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SCHOOL OF BUSINESS, ECONOMICS AND LAW

Examples of changes in the Japanese international management staffing policy

- Case studies of Japanese subsidiaries in Sweden -

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Abstract

This thesis will look into the management staffing policies of Japanese subsidiaries in Sweden. International human resource management theories and a set of interviews conducted at the Swedish subsidiaries of three different Japanese companies are the basis of our analysis. One of the reasons to research this matter has come as a result of the few available recent studies about how Japanese companies choose to staff their subsidiaries. Several studies have been conducted on the human resource policies of Japan during the 1980s and 1990s but nowadays, there is little information on this subject and therefore, the former studies require an update. The results show that the practices of Japanese companies are starting to move away from what these older studies have found. Japanese multinational corporations have been famous for employing Japanese nationals on most of their high positions in subsidiaries but nowadays, this pattern has changed. Japanese companies choose to send Japanese employees to their European headquarters, but not to their smaller subsidiaries, like the ones in Sweden. As a matter of fact, the regional headquarters is the one responsible for maintaining the communication between the parent company and the other subsidiaries. The Swedish subsidiaries do not actually have Japanese employees on their management positions and conduct a more local strategy, oriented after the needs of their customers.

Keywords: Staffing policy, Japan, Management, Subsidiary, Bridge Individuals, Ethnocentrism

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1. Introduction

1.1 Background

Japan is known as being one of the world's most developed economies, the country having experienced over time, two periods of high economic development. The first took place during the 1860s and the second one began in the 1960s. The country was encouraged by the national government to become so economical independent that no other country or nation could be able to threaten it again (Country Data, 1994).

The economic development Japan underwent in the 1980s meant that the Japanese Nikkei stock market was soaring and there was a widespread optimism for the future (Time, 2009; Wood, 1993). Japanese companies had to develop strategies that were in line with the economic growth the country experienced and therefore, they implemented new strategies such as seeking market share (Country Data, 1994). But Japanese companies did not only expand rapidly in their home market, they also expanded abroad. Japanese companies like Nintendo, Sony, Honda and many more were making a big impact on the global market, as they expanded to more countries and threatened established brands (New York Times, 2008). In order to better cope with the grandeur of the expansion, offered by a flourishing economy, expanding companies chose to send Japanese nationals from Japan to subsidiaries around the world, with the goal of leading the different new offices. This staffing policy, also called for an ethnocentric staffing approach, was an approach widely adopted by Japanese firms who established themselves abroad, during Japan's so called *"bubble economy"* (Bryde, 2003; Trevor, 1983; Kopp, 1994; Wood, 1993).

This sort of economic development showed to be unsustainable and with the coming of the 1990s, the bubble burst and Japan's economy plunged. The stock and land prices fell to just a small part of what they once were. The following two decades of recession came to be known as the *"lost decades"*. The name reflects not only the downturn of the economy but also the spirit of the people, which worsened together with the fall of the economy (Time, 2009; Wood, 1993). The country has yet to this day fully recovered from this downturn (Time, 2009; Wood, 1993).

Nowadays, Japanese companies are still present on the international markets, showing that the *"lost decades"* did not put a stop on the internationalisation of these companies. The strategy of creating market shares has lasted through the years, and especially through the economic downturn the country has felt after the 1990s. The question of whether Japanese companies have preserved many of their strategies they had in the 1990s, arises. For 30 years ago, when the country had no economic problems, Japanese companies chose to send Japanese nationals to occupy managerial positions in their subsidiaries, a strategy considered to be rather expensive (Tarique et al, 2006).

Considering the changes Japan has experienced during the past decades, it is of interest to see how these changes have influenced other aspects of the Japanese business practices, such as the staffing policies in Japanese subsidiaries. This thesis will therefore research whether Japanese multinationals have chosen to change their staffing policies, a choice that could have been made to better reflect the current economic situation of the country or a change in strategy. Interviews were conducted at Japanese subsidiaries in Sweden. The information gathered from the interviews was analysed using international resource management theories, in the hope of finding more information regarding Japan's nowadays management staffing practices.

1.2 Problem discussion

In order to become successful in their internationalisation, multinational companies (MNCs) need to take into consideration global integration and ways of successfully gaining local responsiveness. Effectively choosing their staff is an important step in the internationalization process and has been proven to be one of the key factors in achieving a successful integration. As Paik and Ando (2011) claim, by strategically choosing how and by who subsidiaries are run, the local responsiveness can be increased, and thus cultural and language barriers can be overcome.

In this internationalization process, the employees on managerial positions at the subsidiaries have great importance for the outcome. Finding the right manager for a subsidiary can be harder than thought, as failing in recruiting the right person for the right job means taking high, unnecessary risk (Paik & Ando, 2011). It is an important task to choose who will assume the managerial positions for foreign owned companies. In the case of companies that open an office or own a company in another country, it is the manager of that owned company who has the responsibility to ensure the company he manages delivers according to expectations. Adopting a relevant staffing policy is critical to the subsidiary following the parent company's strategy (ibid). Pucik (1992) claims that human resource has become a big tool in developing competitiveness and a critical factor for global success, the development of managers and executives especially. Both researches conducted by Pucik (1992) and Paik and Ando (2011) emphasize the importance of choosing the right people in order to increase global competitivity and local responsiveness. Therefore, the right people on the right positions can successfully balance the local and the global characteristics of MNCs.

Japan, a world economy with several large international giant companies like Toyota and Nintendo, is the third biggest economy of the world in respect to GDP (World Bank, 2015). In its economic development, Japanese companies have faced the issue of which staffing strategy to adopt when establishing themselves abroad. Historically and as earlier stated in the introduction, the way Japanese companies approached this problem during their booming years was mostly through using an ethnocentric approach (Trevor, 1983; Kopp, 1994a). Kopp (1994a; 1994b) has criticised this practice of Japanese companies because the ethnocentric approach is the approach that has many shortcomings, for example it brings problems in adapting to the local market and taking advantage of the local competence. Failure in successfully incorporating the employees at the subsidiaries into the larger company leads to several undesirable effects, such as a high turnover rate, internal strife and poor productivity (Kopp, 1994b).

The ethnocentric approach is used less today as a staffing policy by international companies from around the world (Harzing, 2001; Tung, 1982; Kopp, 1994a), which raises the question of whether Japanese companies have also followed this trend and changed their staffing policy. The reasons behind the chosen staffing policy and what factors were the most influential when it came to taking the decision, are of interest.

The booming years of the Japanese economy were a very special time and a phenomenon in the academic world and at that time they were widely researched (examples: Tung, 1982; Kopp, 1994a; Kopp, 1994b; Trevor, 1983). Research encompassed different subjects but the Japanese staffing policy was of high interest, as many countries were facing an increased number of Japanese companies establishing subsidiaries in the respective country. The need to know how to tackle this issue and how to deal with the Japanese way of doing business, resulted in a wide array of research on the matter, such as Trevor’s (1983) research on Japanese companies in the UK and Kopp’s (1994a) research on Japanese companies in the US. Nowadays, as Japan’s economy has changed, the situation has also changed. The question is if the management staffing policy has also changed with time and if so, in which way?

Regarding offering a vision of the current situation, in order to have a basis for creating improvements, one interesting question that follows is if academia manages to produce studies that show ways of improvement, will companies follow such recommendations? Rousseau (2006) argues that managers often base decisions on personal preference and unsystematic experience and not on the best available scientific evidence. He also provides the argument that this needs to stop and that managers need to make more use of the available scientific evidence and have an ‘evidence based management’ approach. But in counter to Rousseau's argument, there have been articles that showed they could not find satisfactory evidence that evidence based analysis actually lead to improved organisational performance (Trish et al, 2009). Trish, Whitney and Kohn (2009) claim in their article that there is a wide array of published material that encourages evidence based management but basing it only on opinion and anecdotal information. They wish for more research on various subjects in order to prove that evidence based management actually leads to improved organisational performance. Having the above in mind, this thesis aims to offer examples and also, an in-depth understanding of the current situation, hoping that it will help provide a basis for future research and also a basis for companies to take further strategical decisions.

Considering the importance of a proper staffing policy, as offered by Pucik (1992) and Paik and Ando (2011), it is clearly relevant to research how Japanese companies have chosen to approach the problem. A good understanding of the current way of how a company manages its staffing policy is needed before proceeding to research how the approach can be improved. Improving the management of the staffing policy should lead to improvements of the involved parties either through enhanced results or cost-effectiveness (Kopp, 1994b). Therefore, such a choice plays an important role in the big picture. Having gained more information and having that information at hand, the people in charge of taking the right decision, gain more ground to base their choice on. Considering the value such a research can add to a company's management policy, we believe it is of importance to gather more information in this area and about this specific subject.

