatriates on long-term assignments can skilfully navigate cultural differences, thereby contributing to operational success. Key components characterising the development of the subsidiary network include (extended) long-term expatriates, who typically

serve in roles for ten to twenty years, addressing shortages of experienced personnel and ensuring stability in critical locations. The relationship with local partners significantly impacts expatriate placements, often favouring those who demonstrate both skill and cultural sensitivity, thereby enriching decision-making processes and enhancing operational efficiency.

Interactions between expatriates and local management foster a deeper understanding of local business practices and norms. The practice of management by returning expatriates is crucial, as repatriates leverage their established relationships and insights into local markets, enabling effective navigation of challenges. When operational issues arise in subsidiaries, strategically deploying a former expatriate allows for quick assessments and resolutions, making use of familiarity with both the local context and the subsidiary's operations.

The management of overseas subsidiaries emphasises the careful selection of managerial roles to ensure that leadership can adapt to the intricacies of international business. Rotating expatriates through various positions helps cultivate skilled leaders, making the focus on continuity, experience, and cultural competence vital for success in multicultural environments. Together, these components form a thorough framework for developing subsidiary networks.

Building Network Relationships and Expanding an Extended Network

The second transitional code, 'Building Network Relationships & Expanding an Extended Network,' reveals how J-form organisations set themselves apart by developing knowledge of overseas markets and establishing solid relationships with suppliers, while nurturing connections with customers abroad. Unlike many Japanese shipowners that often lack such networks, the J-form organisation's global reach makes it particularly valuable. Additionally, the organisation's extensive relationships with non-Japanese customers are highly regarded by Japanese manufacturers. The specialised function of *senmon shosha*, or trading agencies, is critical in facilitating international trade within the maritime industry. The transitional code includes five essential elements identified during open coding: building relationships with Japanese customers, establishing connections with suppliers in local overseas contexts, engaging in business travel/short-term assignments, recognising the need for an extensive network, and fostering relationships with manufacturers and suppliers in Japan.

A fundamental aspect of this code is the importance of nurturing strong connections with Japanese customers. The J-form organisation discussed in this research evolved from ship chandlers serving foreign shipowners, a development rooted in the historical context in which Japanese shipowners established subsidiaries to provide crucial services. This mirrors the dynamics within historical zaibatsu conglomerates, where hierarchical relationships often prevail, creating power imbalances that influence negotiations. Effectively navigating these challenges is essential for fostering harmonious partnerships. Building relationships with suppliers in overseas contexts is another key element. Initially, senior managers undertook extensive travel to strengthen global supplier and customer relationships. As the network organisation expanded, local subsidiaries began managing these relationships, ensuring adherence to organisational values. This decentralised approach enabled efficient collaboration and deep regional understanding, enhancing the organisation's capabilities and global reach.

The evolution in the role of senior management reflects a shift from extensive travelling to regular visits, with repatriates increasingly conducting short-term assignments to engage with suppliers and customers. These visits help address immediate concerns and leverage established relationships, underpinning the organisation's commitment to fostering strong ties. Recognising the necessity for an extensive network arose during a financially challenging period in Japan, prompting management to diversify operations internationally, starting with essential ports like Singapore and Rotterdam. Another aspect focuses on building relationships with manufacturers and suppliers in Japan, showcasing the transformations brought about by the organisation's expanding network. This evolution alters how the organisation is perceived by Japanese shipowners and manufacturers, enhancing its prominence within the sector. Overall, this strategic approach positions the organisation as a leader in the global maritime industry, leveraging connections and insights to effectively navigate complex markets.

Extending and Maintaining Network Relationships/Network Connections

The third transitional code, 'Extending and Maintaining Network Relationships/Network connections,' emphasises the pivotal role of sustaining relationships embedded in the J-form organisation's culture. A significant aspect of this code is the encouragement of employees returning to Japan to frequently travel to maintain connections with international partners and customers. The expertise brought back by repatriates is instrumental in building and enriching business relationships within and outside Japan. The J-form organisation promotes

a culture prioritising continuous network development, both internally and externally. By recognising the significance of short-term assignments, the network organisation frequently sends employees to key markets for the maintenance of connections, while also emphasising relationships with manufacturers and suppliers within Japan. This focus is indicative of a commitment to operational efficiency, collaboration, and innovation.

The first element, "Repatriate Becomes Frequent Flyer," illustrates seasoned expatriates who consistently travel between headquarters and overseas subsidiaries to preserve robust relationships and remain connected with subsidiary operations. Their extensive international experiences help bridge cultural and communication gaps effectively. The second element, "Repatriate Experience," highlights how repatriates enhance communication across cultural contexts. Their ability to merge local knowledge with their expertise enriches the network, fostering effective relationships. The third element, "Embedding Network Thinking," accentuates the necessity of a cultural shift that encourages a mindset leveraging interconnections as key J-form organisational assets. Fostering network thinking aids the network organisation in harnessing information exchange and collaboration, ultimately creating business opportunities and driving innovation. By strategically embedding this mindset, J-form organisations can extend their subsidiary network connections and nurture group network learning. Engaging with local and global perspectives enhances the adaptability and innovation of the J-form organisation, solidifying its position within the international maritime industry.

Utilising Knowledge Available in the Network

The fourth transitional code, 'Utilising Knowledge Available in the Network,' signals the emphasis on leveraging expert knowledge from various sources to enhance organisational capabilities. The network organisation prioritises learning and sharing best practices, fostering a collaborative culture that supports informed decision-making.

The first element, "*Providing Expert Knowledge*," establishes the organisation's network as a platform for sharing knowledge, thereby enhancing operational effectiveness. By prioritising expert knowledge, the organisation enriches its decision-making processes and fosters innovative approaches. "*Using Expertise from Expatriates/Repatriates*" highlights the significance of leveraging repatriate expertise through strategic assignments aligned with their specialisations. "*Repatriate Knowledge*" underscores the importance

of retaining and revitalising subsidiary knowledge as repatriates return with essential information that rejuvenates the organisation and promotes dynamism across its subsidiaries. "Subsidiary Specific Local Knowledge" is vital for effectively addressing the needs of both international and Japanese clients. This knowledge is crucial for building solid customer relationships and enhancing service delivery. "*Expatriate Knowledge*" emphasises insights derived from international experiences, which are fundamental to the J-form organisation's adaptability. Moreover, "*Sharing Organisational Knowledge*" focuses on the importance of disseminating information throughout the network organisation, thereby nurturing a deeper understanding of local markets and reinforcing the J-form organisational culture. "*Coordinating Network Communication and Follow-Up*" stresses the necessity for systematic communication to efficiently address supplier and client concerns, ensuring a unified strategy that improves operational efficiency.

Finally, "*Reporting to Headquarters in Japan*" involves consistent reporting from subsidiaries to maintain alignment with organisational objectives, thereby reinforcing the competitiveness in the international maritime marketplace while upholding traditional Japanese business culture.

Managing Global Competitiveness

The fifth transitional code, 'Managing Global Competitiveness,' addresses the challenges faced by J-form organisations within the maritime sector, particularly regarding global competitiveness, sourcing from low-cost countries, and maintaining robust customer relationships. Despite these challenges, there exist opportunities to leverage the organisation's network and transparent business practices, enabling differentiation in the market.

By sourcing homogeneous products from low-cost countries, the network organisation aims to reduce procurement costs and enhance its competitiveness. Strong customer relationships and transparency serve as unique selling propositions that distinguish the organisation. Information sharing within the organisation fosters a comprehensive understanding of customer behaviour across various locations, facilitating informed decision-making and the development of adaptive strategies.

This code emerged from three open codes: "*Japanese as Brand Label*," "*Visualising Customer Decision Making and Behaviour*," and "*Understanding Challenges and Management Overseas*." "*Japanese as Brand Label*" illustrates

the international perception of Japanese products, characterised by integrity, transparency, and reliability. This reputation builds trust among customers who rely on the organisation to fulfil commitments, while also presenting challenges regarding how to leverage the "*Japanese*" label for sustainable competitiveness.

"*Visualising Customer Decision Making and Behaviour*" stresses the necessity for a nuanced approach.

Customers may appreciate Japanese methodologies but are often reluctant to pay a premium for equivalent products and services. Insights garnered from the organisation's network can prompt strategic adjustments that align offerings with global maritime market needs. "*Understanding Challenges and Management Overseas*" explores the unique opportunities and obstacles faced by various regional networks. For instance, in the United States, attracting qualified employees amid competitive landscapes is a challenge. Addressing this requires strategic recruitment and retention initiatives, utilising expatriate management tools, and recognising regional challenges to reinforce international presence.

Management Assignment Overseas

The final transitional code, 'Management Assignment Overseas/Selecting Future (Senior) Management,' focuses on the critical elements involved in selecting management positions for J-form organisations and their network organisation. Managing directors in these subsidiaries play a vital role as representatives and decision-makers. Given the significance of this position, the selection process is meticulous, as errors can lead to financial and reputational repercussions.

Key considerations when selecting a managing director typically include relevant experience, cultural fit, proficiency in English, and strategic vision. This code originated from seven open codes identified during the coding process: *subsequent expatriate assignment*, *management performance*, *staff performance*, *management by objectives*, *overseas performance*, *Japanese mindset*, and *management experience in the network office*. "*Subsequent Expatriate Assignment*" reflects the evaluation of candidates for overseas roles.

Individuals excelling domestically may be assigned for expatriate assignments, serving as a testing ground for their leadership capabilities on a global scale. "*Management Performance*" pertains to assessing candidates based on

their skill sets and adaptability, highlighting the need for junior managers to effectively lead diverse teams in preparation for senior positions. "*Staff Performance*" focuses on ensuring accountability for individual and team outcomes, with effective management necessitating cultural sensitivity and strong communication skills for leading multicultural teams successfully. "*Management by Objectives*" is aimed at aligning individual goals with broader organisational objectives, requiring regular monitoring and feedback for successful achievement. "*Overseas Performance*" underscores the significance of evaluating employees in international assignments to ensure their alignment with strategic aims.

The "*Japanese Mindset*" component highlights understanding cultural nuances, which enhances leaders' effectiveness and relationship-building. Lastly, "Management Experience in the Network Office" focuses on gaining experience within the network office, helping employees comprehend local dynamics while applying broader organisational strategies.

5.4.2 Exploring the Existing Literature: Integrating Knowledge Dynamics in Japanese Organisations

The researcher conducted a thorough review of an extensive body of literature, and the key excerpts identified as most significant are presented below. This literature review is part of the comparative analysis titled 'Situating Organisational Learning: A Comparative Analysis of Conditions and Context in Grounded Theory and Existing Research.' Given the particularly complex interplay of elements involved and the reciprocal relationship with the other pillars of the grounded theory, it was deemed essential to examine a diverse range of literature on interrelated topics, including relevant studies pertaining to the SECI theory. This theory proved to be very much interlinked with the grounded theory in this thesis. The SECI theory will be briefly introduced further in this literature interview, but a more in-depth explanation will be provided in the comparative analysis, specifically in section 5.4.3.1 on individual tacit learning. The choice to also integrate the SECI theory in the subsequent comparative analysis of individual tacit learning was made because it synthesises more effectively with the overall exploration of knowledge creation and conversion processes in that section.

Nation Culture of Japan

Many believe that Shinto's unique attachment to nature is what expresses the soul of Japanese culture (Breen & Teeuwen, 2013). Shinto rituals and

government are intertwined, which explains the importance and respect for the deities and the traditional control of the populace. Shinto is why the polity is characterised by an unbroken line of emperors (Breen & Teeuwen, 2013). Shinto expresses the imperial institution, Japan's unique polity, and Japanese-ness (Breen & Teeuwen, 2013). The phenomena of Japanese-ness and Shinto as an ethnic religion are deeply embedded in the structure of the nation-state, with Shinto representing Japanese-ness and Japanese family unity from this perspective (Crown, 2018).

Japanese-ness is related to the Nihonjinron discourse, which refers to or is characterised by Japanese culture, Japanese uniqueness, and Japanese-ness (Taira, 2019; Sugimoto, 1999). Other authors describe Nihonjinron as a phenomenon utilising three interchangeable concepts: culture, ethnicity, and nationality, which are intricately connected to each other (Sugimoto, 1999). The key aspect of Nihonjinron, however, is clearly Japanese-ness, suggesting that Japanese people are fundamentally different from Western individuals, with the belief that they share a specific set of value orientations (Sugimoto, 1999). Theories regarding the uniqueness of the Japanese are based on various factors, such as language, cultural background, distinct cultural history, and even extreme assertions regarding physical differences, for instance, that Japanese males would have longer intestines due to their diet, which is predominantly rice-based (Rapple, 2018; Liddicoat, 2007; Sugimoto, 1999).

Japan's volatile and distinct history has had a considerable influence on the Japanese self-image, Japanese thinking, and, in general, today's Japanese society and national culture (Kaynak & Sai, 2016; Trompenaars & Hampden-Turner, 2011; Aoki & Dore, 2008; Nonaka & Takeuchi, 1995). Many of the values, beliefs, and rituals can be traced back to distinct eras in Japanese history, which is partly why Japanese society is regarded as a high-context culture, complex and difficult to navigate (Kaynak & Sai, 2016; Trompenaars & Hampden-Turner, 2011; Aoki & Dore, 2008; Nonaka & Takeuchi, 1995).

Japan's high-context culture involves a unique style of communication, characterised by considerable body language and the use of silence. This differs significantly from the Northern European style of communication or low-context communication, which primarily occurs through explicit statements in text and speech (Hallikainen & Laukkanen, 2018; Würtz, 2005). Conversations with Japanese individuals require the ability to understand the context and grasp the intended message behind the words. The Japanese

are often ranked as among the top countries for high-context communication (Watanabe, 2018; Würtz, 2005; Nishimura et al., 2008). Consequently, Japanese communication is often considered highly indirect and obscure, primarily because of the limited use of words, an appreciation for silence (including sometimes prolonged quiet), contextual cues, and the avoidance of personal names (Nishimura et al., 2008). Moreover, the Japanese language is digressive and characterised by a system designed to convey humbleness, respect, and a specific emphasis on politeness (Nishimura et al., 2008). The Japanese language, when viewed through the lens of phonetics, is high context; the number of moras is limited, while the number of homonyms is considerable. The context of conversations is understood only when there is an in-depth understanding of these homonyms (Nishimura et al., 2008; Tokuhiko & Hiki, 2004). Therefore, a comprehensive understanding of Japan's high-context communication requires an awareness of each other's cultural frame of reference and shared cultural history (Watanabe, 2018).

Another specific Western view on the cultural aspects of Japan can be provided through Hofstede's six cultural dimensions model. Despite some criticism of Hofstede's model, it is widely accepted as a tool for visualising the cultural dimensions of countries and, in addition to the perspectives described above, supports a holistic understanding of Japan's cultural aspects (Huang et al., 2019). It is both useful and appropriate for this study to explore Hofstede's model in more detail. Hofstede's Power Distance Orientation dimension refers to the extent to which people accept inequality between different social classes. Japan, with a score of 54, is classified as a society with a borderline hierarchical structure (Zheng et al., 2019; Hofstede Insights, 2019; Singh et al., 2017). The Japanese people are very careful in considering their position within the hierarchy in social and business settings (Hofstede Insights, 2019). For non-Japanese individuals, Japanese hierarchy is often cited to explain the seemingly slow and cumbersome decision-making processes (Hofstede Insights, 2019; Ferle et al., 2002). Japan's score on Power Distance is close to the world average; however, recent studies suggest that the Japanese are becoming increasingly less tolerant of power distance. This was particularly evident prior to Prime Minister Abe's current reign, during which there was a high turnover of prime ministers (Bergiel et al., 2012).

Hofstede's Individualism versus Collectivism dimension refers to the extent to which people focus on looking after themselves as opposed to groups that will protect one another (Gustafsson & Ingvarsson, 2019). Japan scores 46

on this dimension, placing it in the middle alongside the previous dimension of power distance. Japan is less collectivistic than its Asian neighbours, which is believed to be related to a family system that is less collectivistic than, for instance, that of China (Hofstede Insights, 2019). The Japanese family system is also based on traditional Asian family principles of respect; the father is the decision-maker, and family members are expected to show respect, gratitude, and loyalty to ancestors, grandparents, and parents. However, Japanese loyalty (*chu*) appears to be more of a chosen individualistic state based on Bushido and Confucian beliefs (Yamamoto & Lloyd, 2019).

In the workplace, individuals are respectful to one another, refraining from openly criticising each other, and the Japanese expect individuals to act with a long-term reciprocal attitude, even when relationships are not necessarily close (Yamamoto & Lloyd, 2019). Parent or affiliated companies often have familial-type relationships; however, the intensity of these relationships is contingent upon whether they are part of horizontally or vertically structured *keiretsu* (Yamamoto & Lloyd, 2019).

The Japanese are generally open to learning from other people and cultures and have shown interest in the learning and thought processes of other countries (Yamamoto & Lloyd, 2019). The Japanese score of 46 on this dimension represents a society that is perceived as individualistic by other Asian countries while Westerners view Japan as a collectivistic society (Hofstede Insights, 2019).

With a score of 95, Japan ranks among the highest on Hofstede's Masculinity dimension. An industry indicator of Japanese masculinity is the extreme pursuit of perfection in daily life, sports, production, and business (Gustafsson & Ingvarsson, 2019; Bergiel et al., 2012). Nevertheless, the Japanese are generally not extremely assertive or competitive on an individual basis; rather, they are motivated to compete as teams against rival teams from other companies (Gustafsson & Ingvarsson, 2019; Hofstede Insights, 2019). Japanese loyalty and dedication to work are so extreme that, in some cases, they have led to suicide (Hofstede Insights, 2019). The Japanese attitude toward work and workaholism is a clear expression of high masculinity, which partly explains why it has proven more challenging for women to ascend the corporate ladder (Hofstede Insights, 2019).

Japan scores 92 and is very high on Hofstede's Uncertainty Avoidance dimension, indicating that Japanese society is perceived as more stressful

and prepared for uncertainty compared to many other societies (Gustafsson & Ingvarsson, 2019; Hofstede Insights, 2019). Japan's high score can be attributed to its history of natural disasters, which has left the Japanese people constantly prepared for the unknown that could occur at any moment (Gustafsson & Ingvarsson, 2019; Hofstede Insights, 2019). Furthermore, Japanese uncertainty avoidance is reflected in the workplace through extensive feasibility studies and risk assessments undertaken before initiating any project; it can also be observed in the meticulously prepared ceremonies and rituals for daily life events (Gustafsson & Ingvarsson, 2019). Changes in Japan are perceived as particularly difficult and cumbersome, which can be directly traced back to the high score on uncertainty avoidance (Hofstede Insights, 2019).

Japan traditionally scores high with 88 on Hofstede's dimension of Long-Term Orientation versus Short-Term Orientation, although this is expected to shift toward shorter-term perspectives in the near future as Japan's population is ageing rapidly (Gustafsson & Ingvarsson, 2019; Bergiel et al., 2012). The outlook appears less prosperous for younger Japanese individuals, as there are fewer citizens available to care for an increasing number of elderly people (Gustafsson & Ingvarsson, 2019; Bergiel et al., 2012). In general, Japanese people consider their lives to be a brief period within the broader context of mankind's history and, therefore, strive to do their utmost and give all they can to maximise benefits for their company (Gustafsson & Ingvarsson, 2019; Bergiel et al., 2012; Hofstede Insights, 2019). Japanese employees are committed to the long-term sustainability of the company and serve stakeholders across generations, rather than focusing on short-term gains (Gustafsson & Ingvarsson, 2019; Bergiel et al., 2012; Hofstede Insights, 2019). In Japan, employees prioritise the long-standing durability of the company, serving stakeholders for generations instead of concentrating solely on achieving quarterly profits (Gustafsson & Ingvarsson, 2019; Bergiel et al., 2012; Hofstede Insights, 2019).

While older people have a strong sense of Japanese uniqueness, the younger generation of Japanese seems to have a weaker sense of identity, which is displayed by the fact that they are less interested in learning about specific Japanese traditions, specific cultural aspects, and historic elements (Nagatomo, 2017; Rappleye, 2018). Furthermore, the Japanese identity is not unequivocally perceived by all Japanese; many believe that the Shinto religion is the indigenous religion of Japan, yet there is no consensus on the role of Shinto in Japanese history and culture (Toshio et al., 1981). The different views

can be categorised by two distinct schools of thought. Researchers from the first school of thought believe that despite the dissemination of Confucianism and Buddhism, Shinto has continued to exist throughout Japanese cultural history (Toshio et al., 1981). The second school of thought believes that despite the existence of the label Shinto, there have always been Shinto beliefs and Shinko (customs) in Japan (Toshio et al., 1981). Nevertheless, it is clear that Japan's three main religions, Shinto, Confucianism, and (Zen) Buddhism, are very much intertwined and dovetailed with each other and with politics (Fukase-Indergaard & Indergaard, 2008).

Japanese Economy and the Japanese Industry

While horizontal keiretsu is characterised by cross-shareholdings and centralisation around a main bank, vertical keiretsu, on the other hand, represents a form of supply chain that is characterised by Original Equipment Manufacturers (OEM) having deep relationships with key suppliers and specialised agents or Senmon Shōsha (Huysveld, 2017; Aoki & Lennerfors, 2013; Maguire, 2001; Woronoff, 2001; Bowonder et al., 1994; Mirza & Sparkes, 1998). Keiretsu linkages are found to influence the setup and control of overseas subsidiaries, manufacturing plants, and local human resource practices in those organisations.

The Japanese Organisation and Organisation Management

Many of the larger Japanese organisations are referred to as J-form organisations, in line with Aoki's (1988) typology of the J-form organisation, the taxonomy of Lam (2000), and Nonaka and Takeuchi's (1995) view on the Japanese knowledge-creating company (Lam, 2014; Engelen, 2018). J-form organisations are characterised by practices designed to involve employees in operational decision-making and problem-solving within teams, problem-solving groups, and individual responsibility for quality control (Dohmen & Yelubayeva, 2018). The J-form and Japanese style of working are sometimes explained as a transformation of Taylor's approach to task specialisation (Dohmen & Yelubayeva, 2018). In positioning the J-form organisation against the Western adhocracy as described by Mintzberg (1979), these organisation types can be regarded as opposites on a continuum of organisational forms or typologies (Engelen, 2018; Lam, 2002; Lam, 2000). While the Western adhocracy relies heavily on the individual skills and expertise of its members and focuses on the ability to react quickly to required changes in knowledge and skills, the J-form organisation depends on incremental changes and knowledge sharing (Engelen, 2018).

All Japanese companies share distinct similarities, a considerable part of which can be attributed to the phenomenon that the governance of Japanese companies consists of natural processes embedded in Japanese society and corporate culture rather than rules based on a system (Shinato & Kato, 2018). Japanese organisations are generally managed with a long-term perspective, consistent with the overall long-term orientation of Japanese society (Ashta et al., 2018; Hofstede Insights, 2019; Shinato & Kato, 2018). This general principle of long-term orientation, relationships, and networks has stimulated significant results for specific Japanese industries, and the Japanese management model of organisational integration has proven effective in established technological fields where incremental innovation is important (Lam, 2005).

Incremental innovation and continuous improvement within Japanese management practices align with Total Quality Management (TQM) philosophies of continuous gradual improvement (Aoki & Dore, 1994). Despite the historically rapid recoveries and remarkable technological changes, Japanese society, in general, has not been designed for business process redesign or quick changes, as Japanese companies have a strong external customer focus, “quality” as the theme for organising work, and “continuous improvement” as a competitive advantage (Nonaka & Takeuchi, 1995; Aoki & Dore, 1994). Japanese management, or *Nihon-teki keiei*, is designed to promote continuous improvement; therefore, it logically involves distinct elements such as lifetime employment, annual recruitment of college graduates, a seniority system, in-house training, a specific welfare system, and various other unique factors (Shinato & Kato, 2018).