1.3 Research Question

The low amount of current research regarding the management staffing policies at Japanese subsidiaries and the importance of choosing the right management for the respective subsidiaries has therefore led us to focus our thesis on:
How is the current management staffing policy of Japanese companies in Sweden compared to what policies were used by Japanese companies during the Japanese bubble economy era?
In addition to the research question above, we will also try and give an answer to a subquery such as:
Is there another trend in management staffing policies the Japanese might be adopting, in their internationalisation?

1.4 Definitions

By *bubble economy* this thesis refers to the crash in the beginning of the 1990s and the few years before leading up to it (Wood, 1993).

The phrase *"Japanese companies in Sweden"* refers to companies that are majority owned by a company with its base in Japan, either directly or indirectly - through other subsidiaries.

Management staffing policies refers to the criteria Japanese companies might have when employing people on high positions, such as Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO) e.t.c.

Internal internationalisation refers to the internationalisation of employees within the mother company in Japan and the *external* refers to subsidiaries outside of Japan.

1.5 Limitations

While the Swedish subsidiaries of Japanese companies might not completely be able to offer the overall image of Japanese international management staffing policies, it can definitely provide a stepping stone in the right direction to offer a better understanding of the greater whole. Several Japanese companies operate in Sweden and the three interviewed in this thesis are just a few examples. Due to limitation of resources such as time, we have chosen to study the subsidiaries located in the Western part of Sweden. Considering the high number of similarities between the interviews we have conducted, it looks likely that other Japanese subsidiaries in Sweden of the same size of the ones we have studied, are organized in a similar way. But further research would of course be preferred for an even better image of the larger population.

We have chosen to look at how these companies have chosen to staff their managerial positions, but at the same time, we have taken into consideration how the overall staffing situation looks like. The managerial positions are the focus of this thesis, in order to give a better, in-depth understanding of the chosen staffing approach on managerial level in Japanese subsidiaries in Sweden, and therefore, any other positions were of less interest.

2. Theory

In order to deepen the understanding of the data we have gathered, we will be using several theories that are mainly focused on human resource management in international business and international human resource management. Following are theories which will be used as helping tools in analysing the set of data we have gathered and shed light on the problem discussed earlier.

2.1. Staffing policy theories

Choosing the right staffing policy in international business is what some might call a *"deal breaker"* since it can influence the path of the company in their newly approached market.

Luckily, there are a couple of options that companies can choose from, so that they can better mould their staffing policy to the company's overall strategy.

2.1.1 Parent Country Nationals vs Host Country Nationals

Subsidiaries need to thoroughly reflect over their staffing policies in order to follow accordingly the strategies set by the parent company. Paik and Ando (2011) claim that using parent country nationals (PNCs) usually suggests that the parent company desires to have better control over the subsidiary, since parent country nationals can easily report back to the mother company. PNCs are thought to have better corporate priorities, a better understanding of company rules, probably due to sharing a common culture and the lack of language barriers. However, Paik and Ando (2011) reveal that host country nationals (HCNs) are preferred when better integration in the host country is desired. The ability to better communicate with locals can mean for the parent company a higher degree of integration and therefore, greater success in their integration process. Paik and Ando (2011) conclude that the nationality of the employees is actually related to the strategies of the company: PCNs are preferred when the company has a global strategy, and HCNs are preferred when the company wants to focus on local integration.

However, Paik and Ando (2011) do not take into consideration the possibility of third country nationals (TCNs). TCNs are employees who neither come from the host country or the country of the parent company (Reynolds, 1997). TCNs are usually competent people, who are hired in high managerial positions due to their competence and linguistic abilities (ibid). Reynolds (1997) reveals that North American and European multinationals choose HCNs, developing countries such as the countries in the Middle East and South America choose TCNs whilst Japanese companies have a strong preference towards PCNs. He also claims that the length of the assignments for North American and European employees is up to three years whilst Japanese nationals can have assignments as long as five years (Reynolds, 1997).

2.1.2 International staffing policies

When internationalizing themselves, companies can choose from a wide array of possible staffing policies. The chosen policy can reveal interesting aspects regarding the company's overall strategy and this policy can be a big part behind the reason for the subsidiary's successful integration (Pucik, 1992). Thorough analysis of the new market and the possible organizational structures can be of great interest to a company deciding to tackle new markets.

Research on international staffing policies revealed that there are different options a company can choose from, according to the characteristics of the new market, the desired outcome, e.t.c. Bryde (2003) presented four types of international management policies, the categorization being made based on the international strategy the MNC has:

1. An ethnocentric approach - means that the multinational will prefer to choose for their subsidiaries staff from their home country. Host country nationals are not seen as a valuable resource in comparison to the home country nationals, possible due to the fact that they cannot fully understand the company's culture, beliefs and strategies as well as home country nationals. On the other hand, this presents a risk in failing to understand the host country's culture and requirements. The biggest advantage of such an approach is the increased control the parent company has over the subsidiary (Bryde, 2003).

2. A polycentric approach - takes into consideration the differences between the environment the parent company operates in and the environment the subsidiary operates in. The staffing policy will therefore be adapted to the requirements of the new market. The costs of such an approach can though become very large due to the constant need of adaptation (ibid).

3. A regiocentric approach - means that the staff is developed from a regional pool and that the parent company will most likely choose to invest in developing the available staff's capabilities and competencies through training programs (ibid).

4. A geocentric approach - means that the parent company will look after talent and skills, and disregard locational issues (ibid).

Heenan and Perlmutter (1979), as cited by Chakravarthy and Perlmutter (1985), claim on the other hand that the staffing policy is tightly related to the predispositions the parent company has: an ethnocentric approach involves that the strategic decisions are desired to be completely controlled by the parent company, whilst a polycentric approach involves that the parent company is more interested in the adaptation to the local culture and the local values of the subsidiary. The regiocentric approach is a combination of the first two approaches, where the parent company tries to blend the strategies of both the parent company and the regional subsidiary. A geocentric approach, according to Heenan and Perlmutter (1979), cited by Chakravarthy and Perlmutter (1985), is focused on integrating all subsidiaries, under a global system that takes care of the decision making. Perlmutter (1969), cited by Chakravarthy and Perlmutter (1985), argues though that a MNC has rarely just one approach and that MNCs simply end up adapting to the environment. This adaptation requires though the need of managers' involvement, in the sense that they must manage the personnel policies of the company and take care of promotion, motivation amongst employees and most importantly, assign the right job for the right person (Chakravarthy & Perlmutter, 1985).

2.2 Theories about Japanese human resource

2.2.1 Non-Japanese nationals disadvantages

2.2.1.1 Discrimination

There has also been an alienation of non-Japanese workers within Japanese firms observed by Yoshihara (1989) and Froese (2010), all in an attempt to separate between Japanese nationals and non-Japanese nationals. The latter were not included in internal programs and excluded from core management activities (ibid). But recent studies show that this problem seems to decrease as companies offer more internal training to non-Japanese nationals working in Japanese subsidiaries, a trend said to be originating in the increase of subsidiaries lead by non-Japanese nationals (Nakamura, 2016). Getting employed within management as a non-Japanese national at a Japanese firm is difficult (Maki et al, 2014). Even if already employed there, it can be difficult to partake in firm decision making (ibid). Therefore, in these companies, large insider groups of Japanese can be found while the others become an outsider group. This situation can lead to discrimination (Yoshihara, 1989; Froese, 2010). Even the Japanese Institute of Labour Policy and Training recognises that discrimination in the workplace among others is an often-mentioned problem for foreigners inside Japan as well (Japan Institute for Labour Policy and Training, 2004). Kopp (1994b) defined this concept in her studies as the *"rice-paper ceiling"*. This was a sort of ceiling that non-Japanese nationals have a hard time to break to achieve higher positions. This has in turn been seen to harm the image of Japanese multinational companies as employers in the eyes of non-Japanese people (Kopp, 1994b; Tung, 1984). This leads to potentially missing out on talent (ibid). But it is not only the employees that are involved in this issue. Even governments have looked closer on the issue, displeased with perceived inequalities. In 1991, the Employment and Housing Subcommittee of the House Committee on Governmental Operations investigated claims of such discrimination of American citizens working for Japanese multinational companies (Keeley, 2001). Also, the Malaysian president has voiced his concerns on the matter (ibid). The Secretary of Labour in USA said that multinational companies shutting out locals from higher managerial positions are going to lose out as talented individuals will go to other firms. In addition, he mentioned Japanese firms especially to be a perpetrator of this behaviour (Reich, 1991).