Nihon-teki keiei and its distinct mechanisms are deeply embedded in Japanese society, manifested through four systems that collectively represent *nihon-teki keiei*: 1) a distinct system of human resources and practices governing the relationship between the organisation and its employees; 2) a distinct Japanese cultural communication and decision-making process for internal decisions; 3) a distinct approach and system of inter-company relationships based on *keiretsu* relationships or *keiretsu*-like connections, driven by a long-term view on society; and 4) a distinct system of corporate governance practices (Watanabe, 2018).

The success of *Nihon-teki keiei* is maintained through a strict employee selection process focused on “fit with the company” rather than merely “qualification for

the job." Japanese graduates are carefully selected to ensure that new recruits align with the corporate culture and value system (Schneider, 1988; Watanabe, 2018; Beechler & Yang, 1994; Keys & Miller, 1984). New employees, often referred to as "freshmen," are usually trained in dedicated training facilities, followed by on-the-job training in the years that follow (Sakakibara & Westney, 1992). New employees are typically moved from department to department without a logical sequence; the intention is to develop multi-skilled and multi-functional employees (Sugimoto, 2010). The investment in extensive and rotational training is expected to yield benefits during the employee's working life with the company, as both employer and employee commit to the lifetime employment phenomenon (Robinson, 2003; Keys & Miller, 1984).

The philosophy behind this approach explains why Japanese companies prefer to hire university graduates rather than graduates with advanced degrees, as Western companies often do. Japanese firms prefer to develop their own employees, treating them equally initially (Graen et al., 2006). Japanese companies hire university graduates instead of experienced workers because they believe that workers from other companies may struggle to adapt to their unique corporate culture, which is perceived as unstable (Robinson, 2003).

The investment in extensive explicit training and rotational training for the development of tacit knowledge will only pay off if employees remain for a long period, ideally for their entire career (Robinson, 2003). Lifetime employment does not imply that employees get a free ride; the company demands devotion, which is reinforced by promotion and payment practices in Japanese companies (Sugimoto, 2010; Ono, 2010). In the early stages of their careers, during the training phase, employees move through the ranks of hierarchy based on years of employment and seniority (Sugimoto, 2010; Graen et al., 2006).

This system of annual uniform promotion cannot be sustained across all levels, as traditionally managed Japanese companies are pyramid-shaped (Takahashi, 2006). Therefore, as they progress in their careers, employees in traditionally managed companies often compete for higher ranks within the organisation (Takahashi, 2006). Employee assessments during the initial years of employment often determine the differentiation between slow-track and fast-track careers (Takahashi, 2006; Graen et al., 2006; Sugimoto, 2010). Employees are aware that they are continuously assessed and evaluated, creating a strong incentive to devote their time and efforts to the company to access higher salaries, bonuses, and promotions to middle and higher

ranks, which are only achievable based on performance, interpersonal skills, cooperativeness, and obliging nature (Graen et al., 2006; Sugimoto, 2010).

Company loyalty, group harmony, adequate social norms, respect for age, and employee relations are deeply embedded in Japanese culture, influenced by religion and family structure (Rarick, 1994). Consequently, the roles and behaviours of family members and employees are shaped and maintained by religion, feudalism, and family (referred to as 'ie') (Bhappu, 2000; Rarick, 1994). The interplay of Japanese family and religion offers insights into the fundamental differences between Japanese and Western management, as the family structure within companies is interlinked with the philosophical influences of Shintoism, Buddhism, and Confucianism (Rarick, 1994; Bhappu, 2000).

Introduction to Expatriation Phenomena

Expatriation and related phenomena have a complex and lengthy history, as expatriation has existed since the time there were countries to expatriate from. However, the study of expatriation as a research topic in the context of business research or research in general is considered relatively new (McNulty & Brewster, 2017; Selmer, 2017; Green, 2009). The field of expatriate studies began in 1925, with more formal study of expatriates commenced in the 1950s. It took additional time for the field to gain academic recognition, leading to Rosalie Tung being credited as one of the first researchers in business expatriate studies in the early 1980s (McNulty & Selmer, 2017).

The terms expatriate and business expatriate have been frequently applied; however, the understanding and application of the phenomenon is not unequivocal. McNulty & Brewster (2019) categorised expatriates by different levels of status: first, high-status expatriates who are typically assigned to work for a company in another country under generous terms and conditions; second, mid-status expatriates who relocate temporarily for reasons of self-development or a higher salary; and finally, low-status expatriates—individuals who move to more developed countries to improve their economic situation (McNulty & Brewster, 2019).

The categorisation by McNulty & Brewster (2019) clearly distinguishes high-status and mid-status expatriates from low-status expatriates. From their categorisation, it is evident that the term expatriate has different connotations for individuals in different circumstances (McNulty & Brewster, 2019). Generally, the term expatriate in the literature refers specifically to business

expatriates, and these individuals should not be compared with low-status expatriates or refugees who are fleeing their countries for political or economic reasons (Cerdin & Selmer, 2014; McNulty & Brewster, 2019). Instead, business expatriates are considered a distinct form of cross-cultural travellers, principally characterised as individuals who live or travel temporarily outside their home country to undertake a specific job, project, or assignment (Wankel, 2009).

As introduced in the preceding literature, there are two different forms of business expatriates: first, the assigned expatriate or high-status expatriate, who is relocated to overseas subsidiaries on the initiative of their parent company; and second, the self-initiated expatriate or mid-status expatriate, who is regarded as a migrant relocating for work on their own initiative (Zhang & Lourcing, 2019; Andresen et al., 2014; McNulty & Brewster, 2019).

The company, whether intentionally or unintentionally, determines what role or combination of roles is required and will strive to select the right expatriate or expatriates. The selection of expatriate(s) and their respective role(s) is generally driven by the company's strategy and a specific timeframe. The ability to execute a role or combination of roles, as well as dominance in a certain role, is influenced by the cultural aspects of the host country, the maturity of the subsidiary, and the personal abilities, competencies, skills, and frame of reference of the expatriate (Delios & Björkman, 2000). The alignment between the expatriate's skills and competencies and the challenges faced during the assignment, as well as the repatriation process, is complex and presents multiple opportunities for failure. The traditional long-term expatriate assignment cycle is subject to a logical sequential process that flows from selection to repatriation.

Alternative Forms of Expatriation

Expatriate failure rates, particularly the rising costs associated with expatriate failures, immobility, and supply issues, are some of the reasons why employers have started to explore more non-traditional assignments (Kierner, 2018; Conroy et al., 2018; Starr & Currie, 2009). Global companies are exploring alternative forms of expatriation, often opting for shorter-term assignments (lasting up to one year) as opposed to traditional long-term assignments, which remain frequently used (Hutchings & McNulty, 2018; Benson & Pattie, 2008).

In recent years, there has been a growing use of non-traditional assignments; interestingly, some of these alternative assignments have evolved into

extended long-term assignments that exceed the duration of traditional expatriate assignments (Kang et al., 2017; McNulty & Brewster, 2018).

There is often a thin line between these phenomena, as many researchers consider them to be interchangeable (Mayrhofer et al., 2008). The group of non-traditional assignments includes two distinct and different types of assignments that involve relocation: the short-term assignment, which will last up to one year, and the extended long-term assignments, which differ from the normal cycle in a company because they exceed the conventional period of 3-5 years and can extend to periods of 10 years or more (Goede & Berg, 2018; Bonache et al., 2010; McKenna & Richardson, 2007; Conroy et al., 2018; Starr & Currie, 2009).

These forms, combinations of these forms, or alternatives such as extended long-term expatriation have not been extensively studied; they are rarely considered in a coherent manner, nor are they integrated with one another or incorporated into a corporate international human resource management strategy (Goede & Berg, 2018; Bonache et al., 2010; McNulty & Brewster, 2018).

Japanese Expatriation

Expatriation is a prerequisite in many Japanese organisations because they often depend on expatriation to ensure the continuation of Japanese management principles in overseas locations or to control subsidiaries and ensure that Japanese management practices and procedures from the head office are followed and maintained at the same level as in Japan (Magnier-Watanabe, 2019; McNulty & Brewster, 2018; Delios & Björkman, 2000; Furusawa & Brewster, 2016). Furthermore, the Japanese aim to acquire local knowledge and transfer that knowledge back to the parent head office in Japan (Magnier-Watanabe, 2019; Delios & Björkman, 2000; Beamish & Inkpen, 1998). Consequently, the Japanese are particularly known for their expatriation practices and their reluctance to utilise local management for the oversight of overseas subsidiaries (Beamish & Inkpen, 1998; Magnier-Watanabe, 2019; Furusawa & Brewster, 2016). Japanese management philosophies specifically lifelong employment, job rotation, and continuous training have proven key to successful expatriation and repatriation. Although the Japanese have adopted elements of Western management, their fundamental management philosophies appear not to differ significantly from the successful post-war management philosophies and national cultural aspects (Hasegawa, 2011; Sugimoto, 2010).

As introduced earlier, the first two steps of the expatriate assignment cycle selection of the expatriate and preparation of the expatriate are often closely intertwined in Japanese organisations. The pre-selection of future expatriates is conducted through the annual recruitment policy for freshmen from colleges like-minded individuals who are motivated and suitable to blend into the corporate culture (McNulty & Brewster, 2018; Beechler & Yang, 1994; Keys & Miller, 1984; Hogan & Goodson, 1990; Mestre et al., 1997). From the first day of hiring, Japanese staff are mentally prepared for expatriation, and in many cases, Japanese expatriates are selected from within the organisation for various expatriate assignments (Fukuda & Chu, 1994; McNulty & Brewster, 2018; Beechler & Yang, 1994; Keys & Miller, 1984; Hogan & Goodson, 1990; Mestre et al., 1997). Future expatriates are moved from department to department, usually to provide them with a broad and in-depth understanding of the scope, strengths, goals, and objectives of the company, thereby developing multi-experienced and generalist employees (Sugimoto, 2010; Hogan & Goodson, 1990; Fukuda & Chu, 1994).

Young Japanese expatriates are typically eager, with both positive and high expectations of expatriate assignments in Western societies. They may have received extensive rotational training; however, they are often unprepared and lack sufficient knowledge of the English language (Liu, 2019; Nicholson & Imaizumi, 1993; Sakakibara & Westney, 1992; Furusawa & Brewster, 2016).

The relocation, adjustment, and performance steps in the expatriate assignment cycle are intertwined. Information regarding relocation support from Japanese parent companies and subsidiaries is limited. However, interviews with Japanese expatriate managers in a study conducted in the 1990s suggested that the support from the organisation was limited to basic needs, while a more recent study involving 21 large Japanese corporations around 2016 indicates that relocation support during the expatriate's stay overseas is now regarded as sufficient to good (Furusawa & Brewster, 2016; Fukuda & Chu, 1994). The relocation of Japanese expatriates is also part of the adjustment and performance process, as they are aware that they must prove their worth during the assignment and that they will eventually be nominated for promotion upon their return, where various positions will be available for them (Abdullah & Jin, 2015).

Part of proving themselves worthy involves how the expatriate and their family cope with the relocation process; the family is often disregarded. Depending on

the maturity and age of individual expatriates, they may be subject to "Tanshin-funin," which refers to taking up an expatriate assignment while leaving the family in Japan (Furusawa & Brewster, 2016; Abdullah & Jin, 2015; Fukuda & Chu, 1994; Selmer & Luk, 1995). Therefore, the ability to perform while dealing with loneliness, instability, loss of self-confidence, and subsequent mental stress is seen as part of proving one's worthiness to the organisation (Furusawa & Brewster, 2016; Abdullah & Jin, 2015; Fukuda & Chu, 1994).

The assessment of employees during expatriate assignments and the initial year of employment often determines the differentiation between slow-track and fast-track careers (Takahashi, 2006; Graen et al., 2006; Sugimoto, 2010). Expatriates and Japanese employees in general are determined to devote their time and efforts to the company to gain access to higher ranks and better pay. Japanese companies often employ management by objectives principles to monitor the performance of both expatriates and staff, with expatriates being continuously monitored (Ueno & Scarbrough, 2016; Graen et al., 2006; Sugimoto, 2010; Takahashi, 2006; Furusawa & Brewster, 2016; Abdullah & Jin, 2015; Fukuda & Chu, 1994).

Japanese HRM strategies have been designed to support learning and information sharing through open communication, job rotation, internal training, and an emphasis on work groups (Beechler & Yang, 1994). Furthermore, Japanese repatriation appears to be successful because Japanese expatriates demonstrate a high level of commitment to the parent company and usually return to the parent company after one or multiple international assignments (Sueda, 2019; Gregersen & Black, 1996; Tung, 1987). The success of Japanese repatriates is rooted in Japanese company philosophies, as these companies value and build on staff with international expatriate experience, recognising the necessary adjustments required for expatriation outside Japan (Sueda, 2019; Gregersen & Black, 1996).

Japanese policies can lead to successful repatriation, heightened employee job motivation, and higher levels of overall work performance, as it has been observed that Japanese repatriates are well-prepared for knowledge transfer in their subsequent or alternative assignments (Furuya et al., 2009; Amann et al., 2018; McNulty & Brewster, 2018; Crowne & Engle, 2016; Sekiguchi et al., 2016). It is widely acknowledged that Japanese repatriates are subject to subsequent assignments, and those who have been able to perform and prove their worthiness will eventually be promoted to senior positions.

These managers and senior managers will be engaged in future expatriate assignments, extended expatriate assignments, and alternative assignments (Furuya et al., 2009; Amann et al., 2018; McNulty & Brewster, 2018; Crowne & Engle, 2016; Sekiguchi et al., 2016; Sueda, 2019; Gregersen & Black, 1996; Ueno & Scarbrough, 2016; Graen et al., 2006; Sugimoto, 2010; Takahashi, 2006; Furusawa & Brewster, 2016; Abdullah & Jin, 2015; Fukuda & Chu, 1994).

Positioning of Paradigms

Knowledge and knowledge creation are the main elements of organisational learning and related knowledge paradigms (Cohendet et al., 2001; Oliver, 2009). Organisational learning paradigms have attracted considerable academic and practitioner attention alike over the last few decades (Campbell & Armstrong, 2013; Bayraktaroglu & Kutanis, 2003). Consequently, organisational learning is considered a rather complex research field, partly because of the explosion of diversified research interest engaging broadly in different parts of organisations (Campbell & Armstrong, 2013; Wang & Ahmed, 2003). Another considerable complicating factor is that common terminology has been used promiscuously to refer to related yet different concepts (Sohi & Matthews, 2019; Leonard-Barton, 1995; Nonaka & Takeuchi, 2008; Easterby-Smith & Lyles, 2011; Johnson, 2011; de Vasconcelos & Kimble, 2008).

The Relation Between Individual and Organisation in the Context of Organisational Learning

To understand the relationship between the individual and the organisation in the context of organisational learning, a traditional view from the epistemological standpoint of possession is adopted. Western organisational learning occurs when individuals transfer their knowledge and develop a common understanding through a process of joint skilful knowing (Massingham et al., 2019; Marabelli & Newell, 2014).

First, the learning potential and effectiveness of individuals in an organisation's workforce are depicted by the combined learning modes: behavioural, cognitive, and social, as outlined in the first quadrant (Massingham et al., 2019). The behavioural mode represents the decision-making process of the individual learner to act or not act when realising the need to acquire additional knowledge in a particular situation (Battisti & Graziano, 2019; Massingham et al., 2019; Liew et al., 2020; Novak, 2002). The theory of planned behaviour is relevant for understanding if and how the individual learner takes responsibility for their actions, considering the consequences (Sniehotta et

al., 2014; Massingham et al., 2019). The individual's effect on organisational learning in the behavioural mode relates to the extent of improvements and the quality of changes made (Massingham et al., 2019).

Organisational learning in the cognitive mode refers to the performance of the organisation concerning the quantity and quality of peer assistance (Massingham et al., 2019). Individual learning in the cognitive learning mode leads to cognitive knowledge, involving the rational motivational segment of the thinking process the assisted experience (Brătianu & Orzea, 2009; Battisti & Graziano., 2019). The cognition of the individual learner during the reflection process allows the understanding that work performance would improve if their knowledge were enhanced (Massingham et al., 2019).

Organisational management is encouraged to utilise the taxonomy to evaluate the outcomes of the learning initiative based on the given instructions (Adams, 2015). Furthermore, with specific learning objectives, organisations can achieve higher levels of cognitive skills, thereby supporting the transfer of knowledge and skills (Adams, 2015). In the specific study described, it was observed that the knowledge of individual learners evolved while performing cognitive learning search tasks with increasing complexity (Kalyani & Gadiraju, 2019). The individual social mode or social aspect of learning involves learning through observation and interaction with others, recognising that knowledge is inherently part of the social and communicative nature of human activity (Massingham et al., 2019).

The social mode views motivation to learn as twofold: implicit and explicit. Individual learners develop implicit learning motives and set implicit learning goals for themselves, while the knowledge community provides explicit rewards (Massingham et al., 2019). Performance at the individual, group, and organisational levels in the social mode is evidenced by the quality and quantity of teamwork deliverables and overall cooperation (Massingham et al., 2019). The combination of the three modes in quadrant one represents the organisation's IQ and the learning perspective of its human assets (Massingham et al., 2019).

The elements in the second quadrant depict the various levels of learning in an organisational context, including individual, group, organisational, and inter-organisational learning. The combinations of these learning levels are used to measure the joint competency of a workforce within an organisation

(Massingham et al., 2019). Different levels are interconnected through psychological and social processes such as interpreting, integrating, and institutionalising (Chung et al., 2019).

The individual learning process is referred to as the achievement of skilful knowing (Massingham & Al-Holaibi, 2017). Skilful knowing involves behavioural adaptation when the individual learner attempts to transform undesirable situations into preferred ones (Massingham et al., 2019; Massingham & Al-Holaibi, 2017). Learning at the group level involves individuals reflecting through action by asking questions, discussing, debating specific errors, experimenting, and providing feedback to one another (Wilson et al., 2007). The effectiveness of group-level learning depends on collaboration between individual members of the organisation. The interaction among members facilitates the combination of individual knowledge into collective knowledge (Antunes & Pinheiro, 2020). Learning at the organisational level involves the individual learning from the organisation about the best approach for specific situations (Massingham et al., 2019).

Inter-organisational learning is the most challenging form of organisational learning, as knowledge from other organisations may not be applicable without modifications. Yet, inter-organisational learning is often necessary when an organisation faces a knowledge gap (Nordström & Johansson, 2019; Massingham et al., 2019).

The third quadrant includes learning types: single, double, and triple-loop learning, which are used to measure the culture of the workforce. These types depict the organisation's shared mental models and its reflective practice (Massingham et al., 2019). The theory of individual learning proposed by Argyris and Schön has garnered significant support and attention (Cohendet et al., 2001). In this theory, learning is conceptualised in two dimensions: single-loop and double-loop learning (Antonacopoulou et al., 2019). Later, a third dimension known as triple-loop learning or deutero-learning was added, but there is less consensus on what this phenomenon represents than in the first two dimensions (Van Grinsven & Visser, 2011). The first two dimensions represent a school of thought that regards learning as the identification and rectification of failures (Van Grinsven & Visser, 2011).

In this context, single-loop learning is a learning approach that aims to capture and correct errors and defects to prevent mistakes from recurring. If corrective

actions fail to address the problem, alternative solutions need to be considered (Johannessen et al., 2019; García-Morales et al., 2009; Antonacopoulou et al., 2019). Single-loop learning involves correcting mistakes and adjusting practices or procedures in response to unplanned results without altering the underlying theory of action (Laursen & De Welde, 2019). Single loop learning focuses on the question, "Are we doing what we are doing right?" (Johannessen et al., 2019; García-Morales et al., 2009). The organisation's performance in single loop learning mode is reflected by the proportion of employees who perform their jobs without making mistakes (Massingham et al., 2019). The main weakness of single-loop learning is that this approach does not lead to the generation of essential new knowledge or revolutionary innovations (Peschl, 2006).

Kolb's cycle of experiential learning initiates with the finalisation of a concrete experience, which involves a direct learning experience that adds emotions and feelings to the learning process (Kempen & Kruger, 2019). After this step, in reflective observation, the individual must translate and understand the experience from multiple perspectives while managing personal biases (Kempen & Kruger, 2019). The individual's new insights then allow for the development of a theory, and an abstract conceptualisation may be constructed, which must subsequently be tested through active experimentation (Kempen & Kruger, 2019). Organisational learning and performance in the fourth quadrant are assessed by evaluating the proportion of employees who utilise preferred learning styles to acquire knowledge when needed (Massingham et al., 2019).

The Relation Between Theory and Practice

The theoretical view of organisational learning, as well as the role of the individual in this process, partially contradict the traditional view of the organisation presented by Frederick Taylor and Herbert Simon, who consider the organisation as an information processing machine (Nonaka & Takeuchi, 1995). This view emphasises a focus on codified knowledge that can be easily replicated, transferred, and diffused (Van den Berg, 2013). However, the challenge of producing codified knowledge lies in the difficulty of structuring knowledge into sets of relationships and rules that can be easily disseminated (Van den Berg, 2013). Implicit knowledge is just one of the forms of knowledge necessary for operating organisations. In contrast, specialisation is generally attributed to individual workers and is an important, even vital, distinctive factor of organisations today (Van den Berg, 2013). The individual and the individual learning process are essential factors in the Western knowledge-based view of

a firm because this perspective assumes that a resource without knowledge has no real value; in essence, it is not a resource at all (Van den Berg, 2013).

A significant challenge in Western organisations is the communication and utilisation of individual expert knowledge within the organisation. As introduced previously in the ontology section, for organisational learning to be effective, it requires a more traditional high-level formal specification of a specific knowledge domain: "a formal and explicit specification of a shared conceptualisation" (de Vasconcelos & Kimble, 2008). The reference to 'shared' indicates a form of consensual knowledge; the knowledge embedded in ontology is not individual but rather accepted by a group (de Vasconcelos & Kimble, 2008). Knowledge is regarded as a meta-resource and is considered the single source of sustainability and value, with economic growth typically occurring when organisations rearrange resources to deliver greater value (Van den Berg, 2013).

Thus, the effectiveness of organisational learning theory in the four quadrants, as previously described, and the interaction between individuals and the organisation in relation to organisational learning depend on the combination, coordination, and application of human resources. Individuals represent the organisation's unique DNA and are an inimitable resource for organisational learning (Van den Berg, 2013). Hypothetically, two organisations can possess similar resources, yet the management of these human resources, organisational resources, and physical resources, along with the company culture, will determine the efficacy of the introduced theories in practice, and consequently, the organisation's performance in the marketplace (Savory, 2006).

Western organisations typically grapple with what is referred to as the 'employability paradox'. This paradox can be summarised as the investment an organisation makes to enhance and grow the knowledge of its individuals, which ultimately benefits the organisation, and that this investment will take time to materialise (Rodrigues et al., 2021). The risk and dilemma for Western organisations lie in the fact that the improved employability of individuals can benefit other companies, including competitors, before the initial investment has yielded results, thereby disrupting the organisational learning process (Rodrigues et al., 2021).

The Initiation and Journey of Japanese Organisational Knowledge

The Japanese school of thought regarding 'organisational knowledge' or 'organisational knowledge practice' believes that action is the sole driver for

the development and memory of contextual knowledge (Nonaka & Takeuchi, 2019). From this perspective, organisational knowledge is seen as the sum of contextually dependent human habitual behaviours (Nonaka & Takeuchi, 2019). Therefore, action is an essential element for development and knowledge maintenance, vital to organisational performance, and supports the Japanese practice of a continuous flow of expatriates in subsidiaries of many internationally operating Japanese organisations. This is often compared with the Western organisational learning paradigm, which is unsurprising given that Japanese thinking, and thus 'Japanese organisational knowledge', has been influenced by Western thought even before the end of the Sakoku period.

Post-Edo Japan has showcased its ability to gather information, reflect, learn, and effectively utilise knowledge for industrial development (Nonaka & Takeuchi, 2019; Nonaka & Takeuchi, 2005; Schaede, 2008; Deming, 1985). Furthermore, Japan has amazed the Western world with its rapid developments, contrasting with the gradual incremental changes that defined post-war industry and the last two decades (Nonaka & Takeuchi, 2019; Nonaka & Takeuchi, 2005; Schaede, 2008; Deming, 1985). The contrast between these rapid changes and the incremental execution contributes to the enigmatic status of Japanese society and industry for Westerners (Nonaka & Takeuchi, 2019; Nonaka & Takeuchi, 2005; Schaede, 2008; Deming, 1985). The foundations of Japanese organisational knowledge, while initiated by Western influences, reveal a distinct approach to individual knowledge creation and learning shaped largely by Japan's history and culture. The mystique of Japan, which is particularly pronounced, has been formed and embedded primarily during the Sakoku period. It is these elements, driven by the influences of Shintoism and Zen Buddhism, that explain how the Japanese, despite significant Western influences, have developed a unique philosophy regarding knowledge and knowledge creation.

Japanese Organisational Knowledge and Ontology

So far, it is evident that ontology and epistemology have attained a dominant position and rich history in Western philosophy. The fundamental assumptions of what knowledge is and how it is acquired are both considered (Iida, 2018; Nonaka & Takeuchi, 1995). Epistemology and the abstract nature of knowledge reveal the complexities of understanding the human mind (Saaty, 2019; Kim, 1993; Bolisani & Brătianu, 2019; Walker, 2020; Stephens, 2019; Radford, 2013). This abstractness is partly related to the fact that individuals from different cultural backgrounds possess different understandings of the concept of knowledge and utilise various metaphors to conceptualise it (Brătianu & Bejinaru, 2016).

The Japanese do not reject Western philosophical traditions and theories of knowledge, yet they consider a basic attitude towards the oneness of human and nature to be a more complete, holistic approach (Nonaka & Takeuchi, 2019; Brătianu & Orzea, 2009; Nonaka & Takeuchi, 1995). To the Japanese, knowledge is deeply personal and cannot be detached from the individual (Zhu, 2004).

Nishida Kitaro, a Japanese philosopher from the Meiji era (1868-1912), argued that ultimate reality and existence lie in the acquisition of facts from pure experience or justified true belief, contrasting with Descartes' emphasis on the mind (Brătianu & Orzea, 2009). Therefore, the Japanese believe that their fundamental attitude enriches and complements the Cartesian split between man and nature (Nonaka & Takeuchi, 2019; Nonaka & Takeuchi, 1995). Japanese philosophers explore reality by engaging with it and striving for understanding, rather than separating themselves from it (Kasulis, 2019). Thus, Japanese philosophers can be said to display more personal involvement than impersonal detachment (Kasulis, 2019).

Epistemology

Consequently, the Western perspective on knowledge somewhat contrasts with the Japanese view, where knowledge is synonymous with wisdom, which can only be attained through the perspective of the entire personality (Nonaka, 2013; Matthews, 1997; Nonaka & Takeuchi, 1995). Moreover, the Meiji proponents of Japanese modernization aimed to translate Western philosophy into Japanese characters rather than treat it as a foreign phenomenon, phonetically pronouncing it (Kasulis, 2019). The Japanese devised the compound word "tetsugaku" (Kasulis, 2019). This term is still used to describe "one who partakes in the humanistic science of wisdom or a scholar of wisdomology" (Kasulis, 2019). Nonetheless, the Japanese differ from the West in their approach to knowledge through three distinct questions: how knowledge is perceived, what organisations do with knowledge, and who the key players are (Zhu, 2004).

The Japanese word "tetsujin" more aptly reflects the Japanese view on knowledge, as it refers to a sage who has mastered one of the traditional Japanese ways, such as the way of the Buddhas (Kasulis, 2019). While it is often believed that the Japanese predominantly focus on tacit knowledge, it may be more accurate to say that they concentrate on the cognitive dimension of tacit knowledge, which is rooted in Zen Buddhist beliefs and incorporates emotions and mental models (Brătianu & Orzea, 2009; Zhu, 2004). For the Japanese, the

Western perspective of knowledge does not necessitate the relevant skill set in the same way it does for English speakers in the West (Mizumoto et al., 2020). The Western English understanding of 'knowledge how' is usually related to the relevant abilities of a worker, whereas the Japanese view of 'knowledge how' typically involves deontic knowledge, or knowledge of how to perform a relevant action (Mizumoto et al., 2020).

The Japanese regard knowledge as justified true belief, which is created and practised through interactions with others and within specific situational contexts (Nonaka & Takeuchi, 2019). They believe that the processes of knowledge creation and practice are inherently social because individuals learn and develop knowledge through their interactions with others or groups (Nonaka & Takeuchi, 2019).

The influence of Shinto's attachment to nature, the introduction of Zen Buddhism, and the emphasis on the unity of body and mind have significantly shaped the distinct Japanese approach to knowledge, learning, and organisational knowledge (Rambelli, 2014; Okuyama, 2019; Nonaka & Takeuchi, 1995). The Japanese believe that learning should focus on 'tacit learning'. Tacit knowledge is unique, developed by the individual and embedded within them; it is knowledge that cannot be easily articulated in a transmittable, formal, and systematic language (Senker, 1995). Consequently, the Japanese view learning and knowledge creation as a process of interaction between individuals and their environment, placing emphasis on learning with both mind and body through iterative trial-and-error processes (Savolainen, 2019; Brătianu & Bejinaru, 2016; Nonaka et al., 2008; Nonaka & Takeuchi, 1995).

In this context, the Japanese focus on knowledge pertains more to 'knowing', where knowing implies practice, and practice implies 'doing' (Cook & Brown, 1999; Nonaka & Takeuchi, 2019). Within Japanese organisations, 'practice' refers to the coordinated activities of individuals and groups who engage in their daily work guided by a specific organisational context or culture (Cook & Brown, 1999; Nonaka & Takeuchi, 2019). Therefore, Japanese epistemology is characterised as an epistemology of practice rather than an epistemology of possession (Cook & Brown, 1999; Nonaka & Takeuchi, 2019).

The Relation Between Theory and Practice

To obtain and develop tacit knowledge, the Japanese traditional learning values rely on a master-disciple relationship, which is typically visible in

Japanese body movement skill development, such as the tea ceremony or “Cha-no-yu”, Japanese craftsmanship, martial arts, and sports (Villarreal, n.d.). In business, the approach is somewhat similar; Japanese businessmen use the process or theory of ‘socialisation’ to share their tacit knowledge, allowing juniors and newcomers to learn the paradigm of business in practice (Nonaka & Konno, 1998). This approach to tacit knowledge development is interwoven with Japanese spiritual and philosophical principles; in this setting, the Shu-Ha-Ri approach is a Zen Buddhist principle applied to develop knowledge (Kuriyama, 2014).

The Japanese approach to individual tacit knowledge creation is specifically evident in this principle of “Shu-Ha-Ri”, the steps that Japanese businessmen must undergo in their careers (Miller, 2008). These steps align with the stages that students of traditional Japanese arts must navigate (Miller, 2008). In the initial phase, the learner is ‘blank’, which is why newcomers to Japanese organisations are typically referred to as ‘freshmen’ (Brown, 2017; Miller, 2008). In the initial phase, the “Shu phase” involves obtaining tacit knowledge by observing and copying senior colleagues (Brown, 2017; Miller, 2008). The freshmen must work hard to develop and embed their initial knowledge (Brown, 2017; Miller, 2008). Their efforts represent the Japanese tradition and emphasis of knowledge development through the oneness of body and mind (Brătianu & Orzea, 2009). The Japanese Zen Buddhist philosophy of knowledge acquisition is realised through the gathering of facts from pure experience by the learner (Brătianu & Orzea, 2009). In the “Ha phase,” the learner can reflect on the initial knowledge; this knowledge has been thoroughly learnt through repetition and is now embedded (Miller, 2008). In the ultimate phase, the “Ri phase,” the learner reaches a level of understanding comparable to their senior colleagues or teachers and ultimately surpasses their knowledge (Miller, 2008).

The Logical Necessity of Japanese Expatriation Practices for Japanese Organisational Knowledge

The discovery of Japan by the Portuguese in 1542 marked perhaps the first occasion when the Japanese demonstrated their ability to quickly adopt new technology and utilise foreign knowledge for rapid development. Evidence of this can be seen in the first Japanese firearms, which were produced just a few months after their introduction by the Portuguese (Lidin, 2003). Just two years following the Portuguese arrival, Japanese firearms played a decisive role in battle when Lord Tokitaka invaded Yakushima Island (Lidin, 2003). Western influences disrupted the intricate power balances during the feudal era due to

the technology introduced and the spread of Roman Catholicism. Consequently, despite the Tokugawa rulers' decision to isolate Japan from foreign influences (with some minor exceptions), this isolation lasted approximately 253 years.

The Japanese rulers were faced with the repercussions of the Sakoku decision and the disconnection from foreign technological knowledge when confronted with Matthew Perry's fleet and the industrial military advancements of the West in 1853. The Tokugawa industrious revolution in Japan ended, and the Japanese began to adopt Western technology and knowledge, allowing them to quickly catch up with the West. During World War II, Japan was the only Asian power accepted as equal to the West. Ultimately, the war ended Japan's expansion and military ambitions, and the 1950s were characterised by poor living standards and a country in transition. Remarkably, it took the Japanese only a decade to return to pre-war living standards. What followed is often referred to as one of the most impressive cases of rapid economic development in modern history, transforming from post-war Japan to the third-largest economy and one of the most developed countries in the world by 1970 (Beckley et al., 2018). This success was based on a distinctive approach to developing knowledge and organisational knowledge.

The Japanese are generally open to learning from other people and cultures and have often been intrigued by foreign knowledge (Hofstede Insights, 2019). In the processes described earlier, the Japanese have adopted and benefited from Western technological knowledge. Learning from foreign technology is not unique, as learning from others is a universal principle; however, the Japanese appear to have excelled at Japanising these learnings, effectively translating foreign knowledge to align with Japanese values, making Japanese learning more successful than in other contexts (Nonaka & Takeuchi, 2019; Kwon & Hickey, 1991; Trompenaars & Hampden-Turner, 1998). The unique blend of the Japanese approach to learning, combined with Japanised knowledge from multiple external sources, makes Japanese organisational knowledge distinctive and effective for Japanese organisations. This approach and Japanese ideology are influenced by Shinto tradition, (Zen) Buddhism, and Confucianism, which have shaped Japan's unique national culture (Rambelli, 2014; Okuyama, 2019). These cultural elements have given rise to J-form organisations, Japanese management principles, lifetime employment practices, incremental learning, and the Bushido principles of loyalty (chū) and honour. It is these principles that enable Japanese organisations to maintain the incremental development of individuals and knowledge. Relying on these

principles, Japanese companies hire college students or 'freshmen,' allowing for a unique selection of individuals who fit the organisation's culture rather than selecting based solely on specific knowledge. This principle is distinctly different from most Western organisations, which typically select individuals based on specific education and competencies.

Japan boasts one of the highest scores on Hofstede's masculinity index, which typically translates into an extreme pursuit of perfection in daily life, work, and sports (Hofstede Insights, 2019; Gustafsson & Ingvarsson, 2019; Bergiel et al., 2012). This characteristic, combined with a general lack of assertiveness, explains the Japanese attitude of working extremely hard and long hours. Japanese individuals are typically motivated to compete as teams against other teams or companies (Hofstede Insights, 2019; Gustafsson & Ingvarsson, 2019; Bergiel et al., 2012).

The expected loyalty of the organisation to the individual and the loyalty expected from the individual to the organisation are the main drivers of the Japanese J-form principle, *Nihon-teki keiei*, as well as the reliance on the expatriate principle. The SECI theory suggests that knowledge is continuously created and converted when individuals practice and learn within the same organisation and organisational culture (Chatterjee et al., 2018; Nonaka, 1994; Nonaka & Takeuchi, 1995; Nonaka & Takeuchi, 2019). This process is described as a dynamic and continuous surge of knowledge (Chatterjee et al., 2018). The selection of like-minded individuals who fit the company culture and the Japanese concept of *Ba* enables the SECI process of Japanese organisational knowledge practice to flourish. The philosophical phenomenon of *Ba* is a typical Japanese concept relating to the spiritual, relational, and physical elements of place, space, and context for learning and knowledge processes (Nonaka & Konno, 1998; Hofstede, 2019).

In Western theories of organisational learning, blending individual learning types, learning styles, and organisational culture presents a continual challenge. Investment in individual learning often becomes subject to the employability paradox, viewed as both a risk and a benefit. Generally, Western organisations adopt a short-term approach to knowledge development for individuals, whereas Western expatriates are typically assigned for specific tasks and not for broader knowledge development. Western repatriates often feel ignored upon their return, leading many Western organisations to fail in retaining the valuable knowledge of the expatriate (Arnaez et al., 2014).

In contrast, in Japanese organisations, expatriation, repatriation, multiple expatriations, and alternative expatriation assignments are typically part of a long-term development philosophy. Furthermore, expatriates play essential roles in the SECI theory of organisational knowledge creation because Japanese expatriates learn and convert Japanised knowledge while upholding Japanese management practices and organisational culture in overseas subsidiaries. The Japanese understand that business practices in foreign societies are subject to continuous change and that these values differ from Japanese values and Nihon-teki keiei principles. Hence, understanding local embedded knowledge and business practices is crucial for organisational performance. Local embedded knowledge must be Japanised before being incorporated into the organisational knowledge base. Consequently, Japanese expatriation appears to be a logical necessity for maintaining access to local embedded knowledge, preserving Japanese management principles in overseas subsidiaries, and facilitating organisational knowledge practice.

The Japanese approach to obtaining knowledge for the organisation is holistic in nature; they greatly appreciate and utilise 'outside knowledge' and new insights obtained from a multitude of stakeholders, not limited to suppliers and competitors (Nonaka & Takeuchi, 1995; Nonaka & Takeuchi, 2019). For years, this is what the Japanese have been mastering (Kwon & Hickey, 1991). It is assumed that the Japanese are better at synthesising non-Japanese learnings with their own values than their Western counterparts. Trompenaars and Hampden-Turner (1998) suggest that this may be because the Japanese take embedded local knowledge and the functioning of local societies very seriously. While they were not the first to observe,

"When in Rome, do as the Romans do," they seem to act on this principle more than Westerners do. The Japanese could be said to have added their own dimension: When in Rome, understand the behaviour of the Romans, and thus become an even more complete Japanese (Trompenaars & Hampden-Turner, 1998, p. 4).

Local embedded business knowledge, knowledge about relevant specific national cultural aspects, policies and procedures in local societies, and knowledge from international business partners is not easily obtained, as it requires considerable time and strategic commitment. Accessing local knowledge and embedded knowledge is a complex process that necessitates the involvement of employees who understand local contexts and national cultural aspects (Allen et al., 2019;

Furusawa & Brewster, 2016; Inkpen et al., 2019; Ragab & Arisha, 2015; Jones et al., 2003; Choo & Bontis, 2002; David & Foray, 2003; Sorenson, 2003).

For many years, Japanese companies have recognised that local presence and interaction are prerequisites for accessing local overseas knowledge. Therefore, in many Japanese firms, expatriates and repatriates play an essential role in obtaining, developing, and distributing knowledge, as they are engaged in the intensive outside-inside action required to develop proprietary and new knowledge (Nonaka & Takeuchi, 1995; Nonaka & Takeuchi, 2019). Local staff cannot fulfil this role because Japanese business practices and philosophy require knowledge created from learning from others, and the skills shared must be Japanised and internalised. This process implies that knowledge is transformed, reformed, enriched, and partly translated to fit with the company's identity, self-image, and Japanese-ness (Nonaka & Takeuchi, 1995; Nonaka & Takeuchi, 2019). Japanese expatriates are assigned to their overseas subsidiaries for multiple years and, in some cases, for sequential assignments. Learning and retaining local knowledge is achieved through practice rather than merely reviewing written procedures or memos (Nonaka & Takeuchi, 2019). Remembering, learning, and mobilisation of knowledge are facilitated by constant performance of routines and subroutines in the local context (Nonaka & Takeuchi, 2019).

The connection between the individual, embedded (local) knowledge, and organisational learning is viewed as a three-level pursuit (Scott, 2011). The first level is the individual level; at this level, knowledge is collected and accumulated in the learner's mind, and behaviours are developed (Scott, 2011). This initial knowledge is gathered during the initial expatriate assignments. At the first level, know what, know how, mental models, expertise, and craft application are some of the individual knowledge attributes developed (Scott, 2011). At the second level, when the expatriate becomes acquainted with local culture and habits, the individual learner interacts and participates in a group or community, which allows them to obtain, explore, develop, combine, and specifically apply knowledge (Scott, 2011). The local knowledge developed by the group or community is captured in cognitive mechanisms, such as mindsets, schemas, and group norms, as well as through behaviour-influencing mechanisms, such as routines, procedures, protocols, and standard practices (Scott, 2011). The third level of learning is the organisational level, where organisational knowledge is developed and captured as implicit knowledge in individuals' minds, forming schemas or various organisational attributes such as strategies, processes,

norms, systems, and structures (Scott, 2011). The Japanese organisation develops a culture, a context, and a code that will drive and influence the learning processes of future individuals and groups, incrementally changing the organisation (Scott, 2011; Nonaka & Takeuchi, 2019; Nonaka & Takeuchi, 1995).

5.4.3 Comparative Analysis

5.4.3.1 *Individual Tacit Learning*

The grounded theory alongside the extensive literature reveals a complex interplay between individual and organisational learning. The grounded theory provides a foundation for understanding these dynamics within the unique cultural framework of Japanese organisations yet could benefit from further integration of diverse perspectives found in the literature.

The grounded theory, particularly in this section, presents a detailed framework for understanding Planned Individual Tacit Learning within J-form organisations, specifically regarding the Japanese staff of J-form organisations operating in the international maritime industry. This part elucidates the significance of understanding localised knowledge, cultural values, and formal structures in fostering an environment conducive to organisational learning.

When comparing this section of the grounded theory with existing literature, a nuanced perspective is essential to highlight the intricacies underlying the acquisition and application of knowledge within these J-form organisations. To illustrate the alignment between the grounded theory and the literature, one can observe that the emphasis placed on tacit learning in the grounded theory complements the descriptions found in Nonaka and Takeuchi (1995), who argue for the significance of tacit knowledge as a driving force for organisational learning.

(Nonaka & Takeuchi, 1995; Savolainen, 2019; Brătianu & Bejinaru, 2016; Nonaka et al, 2008). This foundational concept in both the grounded theory and the existing literature highlights a more central role for tacit knowledge, suggesting that it serves as a critical asset for J-form organisations seeking to innovate and adapt in dynamic environments, such as the maritime industry (Beechler & Yang, 1994; Hasegawa, 2011; Sugimoto, 2010).

To deepen the analysis of the relationship between the grounded theory and the literature, it is essential to note that while the grounded theory incorporates

principles from the SECI model, it is an original contribution that specifically contextualises tacit learning within the framework of J-form organisations. The SECI model, initially developed by Nonaka and Takeuchi (1995) and subsequently improved in 2019, emphasises the complex interactions between tacit and explicit knowledge as part of a continuous process of knowledge creation (Nonaka & Takeuchi, 1995; Nonaka & Takeuchi, 2019).

However, the grounded theory uniquely expands upon these principles by focusing on the specific cultural and structural dynamics present in J-form organisations, which represent the Japanese manufacturing industry in the global maritime sector and function as global ship suppliers or shiphandlers through their subsidiary network. The literature on Japanese organisational culture highlights gaps concerning the practical implementation of these theories in varying organisational structures. Hofstede's dimensions (2019) highlight the pronounced masculinity prevalent in Japanese culture, which is reflected in the grounded theory's discussion of dedication and work ethic. However, this pursuit of perfection and consistency may occasionally stifle innovation (Gustafsson & Ingvarsson, 2019), adding nuance to our understanding of how cultural dimensions interact with knowledge creation processes. As discussed in an earlier section of the grounded theory, cultural elements such as lifetime employment, seniority principles, loyalty and obedience, and job rotation represent core aspects of traditional Japanese management that seamlessly integrate within the context of J-form organisations (Aoki & Dore, 2008). This framework positions these cultural aspects and the alignment of expatriate assignments as essential, reciprocal pillars for organisational learning.

The grounded theory acknowledges that these cultural dimensions significantly shape knowledge creation dynamics, as noted by Rarick (1994); however, it does not fully explore how these principles impact the practical application of organisational learning strategies. For instance, the emphasis on loyalty and community fostered by lifetime employment and the seniority principle, alongside job rotation, creates a stable workforce conducive to collective learning (Kwon & Hickey, 1991; Beechler & Yang, 1994). This stability supports the integration of cultural elements into J-form organisations and positions them as critical components for effective organisational learning.

Conversely, this contrasts with Western organisational contexts, where individualism often dictates career development pursuits (Van den Berg, 2013; Beechler & Yang, 1994). Furthermore, while the grounded theory posits that

expatriates play an essential role in knowledge transfer, the literature elaborates on the challenges these individuals face in adapting to local practices (Furusawa & Brewster, 2016; Allen et al., 2019; Inkpen et al., 2019; Ragab & Arisha, 2015; Jones et al., 2003; Choo & Bontis, 2002; David & Foray, 2003; Sorenson, 2003). This deviates slightly from the grounded theory's more optimistic portrayal of expatriates successfully transferring Japanese management principles abroad. By integrating these literary insights, one can deepen the analysis of expatriation, comprehending it not solely as a vehicle for knowledge diffusion but also as a process filled with cultural and contextual challenges that must be navigated (Delios & Björkman, 2000; Magnier-Watanabe, 2019; McNulty & Brewster, 2018; Furusawa & Brewster, 2016).

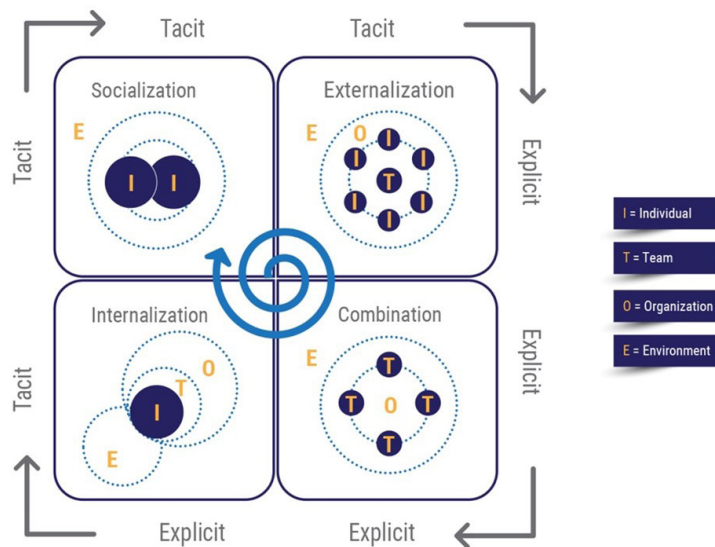


Figure 5.1 The improved and updated SECI model (source: Nonaka & Takeuchi, 2019, p. 62).

To further illustrate the contrast between the grounded theory and the literature, we can examine the concept of Ba, introduced by Nonaka and Konno (1998). This concept is distinct from ordinary human interaction due to its focus on knowledge creation. In the literature, Ba is used to discuss the relational aspects of knowledge creation. While the grounded theory provides valuable insights into how locational and contextual elements inform knowledge practices, the existing literature offers additional clarity on the mechanisms through which Ba operates in different organisational frameworks, expanding insights beyond the confines of Japanese organisations (Nonaka & Konno, 1998; Nonaka & Takeuchi, 2019).