2.2.1.2 Communication

Different studies have found a host of different sources for the difficulty to incorporate non-Japanese nationals into Japanese multinational companies. One major hurdle to overcome is that of communication (Keeley, 2001). Keeley (2001) sees the problems of integrating host country nationals into subsidiaries as the biggest problem for Japanese foreign direct investment and expansion abroad. Studying the integration of host country nationals into larger Japanese multinational companies, it was communication that was a major point of concern (ibid). When integration of host country individuals fails, it leads to several negative effects like low productivity, poor morale in the subsidiary among employees, internal strife and high turnover rates (Kopp, 1994b). Low English proficiency in Japan is one such issue (Keeley, 2001; Sekiguchi et al, 2016). Also, competitive advantages of Japanese firm can sometimes be found to be integrated with the Japanese culture and language further complicating internalising outsiders (Sekiguchi et al, 2016). While language is one of the barriers for successful communication it is not the only problem (Keeley, 2001). Culture and 'unwritten' rules riddle the Japanese companies and therefore non-Japanese employees in headquarters of Japanese multinational companies tend to be individuals with high levels of understanding of both the Japanese language and also its culture (ibid). Japan is a very homogenous, high context culture with an intricate system of how a company is run and therefore it is hard for outsiders to successfully integrate and cooperate in such a system (Peltokorpi, 2007). Keeley (2001) found that this was due to, among other things, that Japanese companies find their culture very unique and for foreigners it is something that cannot be fully understood. This is a hinder to smooth communication between Japanese and non-Japanese nationals within these companies (ibid). Major transformations in organisational behaviour, attitudes, and human resource management would be needed to be able to successfully integrate home country national managers according to Keeley (2001).

2.2.2 Strives towards internationalisation of Japanese companies

The focus of ethnocentric staffing policy in management positions has been a criticised phenomenon for a long while studies ranging back showed the downsides of such a practice (Kopp, 1994a; Kopp, 1994b). Some companies have tried to further internationalise using different measures and or systems, such as implementing the English language as the official language within the corporation. This has been met with a lot of criticism showing that the change leads to problems within the Japanese part of the company such as stress (Tsuda, 2011; Norisada, 2012). While not all companies take the drastic change of replacing the official corporate language, more companies are seen to be offering support for their employees to further improve their English, and other languages proficiency (Nakamura, 2016).

From the burst of the bubble economy in Japan, there have been signs of the number of expatriates diminishing and getting replaced by host country locals (Beamish & Inkpen, 1998; Schaaper et al, 2013). This change has been gradual and slow and ethnocentric management approach is still very present (ibid).

Companies whose competitive advantage is more closely connected to Japan are less likely and slower in internationalising their practices compared to companies that find less of their advantage connected to Japan and its culture, which have a higher pace of internationalising their practices. Internationalisation can therefore take place either through slow procedural change which is more common in the former while more drastic faster change in the latter (Maki, 2015).

One identified approach of many Japanese companies is to have attained middlemen between subsidiaries and the Japanese headquarters. These positions have been researched and been called different things, *"Bridge Individuals"* (Harzing et al, 2011) and *"Boundary Spanners"* (Yagi & Kleinberg, 2011). These people are people with good understanding of both the host country's and Japan's culture and business climate. These people can be both expatriates or host country nationals and are found throughout the different levels of positions within the company (Harzing et al, 2011; Yagi & Kleinberg, 2011). Bridge individuals or boundary spanners are not an official position but rather an unofficial one. It refers to the people that have these communication responsibilities in addition to their official positions tasks (ibid). These individuals with high potential which are not Japanese nationals have been seen to be sent to Japan for a shorter period of around 2 years to further develop their abilities and learn about the Japanese and company's ways, later bringing both tacit and explicit knowledge back to the subsidiary (Nakamura, 2016). This practice is similar to how Japanese companies often rotate their own staff (Peltokorpi & Froese, 2016; Sekiguchi, 2006). It is though not something that has been put in a larger active system.

Sekiguchi et al (2016) built in 2016 a model to show to what level of effort different Japanese multinational companies are likely to employ to further the internationalisation process, the management staffing policy being a central point in this model. As seen in Figure 1, they use two factors as indicators of what parts of the organisation will be focused to further internationalise and the level of effort put into doing so. The first factor is the level of interconnectedness between the company's competitive advantage and Japan. The second factor is the level of path dependence of the company (Sekiguchi et al, 2016). Path dependence refers to internal inertia and friction to change (Sydow et al, 2009). High path dependence means that the company is less likely and slower to implement changes, especially in its structure. Older companies tend to have higher path dependence (ibid). Japanese companies are one example of companies with high path dependence (Robinson, 2003). Larger firms with longer history have further higher levels of path dependence. Japanese international management practices have a long, standing history and uniqueness which has led to a high path dependence (ibid).

		Degree of path dependence	
		Low	***High***
Competitive advantage of Japanese-style HRM	Low	Drastic/aggressive in both internal and external internationalization	Prioritize external over internal internationalization with moderate speed
	High	Prioritize internal over external internationalization with moderate speed	Slow in both internal and external internationalization

Figure 1: Predictors of internal and external internationalization of Japanese MNCs

(Sekiguchi et al, 2016, p. 98)

Internal internationalisation refers to the internationalisation of employees within the mother company in Japan and the external refers to subsidiaries outside of Japan.

The theory in this subject is rather unison and no greater discrepancy was found. There is a large gap between Japanese nationals and non-Japanese nationals in Japanese multinational companies and they rely on an internally developed workforce. Japanese multinational companies have done some effort to internationalise but it is rather minor with difficulty in communication being an obstacle. With high path dependency, Japanese companies are slow to change.

3. Methodology

This thesis plans to contribute with a deeper understanding of how Japanese owned companies in Sweden have chosen to approach their management staffing policy, by giving specific examples, taken from the Swedish business environment. While only a few companies were used to come to a conclusion regarding the subject, this thesis hopes to provide a stepping stone in the direction to better understand the greater whole. Both studies on the overarching level and the in-depth studies will together provide a variety and wide base of data to improve understanding on the topic and therefore both studies are of import to improve the understanding of international management policies of Japanese MNCs. Even if this thesis is just a piece within the larger subject, it is an important part when it comes to getting an understanding of the larger picture.

3.1. Chosen approach

3.1.1 Type of study

According to Bryman and Bell (2015), research studies can be conducted either using a qualitative research approach or a quantitative research approach. A quantitative approach focuses more on the quantity of data rather than the quality. The difference between the two methods is that the quantitative approach involves the analysis of numbers and the generalisation of the collected data, whilst a qualitative approach involves interpreting the data collected in a more nuanced way, and offer results based on the interpreter's own analysis of the data, to a higher degree (ibid).

We have chosen to conduct a qualitative research because, in this thesis, by closely studying our cases we hope to come closer to understanding the underlying aspects of each individual case. A qualitative study was preferred over a quantitative study because it offered us the possibility to focus on the details offered through our interviews. These details can bring a different perspective regarding our research question and offer other insights, that a quantitative study could normally not be able to offer (Bryman & Bell, 2015).

The goal of this study is to get a better view of the Japanese international management staffing policy and to get an understanding that goes beyond a quantitative answer of whether the Japanese management staffing policy is the same as it was for 30 years ago. Reasons as to why the current situation is the way it is and related information are sought after. These reasons might not be stemming from clearly quantitative factors and therefore we have chosen to conduct a qualitative report that will give us more insight into factors that, as Bryman and Bell (2015) claim, are less quantitative and objective. The qualitative report format also gives better tools to gain access to 'soft' reasons that the taken choices have as foundation (ibid).

Bryman and Bell's book (2015), *Business research methods*, has been an integral part in formulating the form of this thesis, especially the structure of this thesis. This research is a multiple critical case study as presented by Bryman and Bell (2015), researching three cases of Japanese subsidiaries in Sweden.

3.1.2 Analysis perspective

The focus of this thesis will lie on the Swedish subsidiaries. Since the phenomenon this thesis aims to study takes place in the subsidiaries, we concluded that we desire to analyse the data we have gathered, from the perspective of the subsidiary and not from the parent company, thus giving us the perspective of the part that is being effected. Therefore, we can focus on the employees on managerial positions and look deeper into their career path, situation at the company and future prospects. This gives information that the parent company would not be able to give us. Other aspects we can focus on are for example, if we find traces in the collected data of the discontent amongst employees as presented by Kopp (1994b) or if there is an active use of bridge individuals as Harzing et al (2011) have found in Japanese subsidiaries.

3.1.3 Type of analysis

According to Collis and Hussey (2014), researches can be conducted either using a deductive approach or an inductive approach. The deductive approach implies that we can formulate a hypothesis and with the help of our findings, we will prove or disprove that specific hypothesis (Collis & Hussey, 2014). The inductive approach implies that theories will be formulated after data was gathered and analysed, this being the opposite of a deductive approach (ibid). In our case, the findings of this study will be compared to the literature and published theories used in this thesis. This is to see if the predictions of the literature and published theories align with the gathered data. The analysis part will then look closer upon this match or mismatch. But as the sample size is small, it will not have enough strength to prove or disprove the used theories and literature, but at least hint in one direction. Rather than trying to disprove or prove the established theories, this thesis will take examples and look closely onto them and see if the established theories match our examples and to what degree. As previous theories make the base for the perception of the situation of Japanese management practices during the bubble era, we have used these researches as reference material. Moreover, it is this comparison that makes up this thesis' research question.