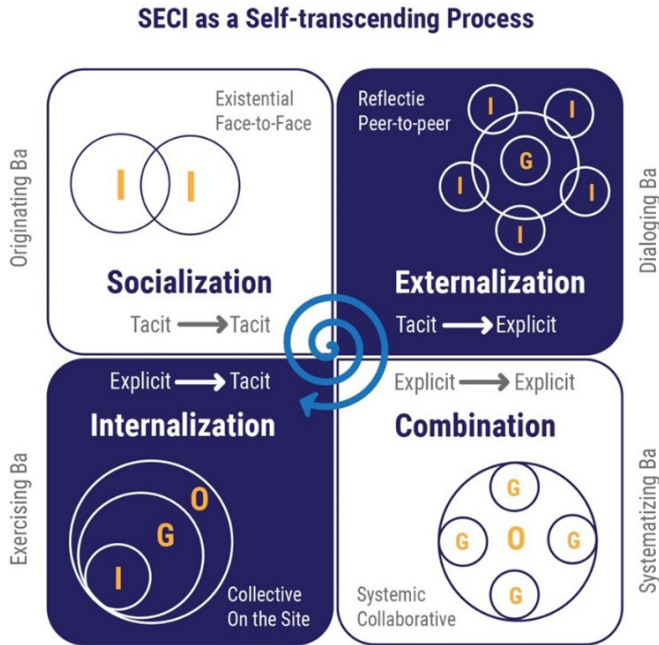


Figure 5.2 The Key Elements of the SECI Model (source: Rice & Rice, 2005, p.672).

The four different notions of Ba, as illustrated in Figure 5.2, are associated with the four segments of the SECI model (Rice & Rice, 2005). In this figure, the symbols I, G, and O represent individuals, groups, and organisations, respectively (Rice & Rice, 2005). Together, the segments of the SECI model and the corresponding types of Ba contribute to what is known as 'the knowledge spiral.' The different types of Ba are:

1. The Originating Ba: a locale where individuals can share feelings, emotions, experiences and perceptual models.
2. The Dialoguing Ba: a space where tacit knowledge is transferred and documented to explicit form. Two key methods factors are through dialogue and metaphor creation.
3. The Systematising Ba: a virtual space, where information technology facilitates the recombination of existing explicit knowledge to form new explicit knowledge and;
4. The Exercising Ba: a space where explicit knowledge is converted into tacit knowledge. (Rice and Rice, 2005, p. 672/673).

This comparison sharpens the understanding of how different environments can either facilitate or hinder knowledge flow, thus offering a richer context for examining organisational behaviour.

Regarding the principles of Shu-Ha-Ri, as discussed in the literature, this apprenticeship model is deeply embedded in Japanese culture, illustrated through traditional practices such as martial arts and the tea ceremony (Miller, 2008). This cultural context informs how J-form organisations can cultivate talent effectively, suggesting that the principles encapsulated in Shu-Ha-Ri resonate well with the objectives of Planned Individual Tacit Learning as outlined in the grounded theory. However, the grounded theory does not explicitly reference the Shu-Ha-Ri framework, and thus, integrating this concept could offer additional layers of understanding regarding how apprenticeships and structured learning pathways can enhance employee development in J-form organisations (Cook & Brown, 1999; Nonaka & Takeuchi, 2019).

To point out gaps within the grounded theory framework, one might argue that the grounded theory does not fully anticipate the potential discrepancies in learning experiences that may arise from individual differences among expatriate employees, despite their shared cultural background as Japanese. While Japanese society is largely homogeneous and employees within J-form organisations are generally selected based on cultural fit, variations in individual experiences, educational backgrounds (non-technical versus technical versus language studies), and personal motivations could still influence how these expatriates engage with knowledge transfer processes. The literature cautions against the assumption that all individuals will adapt seamlessly to the cultural expectations inherent in the Shu-Ha-Ri model, suggesting that personal histories may significantly influence an individual's ability to engage with the learning process (Furusawa & Brewster, 2016; Inkpen et al., 2019; Ragab & Arisha, 2015; Jones et al., 2003; Choo & Bontis, 2002; David & Foray, 2003; Sorenson, 2003; Allen et al., 2019).

Thus, while the grounded theory provides a compelling narrative on the holistic nature of training and development, it could benefit from a more explicit acknowledgment of these nuances among Japanese expatriates. Furthermore, when interpreting knowledge within the context of individual versus organisational learning, the grounded theory suggests an inherent synergy that progresses through collective experience. Yet, the literature notes that the strategic commitment to knowledge sharing identified as crucial

in achieving long-term organisational goals may be impacted by organisational structures and hierarchies, resulting in a more or less central role for individual contributions to the overall knowledge base (Scott, 2011; Nonaka & Takeuchi, 2019; Nonaka & Takeuchi, 1995). This presents an opportunity to deepen the exploration of organisational dynamics and their influence on individual learning processes.

5.4.3.2 Structured Guided Learning

The grounded theory underscores the central role of tacit knowledge in Japanese organisations, which aligns with the perspectives presented by Nonaka and Takeuchi (2019), who argue that knowledge creation is deeply embedded in personal interactions and experiences. This alignment serves to illustrate how the grounded theory engages with existing concepts regarding Japanese organisational practices, wherein knowledge is regarded as being continuously developed through social engagement and shared contexts (Furusawa & Brewster, 2016; Choo & Bontis, 2002; Allen et al, 2019; Inkpen et al, 2019; Ragab & Arisha, 2015; Jones et al, 2003; David and Foray, 2003; Sorenson, 2003). Such insights invite further reflection on how organisations can effectively harness tacit knowledge while navigating the challenges associated with its transferability (Furusawa & Brewster, 2016; Choo & Bontis, 2002; Allen et al, 2019; Inkpen et al, 2019; Ragab & Arisha, 2015; Jones et al, 2003; David & Foray, 2003; Sorenson, 2003).

Conversely, the grounded theory highlights the challenges faced by Western organisations in effectively communicating and utilising individual expert knowledge (Massingham et al., 2019; Rodrigues et al., 2021). The literature emphasises that Western perspectives typically focus on explicit knowledge and structured knowledge management frameworks (Ragab & Arisha, 2015; Jones et al., 2003). In this context, the grounded theory complements existing literature by shedding light on how organisations might balance these differing methodological approaches in practice. The challenge of the "employability paradox" suggests that enhancing individual knowledge can inadvertently benefit competitors before the originating organisation fully leverages that investment (Rodrigues et al., 2021). This observation provides a context to explore how organisations can strategically navigate the complexities of knowledge management.

Furthermore, the grounded theory's invocation of the SECI model (Nonaka & Takeuchi, 1995; Nonaka & Takeuchi, 2019), previously discussed in the comparative analysis of individual tacit learning, provides a foundational

understanding of the interactions between tacit and explicit knowledge. The SECI model reinforces the notion that knowledge is not a static asset but a dynamic resource that evolves through interaction (Nonaka & Takeuchi, 1995; Nonaka & Takeuchi, 2019). This model outlines the processes of socialisation, externalisation, combination, and internalisation, which fits centrally within the grounded theory, thereby complementing its claims regarding the progression from tacit to explicit knowledge and vice versa. The SECI model emphasises that organisational knowledge creation is a continuous process, underlining the importance of cultural contexts in shaping these dynamics (Brătianu & Orzea, 2009; Zhu, 2004).

In examining the first transitional code, *Informal Day-to-Day (Tacit) Knowledge Sharing*, the grounded theory highlights how informal interactions among employees can promote collaboration and continuous improvement. This aligns with the literature's emphasis on the significance of tacit knowledge in fostering effective communication (Allen et al, 2019; Furusawa and Brewster, 2016; Inkpen et al, 2019; Ragab and Arisha, 2015; Jones et al, 2003; Choo and Bontis, 2002; David and Foray, 2003; Sorenson, 2003). The role of long-term expatriates in facilitating tacit knowledge transfer through informal exchanges corresponds with the literature emphasising the critical importance of sustained relationships in knowledge management (Delios & Björkman, 2000; Magnier-Watanabe, 2019; McNulty & Brewster, 2018; Furusawa & Brewster, 2016).

The second transitional code involves *Formal Knowledge Sharing Sessions*, which encapsulate structured meetings designed to foster communication and collaboration among employees. These sessions provide platforms for sharing updates, discussing project progress, and exchanging pertinent information, ensuring all team members align towards shared objectives. The literature highlights that formal knowledge-sharing practices can significantly enhance organisational performance (Massingham et al., 2019; David & Foray, 2003), further illustrating the grounded theory's emphasis on structured approaches within J-form organisations.

The third transitional code, *Management Training and In Situ Knowledge Sharing*, is crucial for developing future leaders in J-form organisations. This code incorporates structured job rotation, rotational training, and in situ knowledge sharing, thereby emphasising the importance of adaptive management strategies to meet market dynamics (Furusawa & Brewster, 2016; Jones et al., 2003). This aligns with existing literature that emphasises

the necessity of preparing managers to navigate cultural differences and facilitate effective interactions across diverse environments (Rodrigues et al., 2021; Delios & Björkman, 2000).

The fourth transitional code, *Developing Expert Knowledge*, illustrates the importance of both new and existing employees participating in rotational training schemes that cultivate a comprehensive skill set and deep understanding of the organisation. This approach of engaging employees in specific projects aligns well with the broader literature, which underscores the significance of contextually relevant and role-specific training in maximising organisational capabilities (Choo & Bontis, 2002; Zhu, 2004).

The fifth transitional code, *Formal Information Sharing Sessions*, reinforces the necessity of structured meetings that enhance communication and collaboration among team members. These sessions serve as vital platforms for disseminating updates, discussing project developments, and ensuring alignment towards common objectives. The literature emphasises that formal information-sharing processes can enhance organisational performance by facilitating the externalisation of tacit knowledge into explicit knowledge, as outlined in the SECI model by Nonaka and Takeuchi (1995) and Nonaka and Takeuchi (2019).

The sixth transitional code focuses on *Documenting in a Central Information System*, which underscores the importance of managing both implicit and explicit knowledge efficiently. J-form organisations recognise that while interpersonal relationships and experiential knowledge are highly valued, a globally accessible information system is crucial for effective knowledge distribution. The SECI model supports this by highlighting the role of internalisation, where documented knowledge is transformed back into tacit knowledge as employees engage with it (Nonaka & Takeuchi, 1995; Nonaka & Takeuchi, 2019).

5.4.3.3 Group Network Learning

The first transitional code *Developing the Subsidiary Network* highlights the importance of establishing robust relationships within the subsidiary network. This is crucial for the growth of J-form organisations. The existing literature emphasises the necessity of collaboration among Japanese expatriates, local staff, and management, indicating that these relationships significantly impact operational success (Antunes & Pinheiro, 2020; Nordström & Johansson, 2019; Massingham et al, 2019; Nonaka & Takeuchi, 1995; Nonaka & Takeuchi, 2019). The engagement of long-term expatriates further supports the organisation's

objectives by navigating cultural differences effectively. By engaging expatriates with extensive local knowledge, J-form organisations can enhance decision-making and contribute to operational efficiency, a sentiment echoed by studies demonstrating the value of experiential knowledge in international business (Brătianu & Orzea, 2009; Zhu, 2004).

The second transitional code, *Building Network Relationships and Expanding an Extended Network* is emphasising developing of knowledge of overseas markets and establishing solid relationships with suppliers and customers. This aligns with the literature's discussion on the importance of cultivating strong connections to enhance market presence. For instance, the literature highlights that J-form organisations are particularly distinguished by their expansive networks, which facilitate international trade and foster relationships with non-Japanese customers (Allen et al, 2019; Furusawa & Brewster, 2016; Inkpen et al, 2019; Ragab & Arisha, 2015; Jones et al, 2003; Choo & Bontis, 2002; David & Foray, 2003; Sorenson, 2003).

This strategic approach builds trust with customers and positions the network organisation more competitively within the industry. In this regard, leveraging the role of the *senmon shosha*, or specialised trading agencies, becomes essential.

The third transitional code, *Extending and Maintaining Network Relationships/ Network Connections*, emphasises the ongoing necessity for J-form organisations to sustain overseas network connections. The grounded theory highlights that repatriates bringing back expertise can significantly enrich business relationships. The literature asserts that engaging repatriates in short-term assignments is vital for maintaining these links, as their international experiences help bridge communication gaps (Delios & Björkman, 2000). Furthermore, fostering a culture of continuous network development reflects the commitment to operational efficiency, a central theme in organisational learning literature (Massingham et al., 2019).

The fourth transitional code, *Utilising Knowledge Available in the Network*, illustrates the emphasis on leveraging expert knowledge to enhance organisational capabilities. This aligns with assertions in literature with that sharing expert knowledge enriches decision-making processes and fosters innovative approaches within the organisation (Nonaka & Takeuchi, 2019; Nonaka & Takeuchi, 1995; de Vasconcelos & Kimble, 2008; Van den Berg,

2013). The focus on "Repatriate Knowledge" underscores the significance of retaining and revitalising knowledge as repatriates bring back essential information that maintains and develops the organisational knowledge base.

The fifth transitional code *Managing Global Competitiveness*, highlights challenges and opportunities faced by J-form organisations in sourcing from low-cost countries while maintaining customer relations. This reflects a strategic insight often discussed in the literature, where leveraging networks and transparent business practices can differentiate organisations in competitive markets. The literature emphasises that understanding regional challenges from repatriates is key to reinforcing international presence (Rodrigues et al., 2021). Additionally, insights garnered from the organisation's network can prompt strategic adjustments that align offerings with global market needs again resonating with the adaptability emphasised in the SECI model.

The sixth and final transitional code, *Management Assignment Overseas*, focuses on the critical processes involved in selecting management for J-form organisations. The grounded theory suggests meticulous selection criteria for positions, which is crucial for ensuring leadership effectiveness in the overseas subsidiary network. This aligns with literature that stresses the importance of cultural fit and strategic vision in management roles (Delios & Björkman, 2000).

5.5 Situating Organisational Changes: A Comparative Analysis of Literature on Strategic Adaptations and Dynamics in Japanese J-Form Organisations within the Maritime Industry

5.5.1 Grounded Theory

The core category of 'Organisational Changes' within Japanese J-form organisations represents the final pillar of my grounded theory. This category embodies the J-form's commitment to evolving through incremental changes in response to the shifting dynamics of the global maritime industry. Business development is central to their growth strategy, facilitating exploration of new markets, strategic partnerships, and service diversification.

The evolving and volatile landscape of the maritime sector, driven by technological advancements and regulatory shifts, demands continuous organisational improvements. Effective responses necessitate an understanding

of structural adjustments that align operational practices with strategic goals. Enhancing responsiveness and performance is crucial; delays in communication can result in missed opportunities. Improving organisational agility enables J-form organisations to navigate unpredictable market conditions, allowing for rapid adjustments and resource allocation.

Through innovative though incremental business strategies, J-form organisations seek to lead the industry while emphasising long-term growth and resilience. This theory identified four subcategories: (1) Strategic Adaptations, (2) Responsiveness and Performance, (3) Improving Organisational Agility, and (4) Business Development. strategies. These subcategories elucidate how J-form organisations implement changes to address challenges and secure sustained success in a volatile industry.

5.5.1.1 Strategic Adaptations

The first sub-category of the core category of organisational changes is 'strategic adaptations.' This concept explains how J-form organisations adapt to the dynamic demands of the global maritime industry. This sub-category includes two transactional codes: (1) Utilising network learnings/best practices and (2) Network extensions.

Utilising network learnings/Best practices

The first transitional code 'strategic adaptations' described how J-form organisations carefully consider strategic adaptations by incorporating network learnings and best practices. This process involves leveraging shared knowledge within the J-form organisational network, utilising insights from both local and global practices, and implementing successfully overseas practices from their network organisation. This requires senior management consensus on changes, and in some cases breaking with traditions when necessary to adapt to global markets. This commitment to learning, embracing flexibility, and blending different ideas fosters incremental innovation and maintains the competitiveness of the J-form network organisation. Ultimately, by effectively utilising knowledge within their network organisation, J-form organisations can better meet diverse customer needs and capitalise on emerging trends, thereby strengthening their position in volatile markets and sustaining resilience in navigating unpredictability. This theory is based on 7 elements. These elements are: (1) Knowledge in the network, (2) Implementing practices from overseas, (3) Proposals for structural changes from expatriates/repatriates, (4) Senior management consensus on changes

to the organisation, (5) Discussions with clients regarding new demands, (6) Japanese supply chains, and (7) Breaking with long-standing traditions.

Knowledge in the network emphasises leveraging accumulated knowledge and experiences to manage expatriate staff and enhance operational success. Sharing knowledge fosters collaboration, driving continuous improvement and adaptation to a competitive international and maritime environment.

Implementing practices from overseas highlights the role of expatriates and repatriates in driving strategic adaptations by bridging local expertise and headquarters in Japan. They manage the integration of Japanised learnings into the network organisation for incremental adaptations.

Proposals for structural changes from expatriates/repatriates underscore their role in identifying areas for improvement. Their multicultural experiences allow them to propose changes enhancing efficiency.

Senior management consensus on changes involves reaching agreement among management, led by repatriates, on structural changes. Discussion rounds refine proposals, such as increased staff rotation among divisions.

Discussions with clients regarding new demands involves continuously engaging with customers to adapt services to changing market needs.

Japanese supply chains highlight the importance of cultural understanding and service excellence in navigating complexities. Strong customer-focused relationships and expatriate roles are crucial for synergy and operational success.

Breaking with long-standing traditions reflects a shift in leadership roles within J-form organisations, recognising non-Japanese employees who exhibit loyalty as new managers. This evolution marks a significant transition from past practices and indicates a growing appreciation for diverse perspectives, though traditional controls remain.

Network Extensions

The second transitional code outlines the strategies J-form organisations use to widen their operations and market presence. The development of a strong and wide network is essential for adapting to changes and complexity in the

global maritime and offshore industry. The concept of network extensions is a proactive approach focuses on forging connections with stakeholders, including business partners and suppliers in Japan. In a globalised maritime landscape, these robust networks are essential for adapting to changing dynamics and facilitating effective interactions across these sectors. The transactional code encapsulates how J-form organisations strengthen relationships with the stakeholders, which are vital for navigating the complexities of the industry. Key open codes include: (1) Building relationships with business partners, (2) Building relationships with temporary partners, and (3) Extending relationships with manufacturers and suppliers in Japan.

Building relationships with business partners highlights a strategic approach whereby J-form organisations partner with local companies to navigate new markets and minimise risks, progressing to joint ventures and ownership for operational control.

Building relationships with business partners (temporary) involves leveraging external expertise for decision-making and project feasibility, emphasising adaptability while also recognising potential risks associated with temporary partnerships.

Extending relationships with manufacturers/suppliers in Japan underscores the critical role of networking in facilitating operations and effective service offerings. The efficacy of the Senmon Shosha function depends on these established relationships, reinforcing the importance of collaboration in the maritime industry.

5.5.1.2 Responsiveness and Performance

The second sub-category of the core category of the grounded theory organisational changes is the concept of 'Responsiveness and Performance.' This concept outlines how responsiveness and performance emerged as critical dimensions for navigating the complexities in a dynamically evolving sector. Effective communication and timely decision-making are essential components for success. However, challenges frequently arise due to the distinctive communication styles prevalent in Japan. Specifically, Japanese communication is often characterised by indirectness, politeness, and formality, which can result in misunderstandings or delays, particularly in cross-cultural interactions. Additionally, the cultural values prioritising humility and indirect expression may hinder clarity in communication, especially in English-language contexts.

In response to these challenges, the J-form organisation initiated a coordinated effort to enhance its communicative abilities and responsiveness. A focus on continual improvement in these areas aims to strengthen the organisation's competitive advantage and cultivate robust relationships with customers and partners in the global maritime sector. The sub-category of 'Responsiveness and Performance' thus highlights the significance of adapting communication practices within the J-form organisation to foster growth and stability.

To systematically organise this theory, a preliminary classification code was introduced, comprising the following transactional codes: (1) Improving organisational communicative abilities, and (2) Improving communication to customers. Each of these transactional codes was logically derived from a selection of underlying elements.

Improving Organisational Communicative Abilities

The first transitional code in the subcategory of Responsiveness and Performance is titled "Improving Organisational Communicative Abilities." Communication styles between Japan and the West exhibit notable differences. Japanese communication is characterised by indirectness, politeness, and formality, while Western communication tends to be more direct and informal.

These distinctions can lead to misunderstandings and increased hesitance to participate in written correspondence. Furthermore, cultural differences significantly impact the limited proficiency of Japanese speakers in English. Japanese culture values humility and indirect communication, which can clash with the assertive style found in English contexts, complicating the ability to articulate thoughts clearly and resulting in confusion.

Moreover, the lack of immersion opportunities in English-speaking environments can hinder communication skill development, making it difficult for Japanese speakers to improve. The J-form organisation has demonstrated effective methods for addressing these challenges, highlighting implicit training's importance. The concept of "improving the organisation's communicative abilities" is based on the following six elements:

Stimulate Self-Reliance and Communication

This element emphasises the need for young Japanese businessmen to develop effective communication and self-reliance within the hierarchical culture. Adherence to traditional customs can be a barrier when dealing

with clients of varying seniority. Encouraging assertive communication and mentorship from seasoned colleagues enables these professionals to interact more confidently with stakeholders, enhancing their engagements in domestic and international environments.

Motivate and Facilitate Staff to Engage with Staff on Seagoing Vessels

This element highlights the significance of direct interaction between onshore personnel and staff aboard vessels. Engaging with seagoing staff is crucial for understanding operational challenges and gaining insights essential for professional development. By facilitating this engagement, the J-form organisation enhances the competency and confidence of its staff.

Using Feedback from Shipowners

Effectively integrating feedback from shipowners and stakeholders is essential for understanding employee behaviour and performance. Engaging with customers opens avenues for valuable feedback that can guide management decisions. Regular interaction with shipping companies helps the J-form organisation create a rich feedback environment that enhances employee performance and strengthens international relationships.

Expatriate Interaction with Staff in Japan

This element underscores the importance of effective communication and cultural sensitivity among expatriates interacting with Japanese colleagues. Expatriates play a crucial role in bridging cultural gaps and sharing best practices, ultimately enhancing organisational performance.

Stimulate Proactiveness and Responsiveness

This theme highlights the need to foster a culture where employees are empowered to take initiative and respond proactively to challenges. Such a culture enhances organisational learning and improves customer relations, as employees become directly involved in addressing issues rather than relying on representatives.

Repatriate Becomes Advisor

This final element focuses on leveraging the experience of retired repatriates to enhance communication and overall performance. Advisors foster relationships with external partners and understand their perspectives on the J-form company. They assess the J-form organisation's performance against competitors, gathering crucial information such as newbuilding details and docking schedules. By collaborating with various agencies, including shipyards,

advisors ensure that critical insights are shared with relevant departments. This transition from repatriate to advisor facilitates effective communication and strengthens the J-form organisation's operational capabilities.

Improving Communication to Customers

The second transitional code within the subcategory of Responsiveness and Performance is titled "Improving Communication to Customers." This concept explains the improvement and development of effective communication strategies to enhance customer satisfaction and engagement within the J-form organisation. In today's competitive and volatile maritime landscape, the ability to respond quickly to customer needs is paramount for maintaining strong relationships and ensuring organisational success. The importance of communication extends beyond simple transactions; it includes the strategies used by the J-form's expatriate leaders to guide their teams in cross-cultural situations and represent the organisation effectively within the network. The concept of 'improving communication to customers' is based on two elements: (1) Expatriate instructions to staff in Japan, and (2) Communication for and on behalf of the network organisation.

Expatriate Instructions to Staff in Japan

This element highlights the critical role expatriate leaders play in guiding communication practices within the J-form organisation, particularly in cross-cultural contexts.

Communication for and on Behalf of the Network Organisation

This element underscores the importance of interpersonal communication in fostering strong customer relationships. Through face-to-face interactions, representatives can effectively convey the values and offerings of the J-form organisation, bridging geographical distances. Interviews illustrate how representatives from different regions prioritise in-person communication to enhance customer understanding and address issues effectively.

5.5.1.3 Improving Organisational Agility

The third sub-category of the core category of organisational changes is the concept of 'Improving Organisational Agility.' In the maritime industry, organisational agility refers to the ability to quickly adjust and respond to shifts in market conditions, customer needs, and various external factors. Traditional J-form organisations, known for their focus on detailed processes and incremental improvements, are not naturally designed for this level of

agility. In the maritime sector, where varying demand, even something like unpredictable weather, and changing regulations pose significant challenges, J-form organisations must adapt quickly and efficiently. This adaptability requires flexibility and responsiveness that may not fit with traditional methods found in Japanese organisations. However, the J-form organisation has shown innovative solutions that highlight the need for transformative change in its strategic vision. The sub-category of 'Improving Organisational Agility' plays a vital role in assessing the organisation's ability to respond to rapid changes. To enhance adaptability, the researcher introduced additional transactional codes to better organise the open codes. These transactional codes include: (1) Managing unforeseen circumstances, (2) Rejuvenation of learning routines and responsibilities, and (3) (Senior) management by non-Japanese.

Managing Unforeseen Circumstances

The transitional code managing unforeseen circumstances reflects the J-form organisation's theoretical framework for responding effectively to unpredictable challenges within its network organisation. This ability is crucial for maintaining operational continuity and navigating industry complexities. The J-form organisation's strategy involves addressing expatriate failures, which can potentially harm the operational effectiveness and financial performance of a subsidiary. A key component of this strategy is the formation of ad hoc problem-solving teams, enabling the mobilisation of skilled personnel to manage these specific challenges. Emphasising effective problem-solving in overseas locations and developing local solutions tailored to the network illustrates how the J-form organisation utilises the strengths of its subsidiaries and their in-depth and up-to-date understanding of local contexts. Therefore, strong representation overseas is deemed vital for sustaining the organisation's global presence.

The theory of managing unforeseen circumstances is grounded in five elements: (1) Expatriate failure, (2) Ad hoc forming of expatriate problem-solving teams, (3) Problem-solving in overseas locations, (4) Local problem-solving for the network organisation, and (5) Representing the network organisation overseas.

Expatriate Failure

The first element within this framework, titled "Expatriate Failure," elucidates the challenges associated with expatriate assignments, particularly when cultural differences and inadequate preparation culminate in unexpected

outcomes. Shared experiences underscore critical factors contributing to failures in expatriate roles, including communication styles and leadership approaches that may not resonate with the local culture. Such failures have a direct impact both on the individuals involved and the network organisation.

Ad Hoc Forming of Expatriate Problem-Solving Teams

The second element, titled "Ad Hoc Forming of Expatriate Problem-Solving Teams," describes how the organisation leverages its network to deploy skilled expatriates to leadership roles in case of expatriate failure and when senior managers in overseas subsidiaries are confronting challenges or underperformance. The ability to form such teams ad hoc emphasises the agility of the J-form organisation and highlights the value of generalised knowledge within the workforce, allowing the J-form organisation to respond adequately to unforeseen circumstances.

Problem Solving in Overseas Locations

The third element, titled "Problem Solving in Overseas Locations," focuses on the strategies employed by the J-form organisation to address challenges that arise in international contexts. When faced with management issues or conflicting practices in overseas subsidiaries, the organisation demonstrates a commitment to promptly resolve these problems. By deploying experienced expatriates to oversee operations and reorganising personnel as necessary, the organisation maintains continuity while navigating complexities.

Local Problem Solving for the Network Organisation

The fourth element, titled "Local Problem Solving for the Network Organisation," highlights the agility of the J-form organisation via its overseas subsidiaries, characterised by extensive local knowledge, strong connections, and cultural understanding. Managed by Japanese expatriates, these subsidiaries play an essential role in resolving issues originating from the main office or other subsidiaries. The success of the J-form organisation's overseas operations illustrates the benefits of a decentralised structure. By leveraging the capabilities of subsidiary offices and a network organisation, the J-form organisation can respond effectively.

Representing the Network Organisation Overseas

The fifth element, titled "Representing the Network Organisation Overseas," underscores the importance of effective representation in sustaining the J-form organisation's global presence and effectiveness. Strong representation

in international markets requires experienced personnel familiar with local dynamics who can navigate arising challenges. The commitment of individuals in these roles is crucial; stability in leadership enhances the J-form organisation's ability to respond to unforeseen circumstances while upholding traditional values and standards.

Rejuvenation of Learning Routines and Responsibilities

The second transitional code within the subcategory of improving organisational agility is titled "Rejuvenation of Learning Routines and Responsibilities." This code explains the J-form organisation's commitment to evolving its learning and development strategies to better prepare younger staff for key roles, particularly in expatriate assignments. In a dynamically changing international industry, a shortage of senior leaders has become evident, highlighting the necessity of preparing younger employees for leadership positions. This transition outlines the utilisation of younger talent to ensure that the organisation effectively responds to current challenges while fostering a leadership pipeline. The concept of rejuvenation is grounded in two elements:

Enhancing Young Talent Deployment in Expatriate Roles

This element highlights the J-form organisation's recognition of the importance of involving younger employees in key roles, particularly in expatriate assignments.

Changes to the Seniority Principle

This element reflects the evolving organisational landscape, where the traditional reliance on seniority is being re-evaluated considering current challenges. The shortage of senior staff poses a significant threat to (J-form) organisations, necessitating a shift towards preparing younger staff for senior positions. These insights collectively reflect a significant transformation in the seniority principle, highlighting the J-form organisation's commitment to developing a new generation of future leaders equipped to navigate the complexities of the maritime industry.

(Senior) Management by Non-Japanese

The third transitional code within the subcategory of improving organisational agility is titled "(Senior) Management by Non-Japanese." This part of the grounded theory describes a considerable shift in how J-form organisations manage leadership within their network organisation. The concept of (Senior) management by non-Japanese is grounded in three elements: (1) Operational

efficiency through global sourcing, (2) Shortage of Japanese staff, and (3) Training of non-Japanese management.

Operational Efficiency through Global Sourcing

The first element within the transitional code of '(Senior) Management by Non-Japanese' is titled "Operational Efficiency through Global Sourcing." This element is based on J-form organisations breaking with long standing traditions by offshoring most administrative functions to low-cost countries. This phenomenon is grounded in and is based on insights from expatriates and repatriates, who have observed more efficient processes in other countries. Their experiences and input have resulted in the incremental development of subsidiaries in low-cost countries which resulted in the relocation of administrative functions. This highlights a significant shift from Japan's traditional strong emphasis on slow though perfect (Japanese style) administration.

Shortage of Japanese Staff

The second element within the transitional code of '(Senior) Management by Non-Japanese' is titled "Shortage of Japanese Staff." This growing shortage of skilled labour is a systemic issue compounded by Japan's ageing and shrinking population. Furthermore, the maritime industry faces significant challenges attracting young professionals, as it is often viewed as less appealing than other sectors. Many young Japanese workers gravitate toward industries that offer modern work environments, greater job flexibility, and more opportunities for personal development. Moreover, the last two generations of Japanese employees, have shown less commitment to the lifetime employment principle that characterised earlier generations. This shift reflects changing attitudes towards work and career aspirations, as younger workers increasingly prioritise personal ambitions over long-term job security. In response, Japanese organisations in the maritime sector are exploring innovative recruitment strategies are creating a culture that resonates with younger generations in Japan.

Training of Non-Japanese Management

The third element within the transitional code of '(Senior) Management by Non-Japanese' is titled "Training of Non-Japanese Management." In internationally operating J-form organisations, expatriation has played a crucial role in maintaining Japanese management principles within the network. However, in a recent shift from tradition, the organisation has decided to train non-Japanese staff for senior management positions. This marks a departure from reliance solely on Japanese expatriates. By training non-Japanese staff for

senior management roles, the organisation diversifies its leadership team and embraces different perspectives.

5.5.2 Comparative Analysis

As explained in the introductory section of this chapter, presentation of relevant extant theories related to this fourth category of 'Organisational Changes' was combined with that of the third category of 'Organisational Learning' in section 5.4.2. We will therefore now proceed directly to the comparative analysis for this fourth category.

5.5.2.1 Strategic Adaptations

The grounded theory explains the strategic adaptations and incremental changes within J-form organisations and serves as a framework for understanding how these organisations evolve in response to the dynamic demands of the global maritime industry. This aspect of the theory is based on two primary transactional codes: 'Utilising network learnings/best practices' and 'Network extensions.' Through this lens, we can illustrate some of the nuances found in the existing literature, providing a richer context that highlights how the grounded theory intersects with these sources.

The grounded theory's emphasis on 'Utilising network learnings/best practices' aligns closely with the observations made by Nonaka and Takeuchi (1995, 2019), who argue that knowledge creation is fundamentally a social process deeply rooted in interaction. Their insights underscore the foundational role of shared experiences within organisations, suggesting that the grounded theory centralises the importance of collaborative learning, replication, and adaptation in the learning processes specific to Japanese firms. The Japanese conceptualise knowledge as justified true belief, created and practised through interactions with others and within specific situational contexts (Nonaka & Takeuchi, 2019). They illustrate that knowledge creation and practice are inherently social processes, as individuals learn and develop knowledge through their interactions with other people or groups (Nonaka & Takeuchi, 1995; Nonaka & Takeuchi, 2019).

However, for non-Japanese individuals, the hierarchy prevalent in Japanese business is often cited to explain seemingly slow and cumbersome decision-making processes (Hofstede Insights, 2019; Ferle et al., 2002). In this context, Breen and Teeuwen (2013) complement the grounded theory by highlighting the necessity of expatriate and repatriate strategies in network-building

endeavours, supporting that the continuous influx of foreign yet Japanese knowledge is essential for aligning Japanese perspectives with those of diverse cultures. They also note that Shinto's unique attachment to nature plays a crucial role in expressing Japanese culture (Breen & Teeuwen, 2013).

Japan's volatile and distinct history has significantly influenced the Japanese self-image, thinking, and, in general, today's society and national culture (Kaynak & Sai, 2016; Trompenaars & Hampden-Turner, 2011; Aoki & Dore, 2008; Nonaka & Takeuchi, 1995). Many of the values, beliefs, and rituals can be traced back to distinct eras in Japanese history, partly explaining why Japanese society is regarded as a high-context culture, complex and difficult to navigate (Kaynak & Sai, 2016; Trompenaars & Hampden-Turner, 2011; Aoki & Dore, 2008; Nonaka & Takeuchi, 1995). Breen and Teeuwen (2013) illustrate that the intertwining of Shinto rituals with government reflects a societal structure that emphasises respect for deities and traditional governance. This connection culminates in a political system characterised by an unbroken line of emperors, thereby linking Shinto to notions of Japanese identity and cultural continuity (Breen & Teeuwen, 2013).

This underscribes why Japanese individuals are generally cautious in considering their position within the hierarchy in social and business settings (Hofstede Insights, 2019). Yet, the Japanese are open to learning from others and have shown interest in the learning and thought processes of other countries (Yamamoto & Lloyd, 2019). The grounded theory deepens this discourse by illustrating that network building, utilisation of network learnings, and best practices are active strategies employed by J-form organisations to foster innovation and maintain competitiveness in a dynamic and culturally diverse industry.

This reinforces the critical role of shared experiences within J-form organisations and underscores the grounded theory's emphasis on the importance of flexibility in adapting learning processes unique to Japanese firms. The grounded theory outlines that J-form organisations actively seek to build relationships with a diverse range of non-Japanese stakeholders, showcasing their flexibility in responding to various market conditions and cultural contexts. More, the grounded theory complements this illustrating that J-form organisations are willing to adjust their strategies based on insights gained through these relationships, demonstrating an adaptable approach to business operations. The grounded theory's inclusion of temporary partnerships as a strategic tool highlights the J-form's ability to leverage external expertise as needed.

5.5.2.2 Responsiveness and Performance

In the grounded theory, the sub-category 'Responsiveness and Performance' highlights the critical need for J-form organisations within the maritime industry to effectively navigate the complexities of a culturally diverse, volatile, and continuously evolving sector. This emphasis aligns well with the literature, particularly the insights provided by Hofstede Insights (2019), which illustrate how the hierarchical nature of Japanese business culture negatively influences decision-making processes from a Western perspective. This understanding reinforces the grounded theory's assertion that efficient communication, and specifically timely responsiveness, are essential for cultivating competitive advantages and strengthening relationships with non-Japanese stakeholders in maritime supply chains (Hofstede Insights, 2019; Gustafsson & Ingvarsson, 2019).

The challenges related to communication styles outlined in the grounded theory, particularly the indirectness and formality inherent in Japanese communication, are further supported by the findings of Kaynak and Sai (2016), Trompenaars and Hampden-Turner (2011), Hallikainen and Laukkanen (2018), Würtz (2005), Aoki and Dore (2008), and Nonaka and Takeuchi (1995). Their research indicates that these distinctive communication styles can lead to difficulties in cross-cultural business interactions, which is a critical consideration for J-form organisations operating in the culturally diverse maritime industry (Hallikainen & Laukkanen, 2018; Würtz, 2005; Kaynak & Sai, 2016; Trompenaars & Hampden-Turner, 2011; Aoki & Dore, 2008; Nonaka & Takeuchi, 1995).

The emphasis on humility and indirect expression as cultural values can further hinder clear communication, especially in English, as noted by Yamamoto and Lloyd (2019). This observation resonates with the grounded theory's focus on the necessity of proactively and reactively improving J-form organisations' communicative abilities to prevent or mitigate misunderstandings in international contexts. In Japan's high-context culture, communication is characterised by significant body language and the use of silence, differing markedly from Northern European low-context communication, which typically relies on explicit statements in text and speech (Hallikainen & Laukkanen, 2018; Würtz, 2005).

Effective conversations with Japanese individuals require an understanding of context to grasp the intended message behind the words. The Japanese often rank among the top countries for high-context communication (Watanabe, 2018; Würtz, 2005; Nishimura et al., 2008). Consequently, Japanese communication can be considered highly indirect and sometimes obscure, largely due to the

limited use of explicit words, an appreciation for silence, contextual cues, and the avoidance of personal names (Nishimura et al., 2008). Moreover, the Japanese language is digressive, reflecting a system that conveys humbleness, respect, and a specific emphasis on politeness (Nishimura et al., 2008).

In examining the transactional code "Improving Organisational Communicative Abilities," the grounded theory reveals how J-form organisations can enhance their effectiveness by encouraging young Japanese businessmen to develop assertiveness and self-reliance within a traditionally hierarchical culture. This approach is particularly relevant when interacting with clients of varying seniority levels, as highlighted by various scholars (Sugimoto, 2010; Hofstede Insights, 2019; Zheng et al., 2019; Singh et al., 2017; Nishimura et al., 2008).

The grounded theory posits that integrating feedback from shipowners and other stakeholders is essential for understanding employee behaviour and performance. This integration is critical for enhancing individual performance and aligns with the principles of Total Quality Management (TQM), which emphasises continuous improvement for instance driven by stakeholder input (Aoki & Dore, 1994). Furthermore, Japanese companies maintain a strong external customer focus, regarding "quality" as a central theme for organising work and viewing "continuous improvement" as a key competitive advantage (Nonaka & Takeuchi, 1995; Aoki & Dore, 1994)

5.5.2.3 Improving Organisational Agility

The grounded theory's concept of 'Improving Organisational Agility' underscores the necessity for J-form organisations in the maritime industry to adapt quickly and effectively to shifts in market conditions, customer needs, and external challenges. In this context, the grounded theory's emphasis on organisational agility nuances existing literature by illustrating how incremental innovation and continuous improvement in Japanese management practices align with Total Quality Management (TQM) philosophies of ongoing gradual enhancement (Aoki & Dore, 1994). This connection highlights that while Japanese society has traditionally not been designed for rapid business process redesign or quick changes, it maintains a strong external customer focus, where "quality" and "continuous improvement" remain central themes for organising work, achieving competitive advantage, and even agility (Nonaka & Takeuchi, 1995; Aoki & Dore, 1994).

In contrast, the grounding theory's exploration of ad hoc problem-solving teams and the importance of effective problem-solving in overseas locations complements the literature by illustrating how J-form organisations are characterised by practices that engage employees in operational decision-making and collaborative problem-solving within teams (Dohmen & Yelubayeva, 2018). This focus reflects a proactive approach, emphasising the need for organisational agility in addressing unforeseen challenges, thereby sharpening the understanding of how J-form organisations can leverage their internal resources to respond to the complexities with their subsidiary network organisation and the maritime industry in general.

A key component of the grounded theory, "Rejuvenation of Learning Routines and Responsibilities," addresses the necessity of developing younger employees for critical roles. This focus aligns with the broader J-form organisational perspective that emphasises the importance of nurturing new talent capable of navigating contemporary challenges. However, whereas Takahashi (2006) suggests that advancement and seniority is primarily based on tenure within Japanese organisations, the grounded theory posits that employees within J-form organisations are expected to undertake significant responsibilities based both on seniority and their readiness to adapt to evolving workforce demands. The grounded theory deepens this discourse by highlighting the importance of preparing younger staff to advance to senior positions to prepare for the changing needs of the modern workplace and Japan's changing demographics. This perspective illustrates a nuanced approach that values both the traditional view of seniority in Japanese organisations and the necessity for adaptability

In the context of the grounded theory's transitional code titled "(Senior) Management by Non-Japanese," there is a significant shift towards inclusivity and diversity of non-Japanese within leadership. This strategic approach diverges from traditional practices observed in many Japanese organisations that often rely on expatriation to ensure the continuity of Japanese management principles in overseas contexts. As noted by Magnier-Watanabe (2019), McNulty and Brewster (2018), Delios and Björkman (2000), and Furusawa and Brewster (2016), expatriation is commonly viewed as essential for maintaining oversight of subsidiaries and ensuring that practices align with those of the parent head office in Japan. This reliance on expatriate leadership illustrates a more conservative approach to organisational management that contrasts with the grounded theory's advocacy for a more inclusive leadership model.

5.5.2.4 Business Development

The grounded theory's sub-category of 'Business Development' underscores the various approaches that J-form organisations adopt to navigate the complexities and competitive pressures of the maritime industry. This focus on leveraging the Senmon Shosha function to showcase advanced technologies illustrates the proactive yet incremental strategies J-form organisations employ to enhance their competitiveness. The grounded theory highlights that this focus on innovation is not merely a response to the market but rather a fundamental aspect of how J-form organisations seek to maintain relevance in the competitive global maritime industry. The literature complements the grounded theory by explaining that effective communication of Japanese quality manufacturing is paramount for establishing strong partnerships within the industry. This theme reinforces the grounded theory, where adherence to high standards is crucial for preserving the reputation of Japanese craftsmanship, recognised globally (Gustafsson & Ingvarsson, 2019). Furthermore, the grounded theory deepens this understanding by emphasising how the commitment to quality not only reinforces existing values but also fosters stronger connections with partners and customers. It illustrates a vital link between product excellence, relationship building, the Senmon Shosha function, and the subsidiary network organisation.

In addressing the transactional code of "Functional Standardisation as a Product," the grounded theory illustrates how the development of a standardised code book exemplifies innovation born out of necessity and by using staff experience communicating with ship's crew. This complements and slightly nuances generalisation in literature. The Japanese approach to obtaining knowledge for the organisation is holistic in nature; they greatly appreciate and utilise 'outside knowledge' and new insights obtained from a multitude of stakeholders, not limited to suppliers and competitors (Nonaka & Takeuchi, 1995; Nonaka & Takeuchi, 2019). For years, this is what the Japanese have been mastering (Kwon & Hickey, 1991).



Chapter 6

Navigating Horizons: Unravelling the Dynamics of Japanese Assignments and Their Impact on Organisational Learning in a Globalised Maritime Context

6.1 Introduction

In this concluding chapter, I aim to synthesise the findings from the preceding analysis, elucidating the intricacies of Japanese expatriate assignments and their pivotal role in promoting organisational learning within J-form organisations. The exploration of the multifaceted relationship between expatriation practices and the assimilation of locally embedded knowledge from geographically dispersed subsidiaries has unveiled complex reciprocal relationships for J-form organisations as they navigate a continuously evolving maritime global landscape. As indicated in Chapter 1, the objective of this study is to improve our understanding of expatriation in Japanese organisations. Theory development is its focus. This means that the emphasis is on identifying and unravelling relevant concepts and their conceptual implications, as well as the relationships between these concepts. The aim is to detect relevant phenomena that are necessary or useful for understanding the full scope of the subject under investigation here. The research is therefore exploratory in nature and not confirmatory. Its objective of theory development is reflected in the central research question outlined in Section 1.5:

How do Japanese expatriate assignments in the traditional expatriate cycle and alternative expatriate forms contribute to organisational learning from locally embedded knowledge in geographically dispersed subsidiaries?

This chapter discusses how this question was answered in the study, and reflects on the research. Sections 6.2 through 6.4 begin by discussing the answers to the three sub-research questions that have guided this inquiry. First, the coherence among the various forms of expatriation is addressed. Next, we will consider how these different forms of expatriation impact organisational learning within Japanese organisations. We will then examine the role of expatriation in acquiring locally embedded knowledge and its contributions to organisational learning. This discussion will culminate in Section 6.5 in a response to the central research question based on the combined answers to the sub-questions. This will enable us to appreciate the intricate relationships at play and the strategic value of traditional expatriate assignments, as well as the diverse forms of expatriation, in contributing to organisational learning from locally embedded knowledge in geographically dispersed subsidiaries.

Section 6.6 discusses the scientific and societal relevance of this research, along with its limitations and some suggestions for future research. Section 6.7 concludes the chapter with some final remarks.

6.2 First research question: What is the coherence between the different forms of expatriation in Japanese organisations?

The first research question concerns the different forms that expatriation takes in Japanese organisations and how these forms are intertwined. The J-form organisation was established after World War II and initially thrived on business generated by one of Japan's miracle industries: shipbuilding. During this period, the initial expatriates were frequently travellers or individuals on short-term assignments. Senior management of the organisation visited foreign shipowners and some suppliers. Long before the downturn of the miracle industries, the J-form organisation began developing a network in strategic ports around the world.

Traditional J-form organisations are based on cultural elements of Japanese management, such as lifetime employment, the seniority principle, loyalty and obedience, and job rotation. The seniority principle primarily underpins the selection of expatriates managing these overseas subsidiaries, who are often experienced senior employees or managers. This emphasis on experienced senior staff as first-time expatriates underscores their crucial role in adapting to and sharing knowledge within new environments.

These senior employees were typically the first to engage in the traditional expatriate assignment cycle, often staying overseas for approximately five years. Their main function was to uphold Japanese management practices and maintain a Japanese presence abroad while serving as temporary replacements for local staff to ensure continuity during transitions.

The phenomenon of expatriation is evolving continuously within the J-form organisation. As the network organisation developed, the number of expatriates in the traditional cycle increased, while the number of frequent traveller expatriates also grew. These expatriates are typically senior managers visiting their counterparts in subsidiary offices and overseas customers. Relationship

building with overseas suppliers gradually shifted to Japanese expatriates stationed in the subsidiary offices.

With the expansion of the network and increasing business in overseas locations, sometimes through joint ventures with local partners, the need for extended long-term expatriates naturally developed. In some cases, these expatriates serve terms of 15 to 20 years, providing stability and continuity in Japanese leadership. A contributing factor was the seniority principle, combined with a shortage of Japanese staff in certain age groups owing to hiring restrictions during the economic downturn known as the “bubble economy.”

The decline of the Japanese miracle industry, the structure of the Japanese manufacturing sector, and the value-adding network of the J-form organisation facilitated an additional function: acting as *Senmon Shosha*, a specialised trading house for the Japanese manufacturing industry in the maritime sector. This more technically driven role required additional expatriates with engineering backgrounds, typically younger than those in the traditional expatriate cycle.