3.1.4 Data gathering approach

This thesis aims to conduct several interviews with three different Japanese owned companies established in Sweden. The choice of using an interview was taken as it gives direct access to the point of view of people inside the affected companies. As this report not only wants to know the yes / no answer if staffing policy of these companies differ from what was practiced during the Japanese bubble economy it also wants to inspect the factors and reasons the answer to the first question are the way they are. While the first question can be answered more easily through other means than interviews it will not as easily and clearly gain access to other information that will be valuable for this thesis. For example, the reasoning behind said choices of the company and the process around it is something an interview has a chance to catch. Nuances and less quantifiable information which could have been lost using another approach (Bryman & Bell, 2015). This way the unofficial and subjective points of view can be caught which might show a different perspective than the official information which could be obtained through other means. If a difference between this found unofficial and the official information would appear then it could itself be of interest to analyse. Also as the interviewee is a part of the company itself they may have access to insights that will be very hard to find by studying the company from the outside (ibid). With this thesis wanting to go deeper and find the reasoning of the companies, an interview will be a better tool to gain access to these ‘soft’ and not directly quantifiable factors and things that may be more subjective in nature (ibid). If any other interesting find is found during the interview then it can allow for follow up questions to further expand the data on that subject which might have gone totally unnoticed or not been given enough attention otherwise (ibid). By conducting an interview improvements can be made to later interviews based on the ones performed beforehand (ibid). If a certain piece of new information comes up that is of interest but not regarded in beforehand then until the next interview is made the interview framework can have changes made to it to improve future ones as well as being able to correct whilst doing the interview (ibid).

3.1.5 Number of cases

The number three was chosen because it is a number that would give us the view of several different companies, and at the same time give enough focus on each case to be able to produce an in-depth review from their respective data. More than one interview is sought after for each studied company, in order to lend more credibility and reduce variability (Bryman & Bell, 2015). By choosing three companies, we avoid looking at the problem from a one-dimensional point of view and instead we are still being able to take a deeper look into each company.

3.1.6 Sampling

Several interviews are desired with each company, this to further strengthen the collected data. The interviewed companies are selected among companies in Sweden that are either subsidiaries to a Japanese company or are majority owned by a Japanese company. There will be no specific industry that will be researched and therefore the industry of the researched companies may vary.

Companies around the Gothenburg area will be focused on when searching for a sample. This to enable a face to face interview which has been concluded preferable due its advantages, such as follow up questions and being able to more easily find nuances (Bryman & Bell, 2015).

We will approach potential candidates and ask if they want to participate in this study. The downside of this approach is that there might be a correlation between willingness to participate in our study and the data that we are trying to collect. Of course, there is the possibility that only a certain type of the larger population agrees to partake in the study and therefore the sample might give a distorted image of the overall situation. This situation is unfortunately something that this thesis will be unable counteract as participation on the company's behalf is fully voluntary and we do not have authority over the situation.

3.1.7 Chosen reference point

The years leading up to the economical crash in Japan during the 1990s were chosen as a reference point due to several reasons. First, it was an iconic age in recent history from an economical perspective of Japan. Being a distinct period that had very large impact on Japan as a whole (Wood, C., 1993) makes it a good reference point to see if there have been any changes since this iconic age, something Schaaper et al (2013) suggest. During this period, the Japanese economy was under a very special state (Wood, C., 1993) which raises interest in how the current situation looks when compared to this special era of economic growth. During that time period, many studies were conducted on the subject of the economy in Japan, and this wide base of literature gives a good foundation to make use of when comparing to the gathered data (Harzing, 2001; Tung, 1982; Kopp, 1994a; Trevor, 1983; Kopp, 1994b; among others). As this report will make use of previous literature to gain an understanding of the comparison point from back in time it will be very useful because there is a wide array of studies to make use of. During this period, there was predominantly a specific approach to international management staffing that was undertaken by Japanese companies and that approach was something that is currently not as present in international management staffing policies of other multinational companies around the world of non- Japanese nationality (Harzing, 2001; Tung, 1982; Kopp, 1994a; Trevor, 1983; Kopp, 1994b). If this difference still exists is therefore of interest. If it does not differ from the international average now, it is of interest to study what made it so that they changed from their previous way. If it does still differ from the international average making use of the old ways then why change has not occurred is of interest, especially as why change has not occurred in spite of a lot of academia condemning the practice (Harzing, 2001; Tung, 1982; Kopp, 1994a; Trevor, 1983; Kopp, 1994b; among others).

3.1.8. The interviews

3.1.8.1 Interview Structure

The interviews will be of the semi-structured nature. The choice of making a semi-structured interview was for its flexibility and that it still retains a focus to answer specific questions (Bryman & Bell, 2015). In respect to this thesis' research question, a semi-structured interview was concluded to be most favourable. As there is a direct set of questions that is planned to be answered in the interview, a structure will enable to more easily make sure our chosen questions become answered. But as stated earlier, to reach more subjective and softer points, we chose not to fully structure the interview and therefore allow space to find these 'soft' points (Bryman & Bell, 2015). Therefore, we chose to go between the two possible types of an interview, the restrictive fully structured interview and the totally open with no structure, and chose the semi structured form.

An outlook on the interviews will be presented in the Empirical data chapter. The information from the interviews will be presented company by company as a single text summarising the data gathered in the interviews.

3.1.8.2 Interview process

The interviews will be conducted with participants that have been informed of the nature of the interview and they had the option to remain anonymous. Questions will be prepared beforehand and they will have specific goals in mind. The interview will be structured with a goal in mind but will be kept open to give the interviewees room to expand their answers, this is what gives access to the less quantifiable information (Bryman & Bell, 2015). The interview will be recorded and transcribed. Once the interview is finished, the interviewer will reflect over how they think the interview went. Such reflections can be about if the goal of the interview was reached, if the answers were clear or not and if there were any other problems. The construction of the interview and choice of method has been devised with the help of Bryman and Bell's (2015) formulation of a semi-structured interview. The interview will begin with a few introductory questions. These questions are meant to provide the interviewer some background information such as the position of the interviewee within the company, and for how long they have held that position (ibid). Thereafter, the main questions will be asked. They are of specific nature and aim to get a direct answer to the question but at the same time, leave room for additions from the interviewee (ibid). Closed questions with no room to expand will be avoided. The majority of these main questions will have no direct need for subjective opinions. These questions are more exact and have the goal to find out specifically how the management staffing policy is currently and how it has been historically. Lastly, the final questions will allow more subjective opinions to be revealed, such as asking about the reasoning behind the chosen staff policy and about the interviewee's point of view on the subject. Being semi-structured, the interview leaves room for follow-up questions if the interviewer finds something of interest (ibid).

3.2. Research operationalization

3.2.1 The process

The start of the thesis was dominated by planning, finding suitable companies to contact and reading of relevant literature. Then the literature review and deciding and writing of the methodology was started. The literature review was an ongoing progress from start to finish but with a higher focus in the beginning of the thesis. At first, general research methods were studied and together with them the methodology written and planned. Subject related literature was especially heavily read in the beginning of the process of making this thesis but was continuously added upon as we kept reading more related literature. Thereafter, the chosen companies were contacted and the interviews conducted at their offices. Then the data gathered in the interviews was transcribed and then the information rewritten into this thesis. The information gained through the interviews was written in the empirical part of this thesis, and presented from the interviewees' perspective. Therefore, the written interviews are to be taken as a resume of what the individual said during the interview without any reflection or critical review and should be regarded as such. The reviewing of the data will be performed in the analysis part of this thesis.

Then the actual used method of the thesis was written together with the analysis of the thesis, both building upon the gathered data from the interviews, the companies and from other published theories. After this by carefully reviewing everything the conclusions were drawn and then written. Finally, the core of the thesis was written into the abstract in a, short and to the point, manner.

3.2.2 Sampling

The planned sampling method in this thesis had few prerequisites. It did not distinguish between industries nor did it specify the requirement of the company being a subsidiary or other form of a Japanese owned company such as a Swedish firm acquired by a Japanese company, even though these prerequisites were taken into consideration if possible. This was due to the fact that in the planning stage of the thesis, the willingness of companies to participate in this study was unknown. The number of companies in Sweden with the prerequisite relation to a Japanese company is limited. Also as a face to face interview was the chosen approach, it further limited the number of available companies. So, by having a low number of prerequisites, except the core ones (Japanese owned with a subsidiary in Sweden) we lowered the risk of not being able to find companies that matched the profile and were also willing to partake in the study.