As the network organisation grew, the number and composition of expatriate teams in overseas subsidiaries began to change. A typical expatriate team in a larger subsidiary consisted of an expatriate on an extended long-term assignment, several senior expatriates in management positions, and several junior expatriates on traditional assignments typically lasting five, or, in some cases, three years. These expatriate assignments served as implicit training for less experienced staff, preparing them for future roles and aligning with overarching organisational goals.

With the expansion of the subsidiary network and the changing industrial landscape, alongside demographic shifts in Japan, the demand for alternative expatriate assignments also evolved. Focus assignments for expatriates on short-term tasks aimed at developing the subsidiary network and assessing performance in subsidiary offices increased. Frequent travellers or short-term assignments supplemented this structure, allowing for flexibility and targeted interventions. Moreover, maintaining and updating knowledge of local markets enabled expatriates to remain responsive to changing conditions through tacit learning.

With the growing importance of the network organisation and the decline of shipchandling in Japan, short-term expatriate assignments for junior staff evolved into implicit training opportunities. As the network organisations expanded and issues arose in overseas subsidiaries, the significance of the Senmon Shosha function grew, leading to a diverse and evolving need for expatriates.

Thus, to understand expatriation in J-shaped organisations, it is necessary to understand the many forms and shades of expatriation arrangements that have developed, and the different types of assignments associated with these forms. The coherence among the different assignments derives from their intertwined role in achieving the organisation's aims: upholding Japanese management practices in overseas subsidiaries, maintaining a Japanese presence, developing an extensive network, and ensuring compliance with local regulations while enhancing knowledge of overseas locations through tacit learning.

6.3 Second research question: What is the effect of different forms of expatriation on organisational learning in Japanese organisations?

The second research question focuses on organisational learning processes in J-shaped organisations and aims to unravel how the blend of expatriate arrangements influences these processes. An organisation cannot learn or create knowledge by itself; by definition, knowledge does not exist without individuals who possess and develop knowledge. Particularly their tacit knowledge and its development are regarded as the basis and initiation of the organisational knowledge creation process (Nonaka & Takeuchi, 2019; Nonaka & Takeuchi, 1995). This process is referred to as a dynamic and continuous surge of knowledge (Chatterjee et al, 2018).

The SECI theory (Chatterjee et al, 2018; Nonaka, 1994; Nonaka and Takeuchi, 1995; Nonaka and Takeuchi, 2019) emerged as especially relevant for understanding knowledge creation and organisational learning. As presented in Chapter 5, this theory distinguishes four different modes of knowledge creation: 'socialisation' (new tacit knowledge developed from existing tacit knowledge), (2) 'externalisation' (explicit knowledge developed from tacit knowledge), (3) 'combination' (new explicit knowledge developed from

existing explicit knowledge), and (4) 'internalisation' (tacit knowledge developed from explicit knowledge) (Nonaka & Takeuchi, 1995; Hasenstab & Pietzonka, 2019). The notion of a cycle involving repeated SECI-sequences introduces the organisational character of knowledge moving from an individual to a collective level.

In the internationally operating J-form network organisation and Senmon Shosha the expatriate and repatriate appear as the key players in these processes. The J-form organisation is utilising a wide selection of expatriate assignments to facilitate organisational learning.

Business traveller/Frequent flyers/Short term Assignments

Although the traditional long-term expatriate assignment cycle or the traditional expatriate is widely known, the first expatriate in the J-form organisation was the business traveller or frequent flyer. In the J-form organisation Japanese business travellers and frequent flyers are mainly involved in the process of 'internalisation' tacit knowledge from senior management in Japan is shared through meetings with senior management in the network subsidiary. During these business trips the process of transforming implicit knowledge, the organisational learning process known as 'socialisation' will take place during business dinners. Senior management of the overseas subsidiaries will visit headquarters in Japan typically once or twice each year wherewith the same processes take place. In some cases, short term assignments are initiated to perform an audit or situational analysis of a subsidiary in the network. This process will involve the combination and reformation of explicit knowledge and new explicit knowledge the process of "combination".

Traditional long-term expatriates

In the J-form organisation Japanese expatriates in the traditional long-term expatriate assignments were initially senior employees who would bring and maintain Japanese management practices to the subsidiary. These expatriates from the Showa generation are/were not proficient in the English language and are/were characterised by a directive leadership style. They would primarily be engaged in the organisational learning process of 'externalisation' the process of making implicit or tacit knowledge known to the subsidiary. Procedures and ways of working from the head office in Japan to the subsidiary. In addition, during these years in the subsidiary the organisational learning process of 'socialisation' will take place naturally during social interactions. When the

Showa generation executive managed to integrate into the subsidiary the process of 'internalisation' the creation of new tacit knowledge would take place.

When the J-form organisation changed its expatriation policies and relatively junior staff was allowed to pursue traditional long-term expatriate assignments in operational roles the learning process of 'internalisation' would be the main vehicle from knowledge sharing from experienced members in the organisation Japanese and local to the expatriate. The junior expatriate would be daily engaged in operational processes which would typically allow for explicit information about ships, clients, and suppliers to be added to the central information system this process is referred to as "combination".

Traditional long-term assignments are typically subsequent assignments which implicate that Japanese staff, expatriates are coming back to the subsidiary that they have been expatriated before. In this case the first time that they were expatriated they were relatively inexperienced and therefore these initial assignments are often being viewed as learning experiences. In a subsequent assignment the expatriate often comes back in a managerial role middle management role in the operation. The expatriate is subject to a subsequent assignment only when the organisations believes that the expatriate can navigate the cultural barriers in that respective subsidiary and country. In that case the expatriate will be easily reintegrated in the subsidiary with renewed tacit knowledge from the head office in Japan which allows typically for the process of "externalisation" the process of making implicit or tacit knowledge known. The expatriate has developed relationships during his initial expatriate assignment which allows for the transformation of implicit knowledge in the process referred to as "socialisation". These middle managers will typically lead the morning meeting sessions which will provide extensive explicit knowledge on a daily which will be combined or reformed with existing explicit knowledge the process of "combination". Finally, these experienced expatriates will create new tacit knowledge through conversations and interactions with senior management in the subsidiary as well as direct and indirect local reports. This process is referred to as the organisational learning process or organisational knowledge development process of "internalisation".

Extended Long-Term Expatriate Assignments

Expatriates engaged in extended long-term expatriate assignments are deeply integrated in the subsidiary and local society. Their engagement would lead to

deep “socialisation”, deep “internalisation” and deep “externalisation”. These expatriates are masters in maintaining traditional Japanese management values while dovetailing these practices with local nuances.

These expatriates are the organisational learning main assets. They are the ambassadors for the head office to local society and the subsidiary and they serve as the ambassadors from local society and subsidiary to the head office in Japan.

Expatriates as Replacement for Local Staff

Durations for expatriate assignments as replacement for local staff can vary from a couple of weeks to a couple of months and in the worst-case scenario be extended to a year or more. So, these expatriates can in principle be deployed from anything varying from a business traveller to a short term assigned expatriate. Looking at the specific assignment, these expatriates will predominantly engage in the processes of making implicit or tacit knowledge known referred to as “externalisation.” Replacement of local staff is subject to different root causes varying from issues with local staff, lack of local staff, or insufficient quality of local staff. The different modes of organisational learning and knowledge creation will be depending on the root causes yet the processes of “externalisation” making implicit or tacit knowledge known, the process of “internalisation” through meetings, documents and telephone calls is utilised.

Focus Assignments

Focus Assignments are generally applied to promote products or services, to develop an overseas customer base, to study local management practices, to obtain specialised knowledge, or to source new suppliers and products. These are typically short terms assignments focused on making implicit or tacit knowledge known to the subsidiary organisation the process of “externalisation,” it is also typically an assignment to develop new tacit knowledge by interacting with a diverse group of stakeholders the process of “internalisation”.

Thus, to understand how organisational learning in Japanese organisations is influenced by expatriation arrangements, the distinction between four modes of knowledge conversion in Nonaka’s SECI-model emerges as particularly useful. It showed expedient to unravel the intricately interwoven ways the different forms of expatriation influence the four SECI processes in different ways. Their differentiated roles and effects in bringing about organisational learning also help to provide a better understanding of how different individuals with different assignments play different key roles in learning

processes. Thus, it helps us unravel how they contribute in myriad ways to ensuring that in particular the essential forms of tacit knowledge do not remain purely individual, but also become relevant at the organisational level.

6.4 Third research question: In the effect of different forms of expatriation on organisational learning, what is the contribution of acquiring locally embedded knowledge?

The third research question addresses the role of acquiring and absorbing local knowledge via expatriation arrangements in learning processes. The duration of the expatriate assignment, the familiarisation process with the subsidiary and local society, the seniority of the expatriate, and the distinction between first assignments, subsequent assignments, and director assignments (inclusive of multiple expatriate assignments to the subsidiary prior) are elements that affect the acquisition of locally embedded knowledge during an expatriate assignment.

Business Travellers/Frequent Flyers/Short-Term Assignments

Business travellers assigned to the subsidiary as long-term expatriates, who later return as business travellers or frequent flyers, will acquire and renew their tacit knowledge from locally embedded knowledge derived from customers, suppliers, and the local community. This is facilitated by their ability to reintegrate and reconnect easily due to their prior experiences during business trips, a process characterised by both "internalisation" and "socialisation." The possibility of acquiring locally embedded knowledge is evident in these processes. Short-term expatriates engaged in audits are likely to uncover specific explicit locally embedded knowledge in their assessments, a process referred to as "combination."

Traditional Long-Term Expatriates

Senior staff from the Showa generation have been criticised for applying a directive traditional Japanese management style. Their contribution to organisational learning from locally embedded knowledge was limited. However, when the J-form organisation altered its expatriation policies, junior expatriates were deployed as operational staff across a variety of subsidiaries. These expatriates gained access to implicit, tacit, and explicit locally embedded knowledge, which is essential for maintaining and updating supply chain-related phenomena. This knowledge is critical for the J-form's

competitive position and functional operation as Senmon Shosha, linked to "internalisation" and "combination." Traditional long-term expatriates engaged in subsequent assignments benefit significantly from their previous experiences, granting them easy access to locally embedded tacit and explicit knowledge concerning customers, suppliers, and society.

Therefore, their long-term assignments generally facilitate the cumulative acquisition of knowledge over the years, allowing returning expatriates to transition in the adjustment phase of the expatriate cycle to the status that Abi Abdallah (2015) refers to as "masters in their domains." According to Abi Abdallah (2015), this occurs when the expatriate stays for 5–7 years, whereas a returning expatriate will need less time to develop this status. When expatriates reach this status, they are performing to high standards and have managed to blend completely into the host country (Abi Abdallah, 2015).

In Japanese culture, knowledge is considered as being created and practised by individuals through their interactions with others and their engagement in specific contexts (Nonaka and Takeuchi, 2019). The Japanese view the process of knowledge creation and practice as a social endeavour, stemming from interactions with other individuals or groups (Nonaka & Takeuchi, 2019). These returning expatriates maintain their connections within the subsidiary while in Japan and during periods of travel as business travellers.

Extended Long-Term Expatriate Assignments

Expatriates engaged in extended long-term assignments are deeply integrated into the subsidiary and local society. Typically, they have undergone several successive expatriate assignments before achieving the top position as managing director, serving as extended long-term expatriates. These individuals possess continuous access to locally embedded knowledge and the ability to localise Japanese knowledge alongside locally embedded knowledge. Moreover, they are involved in creating learning environments for short-term expatriates during their initial assignments, primarily through implicit training facilitated by access to operational local embedded knowledge. The extended long-term expatriate emerges as the driving force behind organisational learning from locally embedded knowledge within the network organisation.

Expatriates as Replacement for Local Staff

Expatriates deployed as replacements for local staff typically address specific problems or fill roles vacated by local personnel. They are usually engaged

in operational processes, benefiting from continuous access to operational locally embedded knowledge. This ongoing interaction with operational knowledge is vital for organisational learning, as it enables thorough analysis to identify the root causes of situations and inform strategies to prevent their recurrence.

Focus Assignments

Focus assignments are an optimal method for acquiring first-hand knowledge and information from locally embedded knowledge sources, which directly impact organisational learning regarding competitiveness, potential bottlenecks, and business opportunities.

To understand the role of acquiring local knowledge, it is therefore important to realise that the mechanisms that lead to the uncovering and understanding of explicit knowledge may differ from those for acquiring tacit knowledge. Tacit, locally embedded knowledge in particular may require deep and prolonged immersion in the circumstances of local subsidiaries. In order for locally embedded knowledge to occupy a rich position in the overall conceptual picture, it is necessary to understand how social processes within Japanese companies and with external networks play a role in facilitating, guiding or hindering learning processes.

6.5 How do Japanese expatriate assignments in the traditional expatriate cycle and alternative expatriate forms contribute to organisational learning from locally embedded knowledge in geographically dispersed subsidiaries?

Japanese expatriate assignments, both in the traditional cycle and through alternative forms of expatriation, enhance organisational learning from locally embedded knowledge within geographically dispersed subsidiaries. Over time, a clear coherence between the different forms of expatriation has developed. By leveraging the diverse roles of expatriates, Japanese companies adopt an adaptive approach to obtain, develop, and maintain their competitive advantages based on locally embedded knowledge across their subsidiaries. The contributions of these expatriates can be understood through the following elements:

The Different Roles of Expatriation and Their Impact on Knowledge Acquisition

Traditional long-term expatriate assignments, typically involving senior management, have historically focused on maintaining traditional Japanese managerial practices and ensuring a Japanese presence in the overseas network organisation. These senior Japanese expatriates often from the Showa generation initially struggled to engage fully with local cultures, often applying a directive management style that limited their ability to absorb locally embedded knowledge. However, as J-form organisations advanced and younger expatriates were deployed in operational roles, their ability to obtain both tacit and explicit locally embedded knowledge improved significantly. This transition reflects a shift towards empowering junior expatriates, who subsequently acquired essential insights into local operational practices, customer engagement strategies, local societal dynamics, and supplier network dynamics.

Frequent Flyers/Business Travellers/Short-term Assignments

The role of frequent flyers, business travellers, and expatriates on short-term assignments is paramount in the contemporary Japanese expatriate landscape. These expatriates regularly interact with relevant stakeholders in subsidiaries as well as those in Japanese headquarters, thereby facilitating the "internalisation" of tacit knowledge through business and social interactions. Their frequent visits to familiar environments facilitate a smooth exchange of knowledge and insights between headquarters in Japan and network subsidiaries, allowing them to stay connected and updated on local dynamics. This effective form of interaction strengthens relationships and enhances the expatriates' understanding of the complexities of the maritime and offshore industry.

Extended Long-term Expatriate Assignments

Expatriates engaged in extended long-term assignments become deeply integrated into the culture and operations of the overseas host subsidiary. They often develop strong and friendly relationships with local management. This immersion enables them to serve effectively as channels for knowledge transfer, blending traditional Japanese management practices with locally embedded strategies. Through continuous "socialisation" and "externalisation," these expatriates generate invaluable knowledge and insights, which help them adapt and harmonise Japanese organisational strategies with local conditions. Their in-depth understanding of the host

environment, combined with extensive interaction with both local staff and Japanese headquarters personnel, fosters a vital flow of knowledge that drives organisational learning.

Focus Assignments and Specific Knowledge Acquisition Assignments

Focus assignments for expatriates, aimed at developing sales for products and services or enhancing local market penetration, allow for direct engagement with specific locally embedded knowledge sources. These assignments are essential for acquiring firsthand knowledge and insights, identifying potential challenges, and exploring business opportunities. By immersing themselves in local operations, expatriates can effectively externalise tacit knowledge from these local sources and distribute it back to the organisation in Japan.

Different Forms of Expatriation and Synergy

The various forms of expatriation, traditional long-term, short-term, focus assignments, replacements for local staff, business travellers, and extended long-term expatriates create a coherent and synergistic framework that enhances J-form organisational learning and knowledge. Each form of expatriate assignment uniquely contributes to and intertwines with the others, collectively supporting the consolidation of locally embedded knowledge and fostering an environment conducive to knowledge sharing, organisational learning, continuous improvement, and organisational changes within the network organisation.

The cohesion between the different forms of expatriation is dynamic and often pragmatic; therefore, organisational learning from locally embedded knowledge in geographically dispersed subsidiaries is best explained by the coherence among the four pillars of the grounded theory in this thesis. The first pillar, traditional Japanese management, is driven by several key cultural elements. Changes to this pillar influence the second pillar, the cornerstones of expatriate assignment alignment. Together, these two pillars form the foundation for organisational learning in J-form organisations, facilitating knowledge transfer and cultural coherence while

strengthening the organisation's adaptive capacity in diverse contexts. Organisational changes arise from this learning process, leading to alterations in how learning occurs and adjustments to the cornerstones of expatriate assignment alignment, contributing to the realignment of expatriate

assignments. This dynamic interplay ensures that J-form organisations remain responsive and competitive, continually refining their practices in the evolving global maritime and offshore landscape.

6.6 Relevance and Reflections

This section introduces an examination of the broader implications of the research findings and their significance across various contexts. In Section 6.6.1, the scientific relevance of the study is analysed, emphasising its contributions to existing literature and the potential to advance theoretical understanding within the field. Section 6.6.2 addresses the management relevance of the insights derived from the research. The limitations of this research are acknowledged in Section 6.6.3. Finally, Section 6.6.4 outlines suggestions for further research.

6.6.1 Scientific Relevance

The Japanese are generally open to learning from others and are often intrigued by foreign knowledge (Hofstede Insights, 2019). Organisational learning in J-form organisations is particularly dependent on embedded knowledge (Lam, 2000). Nonaka and Takeuchi (2019/1995) argue that organisations cannot create knowledge independently; rather, the tacit knowledge developed by individuals forms the foundation of the organisational knowledge creation process. The objective for Japanese leaders is to acquire local knowledge and transfer it back to the head office in Japan (Magnier-Watanabe, 2019; Delios & Björkman, 2000; Beamish & Inkpen, 1998). Japanese organisations rely on expatriation to maintain Japanese management principles abroad and to oversee subsidiaries, ensuring that head office practices are upheld to the same standards as in Japan (Magnier-Watanabe, 2019; McNulty & Brewster, 2018; Delios & Björkman, 2000; Furusawa & Brewster, 2016). Japanese firms show a strong inclination to depend on expatriates to manage overseas subsidiaries (Tan & Mahoney, 2006), integrating them into teams with local employees who possess diverse expertise (Lam, 2000).

The scientific relevance of this research can be articulated on multiple levels. First, this thesis provides an explanation of the coherence among the various forms of expatriation in Japanese organisations and their contributions to organisational learning derived from locally embedded knowledge in geographically dispersed subsidiaries. Second, this thesis expands upon the

SECI principles by focusing on the unique cultural and structural dynamics inherent in J-form organisations and by illustrating how the different forms of expatriation engage with and contribute to the four modes of knowledge transformation. Insight into the myriad ways in which business travellers of different plumage shape these four modes and thus highlight different ways in which especially tacit knowledge becomes organisationally relevant, highlights an important theoretical contribution of the research. Lastly, the thesis provides a framework that explains, based on four main pillars, the reciprocal interaction between the cultural elements of traditional Japanese management, the cornerstones of expatriate assignment alignment, organisational learning conditions and contexts, and organisational changes. It thus provides a well-founded and detailed basis for understanding what a holistic approach to research into the role of expatriation entails. The many layers of conceptual complexity unravelled in the grounded theory presented above and the multitude of causal relationships between the phenomena covered by the theory make it clear how challenging empirical confirmatory research would be if it aimed to cover the full breadth and depth of the phenomenon. However, the contribution of the model lies in that it provides a solid basis for decision-making when opting for a more in-depth or a broader approach to expatriation in Japanese organisations.

6.6.2 Management Relevance

This thesis provides a comprehensive framework that may serve as the basis for drafting management policies and interventions aimed at the effective utilisation and retention of expatriates. The implementation of this framework is expected to yield higher retention rates, thereby enhancing organisational learning and knowledge.

Particular managerial attention is to be given to the final step in the expatriate assignment cycle, that of repatriation. This step is intimately connected to expatriation and refers to the process of returning to one's home country after an extended period of employment abroad (Meuer et al., 2019; Akkan et al., 2018). The process of repatriation has garnered significantly less attention compared to expatriation, a situation that appears paradoxical, given that it has presented a persistent challenge in human resource management for several decades. Despite 70 percent of firms reporting the existence of written repatriation policies, the assistance provided is often informal and unstructured. Furthermore, many organisations lack robust and deliberate strategic career planning (McEvoy & Buller, 2013; Hyder & Lövblad, 2007).

Considering the increasing number of expatriates, repatriation is poised to remain a challenge for human resource management, particularly considering that various studies in Western organisations have indicated that up to 50 percent of returning expatriates depart from their companies within a few years of their return (Hyder & Lövblad, 2007).

Topic	Western Expatriation	Japanese Expatriation
Expatriate Selection	Expatriate selection based on perceived suitability not necessarily (often not) from within the organisation	Expatriate selection from staff no exceptions
Preparation	The expatriate needs preparation prior to the assignment	The expatriate is already trained by means of rotational training
Adjustment	Expatriate adjustment is determining the outcome of the assignment	Expatriate adjustment and tacit learning is part of the expatriate process. Expatriate is proving worthiness. 'Tanshin-Funin' expatriate family remains in Japan
Performance	Performance is measured often by assignments aborted before the anticipated return date	Management by objectives, continuous monitoring of the performance. Proving worthiness, employee's loyalty to the organisation
Repatriation	Repatriation in Western organisations often fails. Many repatriates leave the organisation.	Repatriation is part of job rotation. Successful repatriates are rewarded with higher positions, promotions. Repatriates will engage in subsequent assignments and alternative assignments
Alternative Expatriate Assignment	Appears no connection with repatriates	Repatriates will engage in subsequent assignments and alternative assignments

Table 6.1 Japanese versus Western Expatriation (source: author)

When repatriates exit the organisation shortly after their return, companies fail to capitalise on the benefits derived from the multi-year learning experience, even though expatriates often represent a valuable source of competitive global knowledge (Nery-Kjerfve and McLean, 2012).

Consequently, it becomes evident that many Western organisations struggle to retain the recently acquired knowledge of expatriates, who frequently express feelings of being overlooked and contend that they return to an unsatisfactory and unchallenging situation (Arnaez et al., 2014). This

observation clearly suggests that repatriates harbour expectations for enhanced career opportunities, higher remuneration, increased status, and ongoing professional development (Bonache et al., 2018; Yan et al., 2002).

Table 6.1 illustrates the differences between Western and Japanese expatriation within the framework of the traditional long-term assignment cycle. This table is based on the comparative analysis presented in Chapter 5, which examines grounded theory alongside an extensive body of literature. I was particularly triggered by the topic of repatriation and the issues attached to it, which significantly enhance the relevance of this table. The main excerpts from this literature are included in paragraph 5.4.2. The comparison shown in the table specifically focuses on the traditional long-term expatriate assignment. It provides an interesting depiction of the differing approaches taken while progressing through similar phases of the traditional expatriate assignment cycle. Although it may not be appropriate or realistic for Western companies to fully adopt the Japanese approach to expatriation, the differences highlighted in the table can nonetheless serve as a source of inspiration for adapting their expatriation policies.

6.6.3 Limitations of this research

A first limitation of this study concerns its nature as theory development. The results should be interpreted with due caution. The empirical evidence presented in Chapter 4 gives the theory an important basis of credibility. The comparison with existing theories discussed in Chapter 5 can be seen as a way of nuancing, strengthening and elaborating this credibility. Empirically speaking, however, this is not confirmatory research that is being presented here. The broad nature of the exploratory exercise involved in constructing the grounded theory also hindered the formulation of propositions as stepping stones for follow-up research, both qualitative and quantitative in nature. For this reason, no hypotheses have been formulated as a basis for confirmatory follow-up research, which can be seen as a limitation of this study.

Secondly, this study focused on Japanese organisations and their expatriation practices. Several comparisons were made with Western companies and research on expatriation in such companies, but no systematic comparison was made between Japanese and Western or other non-Japanese companies. Therefore, any conclusions regarding overlaps or differences between the theory developed here for Japanese organisations and that for non-Japanese

organisations should be drawn with caution. The theory presented here cannot provide a reliable basis for such comparisons.

Thirdly, the fact that the data was collected and analysed in only one company in one sector of Japanese industry also constitutes a limitation. This limitation does not detract from the findings presented above, but it does serve as a warning that research in other types of companies may lead to the discovery of additional relevant concepts or interrelationships. It was not feasible to add such alternative companies to the current study. It proved to be a major challenge to obtain access to a Japanese organisation and a wide selection of expatriates and repatriates in different periods of their career meaning different levels of responsibilities working in geographically dispersed subsidiaries. To interview these expatriates in these different locations around the world on some occasions several times proved to be no sinecure. I was very fortunate to obtain access to a ship supplying company and the largest Senmon Shosha to the Japanese manufacturing industry servicing the global maritime industry. Although the organisation is a typical traditionally managed J-form organisation the fact that this research was conducted at one globally operating J-form organisation also represents its limitations.

6.6.4 Further Research

The landscape of Japanese expatriation and management is undergoing significant changes, especially with generational shifts and evolving organisational practices. As Japanese organisations navigate these changes, further research is essential to tackle key challenges and opportunities. This section discusses two pertinent topics for future exploration: the declining loyalty observed in the last two generations in Japan and the implications of replacing extended long-term expatriates.

Declining Loyalty in the Last Two Generations: Maintaining Traditional Values

One of the most pressing challenges for J-form organisations is the noticeable decline in loyalty among the last two generations, commonly known as Generation Y (Millennials) and Generation Z. Traditionally, Japanese corporate culture emphasised lifetime employment, commitment to one's company, and a strong sense of collective responsibility (Sugimoto, 2010). However, as younger generations enter the workforce, they are exhibiting distinctly different values and expectations. Many prioritise work-life balance, personal fulfilment, and career mobility over a long-term commitment to a single employer.

This shift in loyalty presents significant challenges for J-form organisations seeking to uphold traditional values. Future research should examine how Japanese firms can nurture a sense of belonging and loyalty among younger employees while adapting to their changing priorities. Strategies might involve redefining loyalty to include flexibility, providing more employee-oriented career development opportunities, and fostering an inclusive corporate culture that resonates with younger generations' values. Moreover, exploring the role of enhanced mentorship by experienced employees could shed light on how traditional management practices can be preserved while cultivating a new generation of committed staff.

Loss of Institutional Memory and Cultural Continuity

A major challenge associated with replacing or retiring extended long-term expatriates is the potential loss of institutional memory and cultural continuity. Long-term expatriates accumulate extensive knowledge of local markets and embody the organisational culture that links Japanese headquarters with foreign subsidiaries. Their profound understanding of both Japanese and local cultures enables them to bridge these contexts, promoting mutual understanding and effective knowledge transfer. When these expatriates retire or are replaced by short-term assignments or local hires, organisations risk losing critical insights vital for effective decision-making and strategy formulation. It is crucial for Japanese organisations to devise strategies for preserving the specific knowledge developed by extended long-term expatriates.

6.7 Conclusion

The myriad roles that diverse and intertwined forms of expatriation play in the organisational learning processes of Japanese companies remain a fascinating area of study. The present study does not claim to offer a definitive answer to the ongoing discussions on this topic, even though its conceptual and theoretical focus may provide a relatively stable basis for a deeper understanding. A focus on the aspects of organisational change implied in the learning perspective is and remains arguably very expedient. Japanese society is constantly changing, and the Japanese culture in which expatriation practices and policies are firmly embedded is changing with it. Younger Japanese generations differ from older ones and are more Westernised. However, the turbulent developments on the international stage raise serious doubts as to whether Westernisation will continue, whether it will take unpredictable turns, or whether it is

a temporary phenomenon. Therefore, the challenges of organisational learning will undoubtedly remain a valuable beacon if we want to enhance our understanding of Japanese expatriation and improve the practices, policies and interventions related to or inspired by that phenomenon.



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Appendices

Samenvatting

Summary

About the author

Acknowledgements

Samenvatting

Expatriatie is een fenomeen dat al decennia bestaat en waar multinationale ondernemingen uitgebreid gebruik van maken. Uitzending van expatriates wordt nagestreefd voor een breed scala aan organisatorische doelstellingen, waaronder het beheren van buitenlandse operaties, zakelijke ontwikkeling, het opzetten van nieuwe activiteiten en het uitbreiden van netwerken. Expatriatie is niet voorbehouden aan westerse bedrijven; deze praktijk is wereldwijd verspreid. In een Aziatische context staan de Japanners bijvoorbeeld bekend om hun ethocentrische personeelsstrategie, waarbij seniorposities in dochterondernemingen worden vervuld door Japanse staatsburgers. De Japanners rekenen op deze expatriates om een Japanse bedrijfsfilosofie in hun overzeese netwerk te handhaven.

Deze Japanse bedrijfsfilosofie en -cultuur worden beïnvloed door het Shintoïsme, Confucianisme, Boeddhisme en de feodale geschiedenis van Japan. Bovendien zijn specifieke traditionele culturele elementen, zoals het senioriteitsprincipe, loyaliteit en gehoorzaamheid, levenslange werkgelegenheid en functieroulatie, nog steeds aanwezig in hedendaagse Japanse organisaties. Deze elementen stimuleren een specifieke bedrijfscultuur die niet altijd wordt gewaardeerd door lokaal personeel. In sommige gevallen heeft management door Japanse expatriates geleid tot aanzienlijke problemen in buitenlandse dochterondernemingen met lokaal personeel. In de loop der tijd hebben de Japanners hun voorbereiding en expatriatiestrategieën aangepast, wat heeft geleid tot veel betere resultaten.

Daarom worden Japanse expatriates ingezet en spelen ze een vitale rol in het behouden van het unieke karakter van de Japanse filosofie en aanpak bij het zakendoen in buitenlandse dochterondernemingen, terwijl ze tegelijkertijd moeten aanpassen aan lokale praktijken en efficiënt moeten omgaan met de lokale samenleving en het personeel. Deze delicate balans is soms lastig, maar essentieel voor succesvolle interactie. Deze aanpak is succesvoller gebleken, omdat effectieve interacties met lokale samenlevingen en personeel toegang bieden tot essentiële, lokaal ingebedde kennis.

Daarom fungeren Japanse expatriates, naast hun traditionele rol, Japanse expatriates ook als kennisagenten die inzichten uit lokale ingebedde kennis ontwikkelen en die kennis door de gehele organisatie overdragen. De J-vormige organisatie, die internationaal opereert met een netwerk van

dochterondernemingen, is afhankelijk van deze expatriates die leren van en contact hebben met lokaal ingebedde kennis voor organisatorisch leren. Organisatorisch leren dient als basis voor organisatorische aanpassingen en veranderingen om concurrentiekracht te behouden en te groeien in een volatiele, multiculturele, voortdurend veranderende en veeleisende industrie. Het toegenomen belang van expatriates in Japanse organisaties is zorgwekkend, gezien een verouderende en krimpende Japanse bevolking. Desondanks zijn Japanse organisaties vastberaden in hun inspanningen om hun expatriatepraktijken te behouden en zelfs te diversifiëren. Ze gebruiken nu een combinatie van traditionele langdurige expatriate-opdrachten naast nieuwere strategieën, waaronder gerichte opdrachten, verlengde langetermijnplaatsingen, kortdurende opdrachten en frequent reizen.

Hoofdstuk 1 onderzoekt in ruime zin de drie kernonderdelen van deze thesis: expatriatie, Japanse organisaties en organisatorisch leren. Het onderzoeksdoelen de methode worden binnen dit kader geformuleerd. Concreet beoogt deze studie te onderzoeken hoe verschillende vormen van expatriatie binnen ondernemingen bijdragen aan organisatorisch leren, met bijzondere focus op het verwerven van lokaal ingebedde kennis binnen internationale dochterondernemingen. De belangrijkste onderzoeksvraag gaat in op de consistentie tussen verschillende vormen van expatriatie, hun impact op organisatorisch leren en het belang van lokaal ingebedde kennis. Hoewel deze drie kernonderdelen van deze thesis eerder afzonderlijk uitgebreid zijn bestudeerd, zijn ze slechts in beperkte mate als een holistisch samengevoegd onderwerp onderzocht. Daarom hanteert deze studie een grounded theory-benadering, door doelbewust verder te gaan dan gevestigde theorieën om te concentreren op empirische dataverzameling en -analyse. Deze inductieve methode is specifiek ontworpen om de complexiteit die inherent is aan het onderzoeksonderwerp vast te leggen, waardoor een dieper begrip ontstaat van hoe verschillende expatriatepraktijken het organisatorisch leren beïnvloeden. Door in te zoomen op de ervaringen en perspectieven van personen die betrokken zijn bij expatriatie, beoogt de studie ervoor te zorgen dat de nuances van impliciete kennis correct worden herkend. Door toepassing van grounded theory beoogt dit onderzoek de theoretische discussies rondom expatriatie te verrijken en tegelijkertijd belangrijke lacunes in de literatuur met betrekking tot kennis en leren van deze expatriates binnen de context van J-vormorganisaties aan te vullen. Deze benadering wordt verondersteld een holistisch perspectief te bieden, wat de weg vrijmaakt voor nieuwe inzichten in de dynamische wisselwerking tussen expatriatie en organisatorisch leren vanuit lokaal ingebedde kennis.

Hoofdstuk 2 introduceert Japan en biedt algemene achtergrondinformatie over de kenmerken van het land dat een belangrijk deel van de onderzoekslocatie is. De geschiedenis, cultuur, economie en industriële ontwikkeling van Japan worden geschetst. Een grondig begrip van de Japanse samenleving en industrie is essentieel voor de fundering van dit onderzoek. Het hoofdstuk onderstreept de complexiteiten die Japanse en westerse samenlevingen onderscheiden en benadrukt de noodzaak voor een dieper begrip van Japan, haar mentaliteit en maatschappelijke dynamiek om deze kloof te overbruggen. Japan telt ruim 14.000 eilanden en is grotendeels bergachtig, met bergen die meer dan 70 procent van het land beslaan. Desondanks beschikt Japan niet over overvloedige natuurlijke hulpbronnen en heeft het beperkt agrarisch potentieel. Vandaag de dag is het uitgegroeid tot de derde grootste industriële natie ter wereld. Japans positie in de wereldeconomie was niet altijd zo prominent; westerse invloeden hebben de industrialisatie aanzienlijk gevormd. Het hoofdstuk belicht ook de turbulente geschiedenis van Japan, met name tijdens de Sakoku-periode, die duurde van 1635 tot 1853. In deze periode hanteerde Japan een beleid van bijna volledige isolatie onder het Tokugawa-shogunaat, waardoor de grenzen voor buitenlandse invloed effectief werden gesloten. Deze isolatie beïnvloedde de ontwikkeling van een unieke Japanse cultuur en behield traditionele gebruiken. De komst van Commodore Perry medio 19e eeuw dwong Japan de deuren naar de wereld te openen, wat leidde tot substantiële transformatie en modernisering. De culturele identiteit van Japan is nauw verbonden met Shinto-tradities en het concept van Japanese-ness, onderzocht via het discours van Nihonjinron, wat een fundamenteel verschil tussen Japanners en westerlingen suggereert. Het hoofdstuk behandelt de nuances van Japanse identiteitsvorming, inclusief hoe tradities en waarden uit het verleden de hedendaagse Japanse cultuur vormen. Bij het onderzoeken van de economie reconstrueert het hoofdstuk de transformatie die begon met de oprichting van zaibatsu en de belangrijke rol die deze industriële conglomeraten hebben gespeeld bij de wederopbouw na de oorlog. Door deze verkenning wordt een kritisch kader vastgesteld voor het begrijpen van het complexe samenspel van geschiedenis, cultuur en economische ontwikkeling van Japan, als basis voor de daaropvolgende analyse in de scriptie.

Hoofdstuk 3 introduceert de grounded theory-benadering als een geschikte methodologie om te begrijpen hoe expatriatie organisatorisch leren binnen Japanse J-vormorganisaties beïnvloedt. Het hoofdstuk schetst drie kernredenen voor het gebruik ervan: de complexiteit van het onderzoeks-

onderwerp, de onderbelichte relatie tussen expatriatie en organisatorisch leren, en de praktische inzichten die voortkomen uit de ervaringen van diverse belanghebbenden bij expatriatie. Het hoofdstuk begint met een algemene beschrijving van grounded theory, waarbij het belang ervan in kwalitatief onderzoek voor het genereren van theorieën die geworteld zijn in empirische data wordt geïllustreerd. Het onderzoek hanteert het perspectief van Strauss en Corbin, dat vooral de inductie uit ruwe data centraal stelt, terwijl het ook de rol van deductie toelaat. Deze benadering maakt integratie van bestaande conceptualisaties in theoretische bemonstering mogelijk zonder de verankering van de nieuwe theorie in de data te compromitteren. Het hoofdstuk erkent ook de benaderingen van Glaser, die een flexibelere, inductiegerichte aanpak benadrukt, en Charmaz, die pleit voor een constructivistische visie die wederzijdse interpretatie tussen onderzoeker en respondenten in ogenschouw neemt. De vergelijking benadrukt Glasers voorkeur voor theoriegeneratie door zuivere inductie, terwijl Strauss en Corbin pleiten voor een gecombineerde methode die deductie en verificatie omvat.

Het analyseproces omvat de grounded theory-standaard van open, axiale en selectieve codering; een aanvullende overgangscodering werd in sommige analyses met grote aantallen open codes toegevoegd. Open codering dient om initiële concepten uit de data te identificeren, axiale codering verbindt bredere categorieën terwijl conceptuele eigenschappen worden verfijnd, en selectieve codering haalt thema's die aansluiten bij de onderzoeksdoelstellingen naar voren. Het hoofdstuk benadrukt een dynamische interactie tussen gegevensverzameling en analyse, illustrerend hoe inzichten uit interviews leidend waren voor voortdurende codering en theoretische ontwikkeling.

Vervolgens introduceert het hoofdstuk Kobe Trading, een Japanse organisatie in de maritieme sector, als onderzoekslocatie. Met een rijke geschiedenis en wereldwijd verspreide arbeidskrachten belichaamt Kobe Trading de J-vormstructuur terwijl zij expatriatiepraktijken bedrijft. Het bedrijf heeft gemiddeld ongeveer 32 expatriates die cruciale leiderschapsrollen wereldwijd vervullen, wat wijst op hun belang voor het in stand houden van organisatorische dynamiek en het faciliteren van kennisoverdracht. Het gegevensverzamelingsproces omvatte 55 interviews over tien jaar met diverse medewerkers, waaronder expatriates, repatriates en senior managers. De interviews gebruikten open vragen om deelnemers aan te moedigen persoonlijke ervaringen en inzichten met betrekking tot expatriatie te delen. Deze dialoog verschaftte waardevolle informatie over de ontwikkeling

van stilzwijgende kennis en de uitwisseling van lokale kennis, wat van essentieel belang is voor organisatorisch leren. De data-analyse begon met het transcriberen van de antwoorden op de interviews, gevolgd door een systematisch coderingsproces. De analyse was dynamisch en omvatte aanvullende interviews om opkomende thema's aan te pakken en de iteratieve aard van de grounded theory-aanpak (GTA) te demonstreren. Gedurende het proces werden theoretische memo's bijgehouden om de ontwikkeling van categorieën, relaties en inzichten die uit de data voortvloeien vast te leggen. Door deze gestructureerde maar flexibele aanpak onderstreept het hoofdstuk het belang van het voortdurend verankeren van theorieën in empirische data, zodat de onderzoeksresultaten resoneren met echte contexten en de ervaringen van belanghebbenden bij expatriatie.

Hoofdstuk 4 presenteert een theoretisch kader dat expatriatieverschijnselen koppelt aan het leren van lokaal ingebedde kennis binnen internationaal opererende Japanse organisaties. Het hoofdstuk begint met het benadrukken van vier kerncategorieën die uit de interviews en analyse naar voren kwamen en essentieel zijn voor het begrijpen van de rol van expatriate-opdrachten bij het vormgeven van organisatorisch leren. Deze categorieën zijn: 'Culturele elementen van traditioneel Japans management', 'Hoekstenen van afstemming van expatriate-opdrachten', 'Organisatorisch leren: condities en contexten', en 'Organisatorische veranderingen'. Het hoofdstuk benadrukt dat de culturele elementen van traditioneel Japans management dienen als een fundamentele pijler voor organisatorisch leren in J-vormorganisaties. Deze principes, waaronder levenslange werkgelegenheid, het senioriteitsprincipe, loyaliteit en gehoorzaamheid, en functieroulatie, creëert een stabiel personeelsbestand dat waarde hecht aan langetermijnverplichtingen. Expatriate-opdrachten zijn primair ontworpen om afstemming met deze culturele elementen te behouden, waardoor Japanse bedrijven hun bedrijfsidentiteit kunnen handhaven terwijl ze zich aanpassen aan diverse wereldwijde omgevingen. Senior expatriates functioneren als culturele ambassadeurs, waardoor hiaten tussen thuisorganisaties en lokale praktijken worden overbrugd en ervoor wordt gezorgd dat expatriate-ervaringen de traditionele managementwaarden weerspiegelen en versterken.

Daarnaast toont de interactie tussen culturele elementen en afstemming van expatriate-opdrachten aan dat deze combinatie een robuuste leeromgeving creëert. Loyaliteit en langdurige werkgelegenheid versterken een omgeving waar medewerkers kennis delen en zich richten op stilzwijgend leren door

ervaring en betrokkenheid. Functieroulatie verruimt de vaardigheden en het begrip van medewerkers, wat samenwerking en effectieve kennisoverdracht bevordert. Het hoofdstuk presenteert bovendien een gedetailleerde bespreking van hoe organisatorisch leren wordt beïnvloed door specifieke condities en contexten binnen J-vormorganisaties. De nadruk ligt op stilzwijgende kennis en op de noodzaak om omgevingen te creëren die experimenteel leren ondersteunen en aansluiten bij Japanse managementstrategieën. Dit wordt aangevuld met strategische aanpassingen in organisatorische praktijken, met name als reactie op veranderingen in de maritieme industrie, waar evoluerende technologische vooruitgang, reglementaire verschuivingen, culturele uitdagingen en macro-economische veranderingen continue organisatie-evolutie vereisen.

Verder wordt de relatie tussen organisatorische veranderingen en expatriate-afstemming onderzocht, waarbij wordt aangetoond hoe beide elementen samenwerken om strategische aanpassingsmogelijkheden en operationeel succes te waarborgen. De gepresenteerde grounded theory stelt dat expatriate-opdrachten directe uitdagingen in personeelsbezetting opleveren, maar ook kennisontwikkeling faciliteren en een zekere wendbaarheid vergroten door redundantie.

Hoofdstuk 5 plaatst de in Hoofdstuk 4 ontwikkelde grounded theory naast gevestigde theorieën om de sterke en zwakke punten ervan te verduidelijken. Deze vergelijkende analyse beoogt aan te tonen hoe de voorgestelde theorie bijdraagt aan een dieper begrip van de complexe thema's van organisatorisch leren uit lokaal ingebedde kennis en expatriatie. Het verhaal van de ontwikkelde theorie is opgebouwd uit vier kerncategorieën, elk met conceptuele uitwerkingen en onderlinge relaties die op verschillende abstractieniveaus functioneren. Opmerkelijk is dat de eerste categorie, die een uitgebreide verzameling culturele elementen van traditioneel Japans management vertegenwoordigt, fungeert als een centrale pijler van organisatorisch leren. Veranderingen binnen deze culturele elementen beïnvloeden direct een andere kernpijler, de hoekstenen van expatriate-opdrachten afstemming, wat een wederkerige relatie creëert die effectief kennisoverdracht ondersteunt en culturele coherentie in stand houdt. De wisselwerking tussen deze kerncategorieën onderstreept het adaptieve vermogen van de organisatie in diverse contexten.

Organisatorische veranderingen ontstaan uit de processen van organisatorisch leren en beïnvloeden vervolgens hoe organisatorisch leren zich manifesteert en vereisen aanpassingen aan expatriate-opdrachten. Dit zorgt ervoor dat

J-vormorganisaties concurrerend blijven en hun praktijken voortdurend verfijnen in een evoluerend wereldwijd maritiem landschap. Het hoofdstuk is zodanig opgebouwd dat het methodisch analyseert hoe de ontwikkelde theorie interageert met bestaande theoretische kaders. Elke kerncategorie wordt behandeld als een centraal punt voor discussie, met drie analytische stappen: een samenvatting van de grounded theory gerelateerd aan de categorie, een verkenning van relevante literatuur en een vergelijkende analyse. Echter, het laatste gedeelte, dat betrekking heeft op de vierde kerncategorie, 'Organisatorische Veranderingen', is anders gestructureerd. Het ontbreekt aan een tweede subsectie met relevante bestaande theorieën; deze theorieën worden samen gepresenteerd met die voor de derde kerncategorie, 'Organisatorisch Leren: Conditie en Context'. Een studie van de inzichten met betrekking tot deze twee kerncategorieën onthulde significante onderlinge relaties in de literatuur, wat leidde tot het besluit om de presentatie van literatuur die aan beide pijlers is gekoppeld te bundelen. Deze integratie is essentieel voor het bereiken van een holistisch beeld, wat nodig is voor de vergelijkende analyse en vraagt om een bredere literatuurstudie die verder gaat dan louter thematische vergelijkingen. Desalniettemin moet worden benadrukt dat, hoewel deze twee pijlers een literatuurreview delen, ondergaan ze elk een vergelijkende analyse om hun unieke bijdragen en implicaties te onderzoeken.

Hoofdstuk 6 legt de nadruk op het synthetiseren van de bevindingen uit de voorgaande analyse om de complexiteiten van Japanse expatriatie-opdrachten en hun essentiële rol in het faciliteren van organisatorisch leren binnen J-vormorganisaties te belichten. Dit hoofdstuk onderzoekt de multidimensionale relatie tussen expatriatiepraktijken en de assimilatie van lokaal ingebedde kennis vanuit geografisch verspreide dochterondernemingen. Het doel van deze studie is om ons begrip van expatriatie in Japanse organisaties te vergroten, met de focus op het identificeren en ontrafelen van relevante concepten en hun implicaties.

Sub-onderzoeksvragen

Het hoofdstuk beantwoordt de drie sub-onderzoeksvragen die deze studie hebben geleid. Het begint met het adresseren van de coherentie tussen verschillende vormen van expatriatie binnen Japanse organisaties, waarbij wordt benadrukt hoe deze vormen verweven raken om doelstellingen te bereiken zoals het handhaven van Japanse managementpraktijken in het buitenland en het behouden van een robuust netwerk. Vervolgens gaat het hoofdstuk in op de

impact van diverse expatriate-regelingen op organisatorische leerprocessen, benadrukkend dat kenniscreatie afhankelijk is van individuen die stilzwijgende kennis ontwikkelen en bezitten. Dit proces omvat dynamische interacties tussen expatriates, lokaal personeel, repatriates, leveranciers, partners en diverse andere belanghebbenden. Ten slotte onderzoekt het hoofdstuk hoe traditionele expatriate-opdrachten, aangevuld met alternatieve vormen, organisatorisch leren vanuit lokaal ingebedde kennis aandrijven.

Wetenschappelijke relevantie

Deze studie verduidelijkt de coherentie tussen diverse vormen van expatriatie in Japanse organisaties en hun bijdragen aan organisatorisch leren afkomstig uit lokaal ingebedde kennis. Ze bouwt voort op de SECI-principes door te focussen op de unieke culturele en structurele dynamiek van J-vormorganisaties, en illustreert hoe verschillende expatriatevormen zich verhouden tot en bijdragen aan kennistransformatie. De bevindingen bieden inzichten in hoe diverse zakenreizigers de relevantie van stilzwijgende kennis binnen de organisatie beïnvloeden.