We were though well-aware that more prerequisites offer the advantage to select companies that better match each other and therefore, reduce the differentiating factors between the companies and give better general results. As similarities between the companies increase, a better picture of that kind of group of companies can be attained. By decreasing the number of differences between the researched companies, the number of outside factors that can affect what is found in the collected data decreases. For example, if the first case regards a Swedish company acquired by a Japanese company and the second case regards a wholly owned Japanese subsidiary, then if a difference is found in the collected data, it is hard to prove that the found difference is not related to the difference between the way the companies have become owned by the Japanese company. So, with fewer differences, the number of factors that may cause differences in data decrease and this makes it easier to identify specific factors of difference.

So, while it was not a stated prerequisite in searching for companies to study, similar companies were preferred in the search. All the interviewed companies are subsidiaries of Japanese companies which was preferred, because of the similarities to the reviewed literature (Trevor, 1983; Kopp, 1994a). Moreover, all Japanese parent companies were established before the Japanese bubble economy and were active during this period of time, which is important as the Japanese bubble economy era is a reference point in this thesis. Another similarity is that they did not expand abroad in the beginning of their creation but rather it happened as they grew larger. All three of the researched companies produce physical products that they sell on the Scandinavian market. The studied Swedish subsidiary companies have similar functions within the firm they operate when compared to each other. They are focused on sales and the supporting functions for sales such as customer support. None of the companies have production plants in Sweden but rather work with selling and channelling the products from elsewhere onwards to the customers. One of the companies, Sato, has a research and development section here in Sweden.

We contacted six companies before ending up with the chosen three. Three accepted, two were only able to respond through e-mail and the other one declined. But as we got a positive response from three companies which fit our criteria, we decided to not search further. Once the interviews were conducted, we decided that the need of more input through e-mail from the other companies was not needed enough to warrant making space and time for it. Moreover, it keeps the method of the thesis more coherent.

While the common characteristic that all researched companies are subsidiaries was not a prerequisite at the beginning of this thesis, but as the thesis developed, it has come to light the importance of this factor. It gives the thesis more focus but also it gives a better connection with the used published theories in this thesis as many of them focus especially on just subsidiaries.

Two interviews within each company were conducted and this was preferred, as it provided further credence to the data, since being able to get information from more than one perspective from each company is especially useful. Several interviews within the same company offered us both different views to the same issue from different positions in the company and the advantage of having information confirmed by more than a single source. All interviews were performed face to face as was strived for.

In regards for ethics, the set guidelines (found later in this thesis) were followed and we consider that the communication between us, the authors, and the companies was clear and open. Privacy was respected and the companies and all involved parties were asked for permission to use the material from the interviews and if they wanted to remain anonymous. No party decided to be anonymous and therefore no actions of anonymization were taken when making use of the collected data. We, the authors of this thesis, are happy with the companies that have partaken in the collection of data and are thankful for their cooperation and collaboration, which we consider to have been very smooth.

3.2.3 The Interviews

In order to support our qualitative study, we have decided to conduct semi-structured interviews, interviewing one person at a time, asking questions that opened up for a further discussion. Our main goal was to ask many open questions, in order to direct the discussion towards a more descriptive discussion.

The interviews were conducted without issues and their form followed what was planned beforehand. The interviews were seen as a success as we think that we managed to collect the data that we targeted. The interviews have offered us a good base of data to use in the analysis of this thesis. All interviews conducted at the companies were taken in the same day in concession. All interviews were conducted within a period of a week from each other.

The planned interview process consisted of starting with some introductory questions to gain some related background information from the interviewee, to then move forward and ask the main questions and finishing with some final thoughts and leaving the floor to the interviewee, as planned. Hereafter, the structure of the questions in the interviews will be reviewed and a short explanation of the reasoning behind the chosen interview questions. The overarching goal was to find out about the staffing of managerial position of these companies and its change over time. This, together with related information, have formed the basis of the interview questions.

3.2.3.1 Introductory questions

First, we required some demographic and background data from the interviewee, would they chose not to become anonymous. As no interviewed party chose to be anonymous this data could be collected and used. Nationality was a very important question, as the origin of managers is what this thesis aims to research and also to see if the nationality has been an influencing factor for the prospects of individuals within the company and further on, compare it to the found literature that takes up the subject (Kopp, 1994b; Keeley, 2001; Tung, 1984).
As more than one person per company was interviewed, not only the manager, we considered that the current position of the interviewee was useful information. We were looking to see if opinions were different on different levels of the company. Different departments and positions within the company might have different levels of contact with their Japanese headquarters and feel their influence differently. As pointed out by Harzin et al (2011) and Yahi and Kleinberg (2011), "bridge individuals" / "boundary-spanners" were found throughout different levels of Japanese multinational corporations. Japanese nationals might also act as bridge individuals which has been observed to be a common practice by Japanese multinational corporations (Peltokorpi & Froese, 2016; Sekiguchi, 2006; Tung, 1984). Therefore, we found important to ask if there are any Japanese nationals employed at the studied companies. The answer to this question will show if the interviewee's company is also making use of expatriates or bridge individuals and if so what positions they have and their related information.

Secondly, we wanted to know how long they have worked at the company and the path they had within the company. This also gives background information on how far back in time this person knows the company and which timeframe the interviewee is able to provide information about. Persons with a longer stay at the company are more likely to have observed changes and have further knowledge about past events regarding the company. Also, as seniority is something of major importance in Japan based companies, then this question might provide information about whether this Japanese practice is also used in their international human resource management (Peltokorpi & Froese, 2016; Sekiguchi, 2006; Tung, 1984). Of interest is also if more western ways of promotion are implemented (Peltokorpi and Froese, 2016; Sekiguchi, 2006; Tung 1984). Moreover, the question can also offer information regarding the interviewee's employment process and what parts from within the organisation they have experience with.

Finally, the exact function of the Swedish office is asked to determine what type of activities are performed there. This is of import as it discerns the nature of the Swedish branch and its tasks within the larger cooperation, but also if the labour performed in the subsidiary is of low-skill or high-skill nature. This is one factor found to influence the choice of management in the subsidiary (Nakamura, 2016; Sekiguchi et al, 2016).

3.2.3.2 Main questions

The main part of the questions starts with trying to discern the influence and type of connection between the Japanese headquarters and the Swedish company. An ethnocentric management policy is one that keeps subsidiaries close to headquarters. This question will reveal if Japan is still keeping that close relation, with or without ethnocentric management (Bryde, 2003). The question will also offer further background knowledge about the Swedish company's position within the organisation as a whole and about the level of direct influence the mother company is trying to exert over the subsidiary. It has been shown that subsidiaries of Japanese companies have an influence related issue due to the English proficiency level of Japanese companies and the high context culture of Japan (Sekiguchi et al, 2016; Peltokorpi, 2007).

The interviewee’s direct opinion on the matter of influence was later used to compare to literature that takes up the question of how Japanese companies have a negative image as employers and how they bring their practices abroad without checking if it is applicable in the respective climate (Kopp, 1994b; Negandhi et al, 1985; Bartlett, 1986; Johansson & Yip, 1994; Keeley, 2001).

The following questions we asked, focused on seeing how the influence from the mother company and the relationship between the parent company and the subsidiary have changed over time. This will enable us to compare the answer to studies that claim that the international management policies of Japan have changed over time (Beamish & Inkpen, 1998; Schaaper et al, 2013), which is also the core of our research question. Furthermore, we can investigate if Japanese companies have changed in the same pace as the global economy or if they still linger at their practices from the bubble economy.

The interviewee’s view of the future regarding these subjects will then be looked into. This is of import as it also gives the future prospects as seen by the interviewee. A further point to compare to concepts like the “rice-ceiling” of Kopp (1994b) or other studies showing how the international human resource management policies have been. But here we take a look at the future and see outlook of how things look to become. If the trends like those explained by Schaaper et al (2013) will continue or not. These questions is also of further importance as it is one more likely to be of interest for different parties reading this thesis. One goal of researching the past and current is to be able to better understand them and to predict the future. An insight in what the future might hold is of interest for many, academia and companies alike.

The definition of the company's staffing policy will also be asked about. This is of course crucial information in this thesis due to the thesis’ research question and then also, it is the subject of research of the literature contained in the literature review in this thesis and therefore a good point of comparison and analysis.

Then also the way this policy is implemented in practice will be discussed. This can also be related and compared to the literature that discerns the differentiation that they found in Japanese companies between Japanese nationals and non-Japanese nationals (Yoshihara, 1989; Froese, 2010). The level of influence the Japanese company has on this policy and implementation is also discussed.

3.3. Other relevant data

3.3.1 Company information

The information about the company was gathered both through searching for official information on the company’s website but also through what the interviews provided. One thing to note is, if the matter this thesis wishes to study has already been approached within the company. Interesting is if the subsidiaries are implementing new practices to combat new difficulties as presented by Sekiguchi et al (2016) or avoid the problems presented by Kopp (1994b). By gaining context, we will have more ground for the analysis and more information to compare the companies to each other and the reviewed literature.

3.3.2 Historical information

A short look into the economic bubble in Japan will also be presented to give the reader reference to what this era meant and how it affected Japanese companies. Understanding the context is important as it had high impact on companies in Japan during that period of time (Wood, 1993) and therefore, is sure to have influence on the problem discussed in this thesis.

3.4 Ethics

The ethical soundness of this thesis has been kept in mind throughout the making of this thesis. For an ethically solid thesis, several things need to be avoided. Here are the main points that have been taken into consideration to avoid ethical questionable actions from being undertaken.

The first thing to avoid is deception (Bryman & Bell, 2015). This thesis will make no use of deception in its writing or making. Involved parties will be properly informed. Then covert actions (ibid) is another method of questionable ethics, therefore no covert acts will be taken during the writing of this thesis. The interviews are direct and from our side we neither have need or reason to use covert actions for this thesis.

A major point is that to avoid harm, physical and mental (ibid). This thesis contains no harmful intentions, physical nor psychological. No physical harm is present throughout the creation of this thesis. Psychological harm is harder to discern the same way as physical harm due to its nature. But the question of this thesis and the way the interview is conducted contains no elements that should be suspected to induce psychological harm.

Another point for an ethical sound thesis is consent (ibid). The interviews in this thesis will be performed under full consent from both the company and the respective interviewees.

Finally, the privacy (ibid) of all involved parties needs to be respected to prevent ethical dilemmas. Privacy will be respected under the creation of this thesis and therefore if a party wishes to remain anonymous such a choice will be respected and no specific details of the interviewee or the company that will threaten their privacy will be presented.

4. Empirical Data

4.1. History of the Japanese bubble economy

After the Japanese economy recovered in the wake of the second world war the Japanese economy flourished. The stock market and land prices soared and the Japanese economy was in the middle of a huge economic boom (Wood, 1993). But the boom did not last and in the beginning of the 1990s, the bubble had burst (ibid). The booming market had led to speculation of outrageous levels and other practices such as cross shareholding between companies that were vulnerable to an economic downturn (ibid). When the downturn came, the market crashed and the stock market and land prices crumbled. In the crash, financial and political scandals floated to the surface and the economy sunk ever deeper (ibid). The following period was a period of deep recession (ibid) from which Japan has not fully recovered to this day.

As presented further on in this chapter, the international managerial positions were largely dominated by Japanese nationals (Trevor, 1983; Kopp, 1994a). During the bubble era and the recession following it, the percentage of parent country nationals in managerial positions compared to Europe and USA were very high. The use of third country nationals was extremely low. While they are not common in Europe nor USA, the Japanese firms made even less use of this category of individuals. As seen in Figure 2, Japanese companies in other countries had employed 0,2 per cent of their staff from a third country (Kopp, 1994a).

Headquarters country	% Home country nationals	%Local nationals	% Third country nationals
Japan (n=26)	74% (75%)	26% (24%)	0.2% (0.6%)
Europe (n=21)	48%	44%	8%
US (n=20)	31%	49%	18%

Figure 2: The use of different nationals in Japanese subsidiaries (Kopp, 1994a, p. 586)

This is the data that Kopp presented in 1994(a) and it is largely consistent with the earlier prominent work of Tung (1982). Later works have also confirmed that this dominance of using home country nationals in Japanese subsidiaries prevail. In Harzing's broad study (2001), the number of top level management position of Japanese subsidiaries that were occupied by Japanese nationals was 76.5 per cent, showing more or less no change from previous studies. There are also studies showing a decrease by this time but the results did not show a complete stop from being the most used approach (Beamish & Inkpen, 1998). That Japanese nationals were still clearly dominating top managerial positions was the wider consensus, showing that despite Beamish and Inkpen’s (1998) findings that critical management posts outside of Japan were still clearly held by Japanese nationals (Black. and Morrison, 2010; Wong, 2010). Closing up on more recent years it seems like the number of Japanese expatriates are reducing slowly (Schaaper, Amann, Jaussaud, Nakamura & Mizoguchi, 2013). In Schaaper et al´s study (2013), their data showed that the interviewed Japanese companies claim that they are reducing their expatriates and recently adapting a more localization influenced human resource approach to management staffing abroad.

4.2 Previous research

Japan has represented an interesting research topic during its bubble economy years. Many companies were going abroad and research about how these companies chose to staff their subsidiaries has been intensive. We have chosen to present what we have considered to be some representative researches of that period.

4.2.1 Japanese companies in Great Britain in the 1980s

Malcolm Trevor was the European General Manager of the EU-Japan centre for Industrial Cooperation from 1991 until 1996. His experience in working in Japan, during 1963 -1971 and 1989 - 1996, exactly during Japan’s most memorable economic era, has led to him writing a series of books related to Japan (Gresham College, 2017). Malcolm Trevor in his book written in 1983 about Japanese multinationals takes up the problematics that Japanese multinationals faced in the 1980s while establishing themselves in the United Kingdom. Trevor looks closely at why Japanese management practices are successful in the home market but how they also prove to be successful in other markets. The research was made based on a qualitative study of about 280 Japanese firms who were active on the British market, in the form of interviews with people occupying managerial positions. The research also incorporated a more in depth study of six large companies in the banking, manufacturing and trading sector, and interviews with managers at these large companies. One of the conclusions of the book is that these Japanese companies tend to employ Japanese nationals on high management positions, and that they almost never have a manager that is a local. He calls this the “dual employment system”. Moreover, he concludes that these home national managers often occupy the position for a period of 2 to 3 years, before going back to Japan. In their position, another home country national would be employed (Trevor, 1983).

4.2.2 Japanese companies in the USA in the 1990s

Another study, conducted later on, in 1994 in USA, looked at how Japanese multinationals chose to staff their subsidiaries in the USA. In the study, Kopp (1994a) revealed that the Japanese staffing policies practices have not changed considerably under that respective time span and that Japan still preferred to apply a staffing policy where they employ home country nationals, in their foreign subsidiaries. 74 per cent of the people that were employed at Japanese subsidiaries in the study were home country nationals, 26 per cent were local nationals and 0.2 per cent were third country nationals (ibid). Moreover, Trevor’s conclusion regarding local nationals that are employed in lower position was supported, 81 per cent of local nationals being employed on other lower positions (Trevor ,1983). This study suggests though that Japan has increased the number of the employed people that come from outside Japan and that it sees this as a continuously increasing trend, where Japanese multinationals will invest more and more in host country nationals (Kopp, 1994a).

4.2.3 Nature of Japanese staffing policies

These are just two examples of the vast array of research that was done into this subject. Other examples are Vogel (1979), Ouchi (1981), Nonoka and Takeuchi (1995). Comparatively, Japan uses an ethnocentric staffing policy to a higher degree than American and European counterparts (Keeley, 2001). In this part of our study, we will be inspecting these practices used by Japanese firms, in regards to international management. During this time in Japanese business organizing practice, employees were very closely connected to the company (Peltokorpi & Froese, 2016; Sekiguchi, 2006; Tung 1984). Once employed, it was normal to work for the same company until retirement (ibid). The employees were moved around to different departments inside the company and they developed within the firm. Promotions were given based on seniority (ibid). It was from this internally developed working force that Japanese nationals were chosen out and later sent out to occupy these management positions in other nations (Peltokorpi & Froese, 2016; Sekiguchi, 2006; Tung 1984).

4.3. Interviewed companies

4.3.1 Terumo Sweden AB

Terumo was founded in Japan in 1921 to supply medical equipment which was in short supply due to World War I. To begin with, they focused on producing thermometers. Over the coming years, they slowly expanded into other products but it was not until 1971 that they expanded abroad. They started by establishing in Belgium and the USA during this year and then they slowly expanded into more countries (Terumo, 2016). Around 1997, Terumo established itself in Sweden but they did not register as an official stock company until 2002. As for 2016, Terumo Sweden has 19 employees. This number has reduced during the last few years from being 26 in 2012. While their profit has been between SEK 3 705 000 to SEK 4 550 000 with the lowest one the most recent year, their profit margin has recently spiked. Their profit margin hovered just above 2.5 per cent during 2012 - 2014 but in 2015 and 2016 the profit margin jumped to 16.73 per cent and 16.96 per cent per cent respectively (Allabolag, 2012-2016). Terumo explain their corporate mission as “Contributing to society through healthcare” and that this mission comes from one of their founder by the name of Dr. Shibasaburo Kitasato (Terumo, 2016).