Managementrelevantie

Deze thesis biedt een uitgebreid kader dat dient als basis voor het opstellen van managementbeleid gericht op effectief gebruik en behoud van expatriates, wat naar verwachting hogere retentiepercentages oplevert en het organisatorisch leren en kennis versterkt. Aandacht van managers gaat uit naar de laatste stap in de expatriate-opdractencyclus: repatriatie. Deze stap, die verwijst naar het proces van terugkeren naar het eigen land na een lange periode in het buitenland, heeft aanzienlijk minder aandacht gekregen dan expatriatie, ondanks een hardnekkige uitdaging in HR-management.

Beperkingen van dit onderzoek

Een eerste beperking van deze studie is haar aard als theorieontwikkeling, wat betekent dat de resultaten met voorzichtigheid geïnterpreteerd moeten worden. Het empirische bewijs dat in Hoofdstuk 4 wordt gepresenteerd, bevestigt de geloofwaardigheid van de theorie, en vergelijkingen met bestaande theorieën in Hoofdstuk 5 dienen deze verder te versterken. Dit is echter geen confirmatief onderzoek. De verkennende aard van het opbouwen van de grounded theory verhinderde het formuleren van proposities voor vervolgonderzoek, waardoor geen hypothesen konden worden opgesteld. Ten tweede richt de studie zich op Japanse organisaties en hun expatriatepraktijken. Hoewel vergelijkingen met westerse bedrijven zijn gemaakt, bestaat er geen systematische vergelijking

tussen Japanse en niet-Japanse organisaties. Conclusies over overlappingsen of verschillen dienen daarom voorzichtig te worden getrokken, aangezien de theorie geen betrouwbare basis biedt voor dergelijke vergelijkingen. Ten derde is de data verzameld van slechts één bedrijf in één sector van de Japanse industrie. Hoewel deze beperking afbreuk doet aan de bevindingen, suggereert het dat onderzoek in andere typen bedrijven mogelijk aanvullende relevante concepten aan het licht brengt. Het verkrijgen van toegang tot een brede selectie van expatriates en repatriates in verschillende carrièrefases bleek uitdagend. Over het algemeen biedt het uitvoeren van dit onderzoek binnen een wereldwijd opererende J-vormorganisatie zijn eigen beperkingen.

Verder onderzoek

Het landschap van Japanse expatriatie en management evolueert door generatiewisselingen en veranderende organisatorische praktijken. Verder onderzoek is essentieel om uitdagingen aan te pakken, met name de afnemende loyaliteit die waarneembaar is bij Generatie Y (Millennials) en Generatie Z, die prioriteit geven aan flexibiliteit, werk-privébalans, keuzevrijheid, en mobiliteit in hun carrière boven traditionele langetermijnverbintenissen. Deze afname vormt uitdagingen voor J-vormorganisaties die traditionele waarden willen handhaven. Toekomstig onderzoek moet verkennen hoe deze organisaties verbondenheid en loyaliteit onder jongere medewerkers kunnen bevorderen door loyaliteit te herdefiniëren om flexibiliteit op te nemen, kansen voor loopbaanontwikkeling te bieden en een inclusieve bedrijfscultuur te stimuleren. Uitbreiden van mentorschap door ervaren medewerkers kan ook helpen traditionele managementpraktijken te behouden terwijl de nieuwe generatie wordt betrokken. Een andere uitdaging is het potentiële verlies van institutioneel geheugen en culturele continuïteit wanneer langetermijnexpatriates met pensioen gaan of vervangen worden. Deze expatriates bezitten waardevolle kennis die Japanse hoofdkantoren koppelt aan buitenlandse dochterondernemingen. Hun vertrek riskeert inzichten te verliezen die essentieel zijn voor weloverwogen besluitvorming. Daarom moeten Japanse organisaties strategieën ontwikkelen om de kennis die door langdurige expatriates is opgebouwd te behouden.

De conclusie benadrukt de diverse rollen van expatriatie in het organisatorische leerproces van Japanse organisaties en onderstreept de noodzaak tot voortdurende verkenning van deze dynamiek naarmate de maatschappij en cultuur evolueren. Ook ligt de nadruk op het belang van begrip van de uitdagingen van organisatorisch leren om praktijken en beleid omtrent Japanse

expatriatie te verbeteren in het licht van veranderende generatiewaarden en onzekerheden rondom westerse invloed.

Summary

Expatriation is a decades-old phenomenon that multinational corporations extensively use. Expatriate assignments have been pursued for a wide range of organisational objectives, including managing foreign operations, business development, starting new operations, and expanding networks. Expatriation is not reserved for Western companies; this practice is widespread. In an Asian context, the Japanese are specifically known for their ethnocentric staffing strategy, where senior positions in network subsidiaries are filled by Japanese nationals. The Japanese rely on these expatriates to maintain a Japanese business philosophy in their overseas network.

This Japanese business philosophy and culture are influenced by Shintoism, Confucianism, Buddhism, and Japan's feudal history. Furthermore, specific traditional cultural elements such as the seniority principle, loyalty and obedience, lifelong employment, and job rotation are very much present in today's Japanese organisations. These elements drive a specific business culture that is not always appreciated by local staff. In some cases, management by Japanese expatriates has led to significant issues in overseas subsidiaries with local staff. Over time, the Japanese have adjusted their preparation and expatriation strategies, which have led to much better results.

Therefore, Japanese expatriates are deployed and play a vital role in maintaining the unique character of the Japanese philosophy and approach to conducting business in overseas subsidiaries, while at the same time needing to adapt to local practices and engage with local society and staff efficiently. This delicate balance is sometimes difficult, though essential for successful interaction. This approach has proven more successful, as effective interactions with local societies and staff grant access to essential local embedded knowledge.

Therefore, besides their traditional role, Japanese expatriates also serve as knowledge agents, developing insights from local embedded knowledge and transferring that knowledge throughout the organisation. The J-form organisation, operating internationally with a network of subsidiaries, is dependent on these expatriates learning from and engaging with local embedded knowledge for organisational learning. Organisational learning serves as a basis for organisational adaptations and changes to maintain competitiveness and grow in a volatile, multicultural, continuously changing, and demanding industry.

The increasing importance of expatriates in Japanese organisations is concerning, considering an ageing and shrinking Japanese population. Yet, despite this, Japanese organisations have remained steadfast in their efforts to maintain and even diversify their expatriate practices. They are now utilising a blend of traditional long-term expatriate assignments alongside newer strategies, including focused assignments, extended long-term placements, short-term assignments, and frequent travel.

In Chapter 1, the three core elements of this thesis, expatriation, Japanese organisations, and organisational learning, are explored broadly. The research objective and method are framed within this context. Specifically, this study aims to examine how various forms of expatriate assignments contribute to organisational learning, with a particular focus on the acquisition of locally embedded knowledge within international subsidiaries. The key research question delves into the coherence between different forms of expatriation, their impact on organisational learning, and the significance of locally embedded knowledge. Although these three core elements of this thesis have been extensively researched separately, they have been studied as a holistic combined topic only to a limited extent.

Therefore, this study adopts a grounded theory approach, deliberately moving beyond established theories to concentrate on empirical data collection and analysis. This inductive method is specifically designed to capture the complexities inherent in the research topic, thereby enabling a deeper understanding of how distinct expatriate practices influence organisational learning. By engaging with the experiences and perspectives of individuals involved in expatriation, the study aims to ensure that the nuances of tacit knowledge are properly recognised. Through the application of grounded theory, this research aspires to enrich theoretical discussions surrounding expatriation while addressing critical gaps in the literature related to knowledge and learning from these expatriates within the context of J-form organisations. This approach is anticipated to provide a holistic perspective, paving the way for new insights into the dynamic interplay between expatriation and organisational learning from locally embedded knowledge.

Chapter 2 introduces Japan, providing general background information on the characteristics of the country that is the site of this research. The history, culture, economy, and industrial development of Japan are portrayed. A thorough understanding of Japanese society and industry is essential for laying

the foundation for this research. The chapter underscores the complexities that differentiate Japanese and Western societies and emphasises the need for a deeper comprehension of Japan, its mindset, and societal dynamics to bridge this gap. Japan comprises over 14,000 islands and is largely mountainous, with mountains covering over 70 percent of its land. Despite this, Japan lacks abundant natural resources and has limited agricultural potential. Today, it has emerged as the world's third largest industrial nation. Japan's position in the global economy was not always as prominent; Western influences significantly shaped its industrialisation.

The chapter also highlights Japan's tumultuous history, particularly during the Sakoku period, which spanned from 1635 to 1853. During this time, Japan implemented a policy of near-complete isolation under the Tokugawa shogunate, effectively closing its borders to foreign influence. This isolation influenced the development of a unique Japanese culture while preserving traditional customs. The arrival of Commodore Perry in the mid-19th century compelled Japan to open its doors to the world, leading to substantial transformation and modernisation. Japan's cultural identity is closely linked to Shinto traditions and the concept of Japanese-ness, explored through the discourse of *Nihonjinron*, which suggests a fundamental difference between Japanese and Western people. The chapter addresses the nuances of Japanese identity, including how traditions and values from the past shape contemporary Japanese culture.

In examining the economy, the chapter chronicles the transformation beginning with the establishment of *zaibatsu* and the significant role these corporate conglomerates played in shaping Japan's post-war recovery. Through this exploration, the chapter establishes a critical framework for understanding Japan's intricate interplay of history, culture, and economic development, forming a foundation for the thesis's subsequent analysis.

In Chapter 3, the grounded theory approach is introduced as a suitable methodology for understanding how expatriation affects organisational learning within Japanese J-form organisations. The chapter outlines three key justifications for employing it: the complexity of the research topic, the under-researched intersection of expatriation and organisational learning, and the practical insights that emerge from the experiences of various stakeholders involved in expatriation.

The chapter begins by providing a general description of grounded theory, illustrating its significance in qualitative research for generating theories

rooted in empirical data. The research adopts the perspective of Strauss and Corbin, which focuses primarily on induction from raw data while allowing for the role of deduction. This approach permits the integration of existing conceptualisations into theoretical sampling without compromising the grounding of the new theory within the data.

The chapter also acknowledges the methodologies of Glaser, who emphasises a more flexible, induction-focused approach, and Charmaz, who advocates for a constructivist perspective that considers mutual interpretation between researcher and subjects. The comparison highlights Glaser's preference for theory generation through pure induction, while Strauss and Corbin advocate for a combined method that includes deduction and verification.

The analysis process includes the grounded theory standard of open, axial, and selective coding; an additional transitional code was added in some analyses involving large numbers of open codes. Open coding serves to identify initial concepts from the data, axial coding connects broader categories while refining conceptual properties, and selective coding extract's themes aligned with the research objectives. The chapter emphasises a dynamic interaction between data collection and analysis, illustrating how insights from interviews informed ongoing codes and theoretical development.

Subsequently, the chapter introduces Kobe Trading, a Japanese organisation in the maritime sector, as the research site. With a rich history and a globally dispersed workforce, Kobe Trading embodies the J-form structure while engaging in expatriation practices. The company employs, on average, around 32 expatriates who play crucial leadership roles globally, indicating their importance in maintaining organisational dynamics and facilitating knowledge transfer.

The data collection process involved conducting 55 interviews over ten years with various employees, including expatriates, repatriates, and senior managers. The interviews utilised open-ended questions to encourage participants to share their personal experiences and insights related to expatriation. This dialogue provided valuable information about tacit knowledge development and the sharing of local knowledge, which are crucial for organisational learning.

Data analysis commenced with transcribing interview responses, followed by a systematic coding process. The analysis was dynamic, incorporating supplementary interviews to address emerging themes and demonstrating the

iterative nature of grounded theory approach (GTA). Throughout the process, theoretical memos were maintained to record the development of categories, relationships, and insights emergent from the data. Through this structured yet flexible approach, the chapter underscores the importance of continuously grounding theories in empirical data, ensuring that the research findings resonate with real-world contexts and the experiences of stakeholders involved in expatriation.

In Chapter 4, a theoretical framework is presented that connects expatriation phenomena with the learning of locally embedded knowledge within internationally operating Japanese organisations. The chapter begins by highlighting four core categories that emerged from the interviews and analysis, which are fundamental to understanding the role of expatriate assignments in shaping organisational learning. These categories are identified as 'Cultural elements of traditional Japanese management', 'Cornerstones of expatriate assignment alignment', 'Organisational learning: conditions and contexts', and 'Organisational changes.'

The chapter emphasises that the cultural elements of traditional Japanese management serve as a foundational pillar for organisational learning in J-form organisations. These principles, including lifetime employment, the seniority principle, loyalty and obedience, and job rotation, create a stable workforce that values long-term commitment. Expatriate assignments are primarily designed to maintain alignment with these cultural elements, enabling Japanese firms to uphold their corporate identity while adapting to diverse global environments. Senior expatriates function as cultural ambassadors, bridging gaps between home offices and local practices and ensuring that expatriate experiences reflect and enhance traditional management values.

Furthermore, the interplay between cultural elements and expatriate assignment alignment is shown to create a robust learning environment. Loyalty and long-term employment enhance an environment where employees share knowledge and focus on tacit learning through experience and engagement. Job rotation broadens employees' skill sets and understanding, facilitating collaboration and effective knowledge transfer.

The chapter also presents a detailed discussion of how organisational learning is influenced by specific conditions and contexts within J-form organisations. Emphasising the significance of tacit knowledge, the discussion highlights the

necessity of creating environments that support experiential learning and align with Japanese management strategies. This is complemented by strategic adaptations in organisational practices, particularly in response to changes in the maritime industry, where evolving technological advancements, regulatory shifts, cultural challenges, and macroeconomic changes necessitate continuous organisational evolution.

Moreover, the relationship between organisational changes and expatriate alignment is explored, revealing how both elements work together to ensure strategic adaptability and operational success. The grounded theory presented outlines that expatriate assignments present immediate challenges in staffing but also facilitate knowledge development and enhance a level of agility through redundancy.

In Chapter 5, the grounded theory developed in Chapter 4 is examined alongside established theories to elucidate its strengths and weaknesses. This comparative analysis aims to demonstrate how the proposed theory contributes to a deeper understanding of the complex themes of organisational learning from locally embedded knowledge and expatriation.

The narrative of the developed theory is built on four core categories, each with conceptual elaborations and interrelationships that operate at various levels of abstraction. Notably, the first category, representing a comprehensive collection of cultural elements inherent to traditional Japanese management, functions as a central pillar of organisational learning. Changes within these cultural elements directly influence another core pillar, the cornerstones of expatriate assignment alignment, creating a reciprocal relationship that underpins effective knowledge transfer and sustains cultural coherence.

The interplay between these core categories underlines the organisation's adaptive capacity across diverse contexts. Organisational changes are generated from the organisational learning processes, subsequently affecting how organisational learning manifests and necessitating adjustments to expatriate assignments. This dynamic ensures that J-form organisations remain competitive, continually refining their practices within an evolving global maritime landscape.

The chapter is structured to methodically address how the developed theory interacts with existing theoretical frameworks. Each core category is treated

as a focal point for discussion, with three analytical steps: a summary of the grounded theory related to the category, an exploration of pertinent literature, and a comparative analysis. However, the last section, which addresses the fourth core category, 'Organisational Changes,' is structured differently. It lacks a second sub-section with relevant existing theories; these theories are presented together with those for the third core category, 'Organisational Learning: Conditions and Context.' A study of the insights relating to these two core categories revealed significant interrelationships within the literature, leading to the decision to merge the presentation of literature associated with both pillars. This integration is essential for achieving a holistic view, which is necessary for the comparative analysis and calls for a broader literature review that extends beyond mere topic comparisons. Nevertheless, it should be emphasised that, while these two pillars share a literature review, they each undergo comparative analysis to examine their unique contributions and implications.

In Chapter 6, the emphasis is on synthesising the findings from the preceding analysis to illuminate the complexities of Japanese expatriate assignments and their essential role in facilitating organisational learning within J-form organisations. This chapter explores the multifaceted relationship between expatriation practices and the assimilation of locally embedded knowledge from geographically dispersed subsidiaries. The objective of this study is to improve our understanding of expatriation in Japanese organisations, focusing on identifying and unravelling the relevant concepts and their implications.

Sub-Research Questions

The chapter answers the three sub-research questions that have guided this inquiry. It begins by addressing the coherence among different forms of expatriation within Japanese organisations, highlighting how these forms intertwine to achieve objectives such as upholding Japanese management practices abroad and maintaining a robust network. Next, the chapter delves into the impact of various expatriate arrangements on organisational learning processes, emphasising that knowledge creation relies on individuals who develop and possess tacit knowledge. This process involves dynamic interactions among expatriates, local staff, repatriates, suppliers, partners, and various other stakeholders. Finally, the chapter examines how traditional expatriate assignments, supplemented by alternative forms, drive organisational learning from locally embedded knowledge.

Scientific Relevance

This research elucidates the coherence among various forms of expatriation in Japanese organisations and their contributions to organisational learning derived from locally embedded knowledge. It expands upon the SECI principles by focusing on the unique cultural and structural dynamics of J-form organisations, illustrating how different expatriate forms engage with and contribute to knowledge transformation. The findings provide insights into how various business travellers influence the relevance of tacit knowledge within the organisation.

Management Relevance

This thesis provides a comprehensive framework that serves as a basis for drafting management policies aimed at the effective utilisation and retention of expatriates, which is expected to yield higher retention rates and enhance organisational learning and knowledge. Managerial attention is given to the final step in the expatriate assignment cycle: repatriation. This step, referring to the process of returning to one's home country after an extended period abroad, has received significantly less attention compared to expatriation, despite being a persistent challenge in human resource management.

Limitations of this Research

A first limitation of this study concerns its nature as theory development, meaning the results should be interpreted with caution. The empirical evidence presented in Chapter 4 establishes credibility for the theory, and comparisons with existing theories in Chapter 5 serve to further strengthen it. However, this is not confirmatory research. The exploratory nature of constructing the grounded theory hindered the formulation of propositions for follow-up research, resulting in no hypotheses being developed.

Secondly, the study focuses on Japanese organisations and their expatriation practices. Although comparisons were made with Western companies, no systematic comparison exists between Japanese and non-Japanese organisations. Thus, conclusions about overlaps or differences should be drawn cautiously, as the theory does not provide a reliable basis for such comparisons.

Thirdly, data was collected from only one company in one sector of Japanese industry. While this limitation does not detract from the findings, it suggests that research in other types of companies may reveal additional relevant concepts. Obtaining access to a wide selection of expatriates and repatriates in

different career stages proved challenging. Overall, conducting this research within a globally operating J-form organisation presents its own limitations.

Further Research

The landscape of Japanese expatriation and management is evolving due to generational shifts and changing organisational practices. Further research is essential to address challenges, particularly the declining loyalty observed in Generation Y (Millennials) and Generation Z, who prioritise work-life balance and career mobility over traditional long-term commitments. This decline poses challenges for J-form organisations aiming to uphold traditional values.

Future research should explore how these organisations can foster belonging and loyalty among younger employees by redefining loyalty to include flexibility, providing career development opportunities, and fostering an inclusive corporate culture. Enhanced mentorship by experienced employees could also help preserve traditional management practices while engaging the new generation.

Another challenge is the potential loss of institutional memory and cultural continuity when long-term expatriates retire or are replaced. These expatriates possess valuable knowledge that links Japanese headquarters with foreign subsidiaries. Their departure risks losing insights vital for informed decision-making. Therefore, Japanese organisations must develop strategies to retain the knowledge accumulated by extended long-term expatriates.

The conclusion underscores the diverse roles of expatriation in the organisational learning processes of Japanese organisations, highlighting the need for ongoing exploration of these dynamics as society and culture evolve. It also emphasises the importance of understanding the challenges of organisational learning to enhance practices and policies related to Japanese expatriation amidst changing generational values and uncertainties surrounding Westernisation.

About the Author

Robby Christiaan Scharff was born on 25 December 1966 in Rotterdam, the Netherlands. In 1986, he completed a diploma programme in Marine Engineering after which he sailed on merchant navy ships for several years. From 1995 to 2002, he worked full-time in the maritime and offshore industry as a technical procurement professional. From 2002 onwards he worked in those industries in procurement managerial roles. During his full-time employment, he completed an advanced four-year programme in procurement at the Dutch Institute for Procurement and Supply Chain Management (NEVI), a Bachelor of Business Administration at the Amsterdam University of Applied Sciences, a Bachelor of Industrial Engineering at the Rotterdam University of Applied Sciences, a Master of Science in Procurement at the University of South Wales, a Master of Business Administration at the University of Phoenix, and a Master of Science in Management Research at the University of Bradford. He worked as a lecturer and examiner for the Dutch Institute for Procurement and Supply Chain Management for over 15 years. Besides a full-time managerial role in procurement, he is a part-time lecturer at the University of Applied Sciences in Rotterdam and a freelance lecturer in hydraulic engineering and for over 10 years, he has occupied the volunteer role of VP Education, within the global organisation – The International Marine Purchasing Association. In 2016 he was accepted as an external researcher and PhD student by Radboud University. This thesis is the outcome of that cooperation.

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My PhD project began with the bold conviction that the attainment of a master's degree would be sufficient to pursue a university doctorate. I soon discovered that finalising a PhD thesis demands a different mindset and a higher level of stamina. Fortunately, my journey was mentored by two very special people at Radboud University: over the years I have been privileged to work under the supervision of Professor Paul Hendriks and Doctor Max Visser. I always looked forward to and valued the invaluable meetings in Nijmegen. Their feedback on my writing enabled me to reflect, contrast, and incrementally develop as a researcher. I shall be forever grateful for their patience, intellectual guidance, and the enjoyable moments we shared. Their clear feedback and challenging, demanding assertions provided exactly the encouragement I needed along the way.

Although I was already familiar with many elements of Japanese culture and society before commencing my PhD, my research topic required a deeper understanding of Japanese society, and specifically of the Japanese (maritime) manufacturing industry. For this reason, I would like to thank all my interviewees. The openness, detail, and additional information provided during my interviews with Japanese expatriates and repatriates were transformative; they helped me gain a better understanding of Japanese society, the Japanese maritime manufacturing industry, and the role of the specialised agent or *Senmon Shosha*. The different generations represented in the interviews offered abundant and richly informative data. I am grateful to all interviewees, and to the senior management of the organisations, for enabling access. Special thanks to Ohchi-san, Koike-san, and Sasaki-san for organising and facilitating connections to the extensive network of expatriates and repatriates within the organisations.

Writing a PhD thesis while employed full-time required extended sacrifices during holidays, weekends, and business trips. The laptop and audio recorder were always at hand. I recognise that this must have been frustrating, at times inexplicable, to the people around me, as I dedicated many years to researching and writing. I would like to thank my family and others who were close to me for their understanding and support, and for enabling me to be present at fewer social events in pursuit of my thesis.

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As noted above, as an external doctoral candidate, balancing work, private life, lecturing, and writing was often a delicate act requiring meticulous planning and a foreseeability that, at times, proved elusive. In my journey, various life elements converged to make it a very special experience. Planning is indeed a powerful tool for achieving difficult objectives and completing expansive projects, yet a fully foreseeable future is, perhaps, a utopian notion. Life, however, can strike unexpectedly. When my thesis journey began, I was a family man with three children at home and a wife, Marianne, who was healthy and supportive, as she had been for all my studies and career aspirations. As my PhD journey drew to a close, my situation changed significantly. The children have grown and begun their own lives, while Marianne was diagnosed with Alzheimer's disease a couple of years ago. After several years of informal caregiving, shared with my oldest son Rob, her condition deteriorated to the point that we were compelled to seek professional help. She has recently moved to a professional care home. Looking back, my PhD project has ended as the life-changing journey it was, shaped by a wide range of experiences, events, and emotions that have shaped my overall perspective.