4.3.2 Alps Electric Europe Gmbh

Alps Electric Europe Gmbh was established in 1948 as Kataoka Electric Co, Ltd. in Yukigaya, Tokyo, Japan. At first, it had JPY 500 000 in capital and 23 employees and it built radio condensers and other radio parts. In 1960, the company changed its name to Alps Electric and during the coming years, it also established production bases in Yokohama, Miyagi and Fukushima. The possibilities of expanding abroad makes the company also take into consideration the possibility of expanding in Europe. In the 1970s, Alps Electric also expands to Onahama and Morioka, but also to Korea and Taiwan. The production offer also expands, the company offering products such as printers, remote controllers and cassettes. The expansion continues also in the 1980s, with the company also starting to produce mice and floppy disk drives (Alps, n.d.).

In the 2000s, Alps Electric begun a global strategy, consisting of a global production with sales offices in different key points of their overseas operations. Nowadays, Alps Electric focuses on expanding in the medical and healthcare branch but also on green devices (Alps, n.d.).

Alps Electric Europe Gmbh, Sweden filial conducts the sales, purchasing, technical supports and delivery of electronic and electromechanical components and systems for the automotive and telecommunications industry and distribution on the Nordic market. The Swedish filial was incorporated in 2008 and it has its headquarters in Gothenburg (Allabolag, 2016).

4.3.3 Sato Techno Lab

SATO is a Japanese company established in 1940 that provides data solutions that leverage bar codes, QR codes, digital watermarking, colour code and other innovative technologies in the printers' market. SATO has sales and support offices in over 20 countries (Sato Europe, n.d.a).

At first, SATO was thought to be a company that provides machinery for processing bamboo, palm and rattan. It is in 1962 that the founder of the company Yo Sato invented a hand label maker. That led to the company becoming the leader in price marking and hand label makers and with the development of POS (point of sale) systems, the company developed hand label makers that were compatible with OCR (optical character recognition) scanning and barcodes. In the 1980s, the company developed the first label printer and the first label printer applicator. The globalization of the company begins first with the establishment of a factory in Malaysia in 1986 and afterwards, during the coming years, the establishment of companies in Singapore, USA, Germany, China, Belgium, Poland and many more. The company was listed on the Tokyo stock exchange in 1994 and became listed in the first section of the Tokyo Stock Exchange in 1997. Nowadays, SATO focuses on developing RFID, a way to communicate and read information through radio waves. The first RFID printer was developed in 2003 (Sato Worldwide, n.d.).

In the Scandinavian area, SATO is represented by SATO Nordic, company that incorporates all the Nordic Countries: Sweden, Norway, Denmark, Finland and Iceland. SATO Nordic offers a sales and support office located in Gothenburg, Sweden. SATO Nordic was established in 2006 (Sato Europe, n.d.b).

4.4. Interviews

4.4.1 Interview 1: Monica Haag, Regional Customer Manager for Terumo Sweden AB

Monica Haag currently works at Terumo Sweden AB as a Regional Customer Manager, in charge of the Swedish and British office. She has different roles in the company such as Compliance Officer and Country Coordinator for the Swedish operation. Monica Haag started working for Terumo Sweden AB in 1998 but has occupied these positions 2 years ago, when the company underwent an organizational change.

Terumo Sweden AB has a sales and marketing activity which involves all the Nordic countries. The company started out as a Swedish filial but developed into being a wholly owned subsidiary of Terumo Corporation. The decision to found a Swedish subsidiary came from the European subsidiary, Terumo Europe, but according to Monica Haag, the decision was a collaborative decision between the parent company and the European subsidiary.

The European subsidiary plays an important role in the production and sales network of Terumo since it acts as a middle hand in many ways. Terumo Sweden AB mostly reports to Terumo Europe AB, which in turn reports further on to Terumo Corporation.

There is little direct contact between Terumo Sweden AB and its parent company in Japan. The prospects of more global projects bring into discussion the idea of increasing the contact between the Swedish subsidiary and its mother company. The level of contact between the two companies has though changed since the company's establishment in Sweden, to the extent that it diminished over time. Monica Haag experienced that the Japanese have begun to trust the Swedish subsidiary more and therefore require less reports and less direct steering.

The lack of direct contact does not imply though that the parent company does not influence the Swedish subsidiary. Monica Haag has several times pointed out that they have rules that they need to conduct their business after and that there are also criterium that they need to meet. These rules and criteria for a business conduct are all given out by the Japanese company. Their influence stops though at this point because all the other decisions are taken on a local level. The Japanese influence is felt through the rules and regulations the Swedish subsidiary conducts its business after but, at the same time, the Swedish subsidiary feels that it has kept their independency in all possible decisional areas. The independency they feel is due mostly to the fact that the final decision is always taken at a local level, after consulting other entities and consulting the available rules.

Terumo Sweden AB's staffing policy is based more on a demand-request criterium. They hire the people they need, how many people they need, at the right time, when they need it. The decision to hire new employees can be based on a need they have at the company or it could come from a suggestion from the European subsidiary. The final decision of who to hire is eventually taken together with the European subsidiary. When it comes to management positions, the question of who to hire is handled by the Human Resource (HR) department within Terumo Europe.

Even though it is a Japanese owned company, Terumo Sweden AB has never had Japanese employees, not on regular position and neither on managerial positions. On the other hand, the European headquarters subsidiary has Japanese nationals employed in all the key managerial positions. Monica Haag reveals that other sales offices have also chosen to hire Japanese managers. These managers are said to come to work in Europe after making an official request at the parent company. They are usually employed for a period of 4 years.

Monica Haag reveals that she believes that the Japanese and the Swedish way of doing business are quite similar, to the extent that the Japanese, same as the Swedes, are serious in their business conduct, keep a high quality of labour and a high level of professionalism in their job. Having said that, she claims that Terumo Sweden AB does not feel that Japanese at all, but that might be because the Japanese way is very alike the Swedish way according to her, and such a larger difference could perhaps be noticed by someone coming from a different background.

According to Monica Haag, Regional Customer Manager at Terumo Sweden AB, the Swedish subsidiary does not have any specific staffing policy and neither does it have Japanese employees. The direct contact with the parent company is little but influences from the Japanese mother company can be felt through their rules and regulations. The company has more contact with Terumo Europe who directly answers to Japan. Reports are also sent to the European subsidiary which afterwards, reports back to the Japanese mother company. Earlier this was not the case and more contact was directly to the Japanese headquarters but due to recent restructuring of the company more information have shifted to go through the European headquarters which in turn report to the headquarters in Japan.

4.4.2 Interview 2: Anna Berndtson, Customer Service Supervisor at Terumo Sweden AB

Anna Berndtson is the Customer Service Supervisor at Terumo Sweden AB. She has occupied this position for almost 2 years, but has actually been working for Terumo Sweden AB for 17 years. She has had 5 other positions within the company in the past years but when the position as a Customer Service Supervisor came up, she felt it suited her profile and applied. She feels that her career path within Terumo Sweden AB has been quite stable and offered her many opportunities, based on her capabilities.

She describes Terumo Sweden AB as a sales organization for Terumo Corporation in Northern Europe, present in all Nordic countries. Alike Monica Haag, Anna Berndtson considers that Terumo Sweden AB has little contact to the parent company and that it has more contact with the European subsidiary, in Belgium. She claims though that the Japanese influence is greater, since all the economical questions like budget and required sales numbers, are being sent to the mother company and that they conduct their business on a Japanese way. Adjustments can though be made to the Japanese directives that come back, in order to suit Terumo Sweden AB's corporation, organization, needs and possibilities.

Compared to how it was in the starting years of the company, the Japanese influence has decreased. Anna Berndtson reveals that the mother company no longer has a local perspective but a more global perspective with a moving trend towards becoming a market and consumer oriented company. The change from being a production oriented company to being a consumer

/ market oriented company has been slow but it begins to be more visible in the strategies the mother company has. She predicts that the company will push further on towards focusing more on the clients' needs and what the market wants.

When it comes to their staffing policy, Anna Berndtson sustains the idea of Terumo Sweden AB being more focused on competence and skills rather than nationality or any other criteria. The company takes into consideration what the upcoming year can bring and according to the needs they believe they can have and the results they desire, they hire new employees. She reveals that Terumo Sweden AB has had a HR department until this year and that they switched to having a common HR Business Partner for both England and Sweden. Besides that, the European subsidiary in Belgium also has a larger HR department. This Belgium based HR department is responsible for offering help in taking a final decision when it comes to new employees. Japan influences the recruitment process when it comes to management positions at the European subsidiary, in Belgium. The highest management position is occupied by someone from Japan and so are the other high positions in the European base. When it comes to the recruitment process in Sweden, no Japanese influence could be identified, especially because it is Terumo Sweden AB who takes the final decision.

Anna Berndtson reveals that if Terumo Sweden AB does not have Japanese employees, they do have employees of other nationalities, like Danish and Finnish, in order to maintain a better contact with the clients.

Lastly, she concludes that Terumo Sweden AB does no longer feel like a Japanese company, even though both companies find quality and tradition in their working way an important thing.

4.4.3 Interview 3: Magnus Brunzell, Branch Manager for Alps Electric Europe Gmbh

Magnus Brunzell is the Branch Manager for Alps Electric Europe Gmbh, Swedish filial. He also describes his position as a Sales Automotive Manager position, due to the company's business activities with other companies in the automotive industry. He has been employed in Alps Electric, at the Swedish filial for five years, and was employed through a recruiting company, who was searching for an office manager for Alps Electric.

Magnus Brunzell reveals that the Swedish filial of Alps Electric was founded in the 1980s with the purpose of having a sale filial for the Nordic countries. Due to the nature of its business activity, Alps Sweden has a strong contact with the Japanese mother company. Constant contact related to the products they are selling is needed. As the Branch Manager, Magnus Brunzell claims to have weekly contact with the head office in Japan, but also with the office in Europe. He claims that "*we are a part of the Germany company from a legal point of view but from a communication point of view, we have to communicate with the head office, due to the product development and sales responsibility that is still run by Japan*". Alps Sweden reports to different offices, based on the kind of issue the report is related to. Even so, Magnus Brunzell feels that the Japanese business units are influencing the Swedish filial, to the extent that the Swedish company is promoting products that are created in Japan, and price negotiation is also led by Japan. Even though the customers of Alps Electric in Sweden are Swedish automotive producers, like Volvo Trucks and Volvo Cars, the way of doing business is influenced by the Japanese way. Moreover, the influence has not changed considerably over the years and is at about the same level as it was when the company was founded, for 30 years ago.

Even though the company is aware of the role the Japanese influence plays in their business activity, it has been revealed that the European subsidiary, run by a European president, desires a detachment from the Japanese parent company. This detachment does not involve a detachment in terms of a separation but more of a desire to increase the level of independence towards the mother company. The European subsidiary desires to have the possibility to create their own business models and to have their own profit and the Swedish filial is unanimous in this way of thinking: *"We have a tough time changing the long-term planning: it is hard for us to change long term plans and implement new businesses that are not in the plan. We as a sales office, with the prospect of selling as much as possible, have difficulty coping with the level of control they desire when it comes to new businesses"*. The group's path towards being a more global company, requires a more global thinking perspective and more independence. On the European unit, the president is European and the other managers are Japanese nationals, the possibility of having a non-Japanese at managerial level being extremely rare, as Magnus Brunzell reveals: "*We are 40 Swedish people and 1 Japanese in this office, but in Munich, just the president is European, all the other top positions are Japanese. The head of finance, legal,* *sales and marketing are Japanese. The positions below the president are all Japanese occupied and below them are local. My sales and marketing boss in Munich is Japanese.*"

The company's staffing policy involves on the other hand a high level of independence, Alps Sweden being able to hire the employees they consider fitting for their open positions. Approval is needed though due to cost issues. The only request of the Japanese mother company was that the Swedish filial needed to have one Japanese expat in their team. The reason for this request is based on the fact that the mother company desires to facilitate the communication between the two entities. The base period is three years with the possibility of a two years' extension. Most Japanese nationals were employed on a period from 3 to 5 years, on senior engineer positions. Alps Sweden did not consider the need to have a Japanese national on their team necessary but at the same considered it brings value to the company due to language skills and Japanese business knowledge these expats have provided. Management positions were not influenced in any way by the Japanese mother company and nor did there were special requirements for these positions from other entities in the group.

For being a Japanese subsidiary on the Swedish market, Alps Sweden is seen as being trustworthy, open and a long-term business partner. Japanese nationals flew in Sweden during large events with the Swedish customers in order to strengthen the image they have on the market and "*show that the company is Japanese at the roots and that they are proud of it".*

4.4.4 Interview 4: Conny Tapper, Quality Manager at Alps Electric Europe Gmbh

Conny Tapper is the Quality Manager at Alps Electric Europe Gmbh, Swedish filial. He has occupied this position for 9 years. His career path has gradually developed, from being a Quality Engineer at the beginning of his employment to being responsible for building the quality team and lastly being the manager in charge of the Swedish responsibility for quality. He therefore points out that Alps in Sweden is not only a sale company but it also has a support and quality function. This function requires more direct contact with the Japanese company, through mails and face to face meetings. The initiation of this contact is though more required by the subsidiary in need for help, rather than a controlling and supervising function coming from the parent company. The degree of influence is also seen to be a two-ways circulating exchange since Conny Tapper claims that: "*They are not trying to influence us since they trust what and how we are doing it, very well. It is more so that we influence the parent company at times."* In contrast to Magnus Brunzell's perception about the path the company wants to take, Conny Tapper believes that there will not be any changes in near or foreseeable future.

When it comes to their staffing policy, Conny Tapper reveals that: "*we have our local HR employee here but the HR department in this office is linked to the European, so we have a European HR manager which is directing or giving the guidelines to us. We are not connected to the Japanese from that point of view."* He reveals that, at the Swedish office, they are run by certain rules and regulations they go by when employing new people. They take into consideration the applicants' competence and skills, equality between genders, and seek after variety, regardless of the applicants' nationality. They currently have one Japanese employee, but have had Irish and Chinese employees over time. Their Japanese co-workers is seen as being trained and skilled and a great tool in their day to day communication with the Japanese head office.

The choice of top management is revealed not to be influenced in any way by the parent company. The president at the European site is German, while all the other people on top positions are Japanese. This is considered to be a characteristic of Japanese companies where they employ Japanese expats on high positions, in order to facilitate the communication between the subsidiary and the mother company:" *It is the Japanese way of working, when they employ a Japanese expat, probably due to language issues so that they communicate to the Japanese head office.".* Alps Electric is experiencing though a new trend, where these Japanese nationals will return to their home country and the positions in their regional subsidiaries will be held by nationals of that region. As an example, the position as a president at the European subsidiary was occupied by a Japanese national for a couple of years ago. Now, as mentioned before, the president at the subsidiary in Munich, is a German national. Conny Tapper admits that he prefers a local on top positions due to their knowledge about local rules and laws.

4.4.5 Interview 5: Mats Hedberg, CEO of Sato Techno Lab Europe AB

Mats Hedberg is the CEO of Sato Techno Lab Europe AB in Gothenburg. He has had the position as the company's CEO since the company's establishment in Sweden, in 2006. Sato Techno Lab Europe AB in Gothenburg is a wholly owned subsidiary of Sato Japan. Their main line of activity involves software developing for label and tag printers, but they also offer technical support for other subsidiaries of Sato Japan that are located in Europe. They also have a sales support activity for Finland, Sweden, Norway and Denmark. The company has around 20 employees, 12 of which are working with research and development and 8 are working with technical and sales support.

Due to the nature of its department, the R&D (research and development) department has strong, close contact with the R&D department in Japan. The technical and sales support department has closer contact to the European subsidiary.

The company's CEO describes the relation between the Gothenburg office and the Japan head office as both independent and based on rules, regulations, collaboration and cooperation*:" Sato Group has an overall strategy but when it comes to the software development department, we receive from Sato Group a strategy regarding for which printers to develop software, strategy that we later on break down into our own strategies. Sometimes we also propose new products. We are very independent in a way but we also work on common projects. (..) When it comes to the sales and support department, the desired numbers are set by Japan which are then given to Europe and then Europe defines their own strategy accordingly."* The Swedish headquarters has proven itself over time and therefore the level of control from the Japanese mother company has decreased. The control was over time substituted with the idea that it is more profitable to provide support functions rather than monitor and control the subsidiary's operations.

The idea of collaboration stretches also in the exchange work the employees conduct at the Japanese company. Both the CEO and other developers have travelled to Japan for periods of time stretching from a couple of months to maximum three years in order to help the Japanese R&D team, plan, design and develop new products. It is mostly the Swedish team the one that executes such programmes in Japan. Japanese nationals used to come to the Swedish subsidiary to have thorough discussions with the sales department, planning new sale strategies.

The decisions regarding how to staff the Swedish subsidiary are taken in collaboration with the entity within Sato Group that has more contact with the specific function in the Swedish subsidiary. The decisions to employ new people in the R&D department are taken together with Japan and the decisions to employ new people in the technical and sales support department are taken together with the European subsidiary. New employees are chosen based on their competence and skills and according to the company's needs based on planned projects and the desire of new markets. Top management positions are though more thoroughly chosen because, as Mats Hedberg claims, they are "*governed by Japan because they own this company 100%. They influence the higher level of management and we need approval for these positions and it is Japan who decides that."* Japan has the last decision when it comes to top positions. Mats Hedberg was chosen as the company's CEO by the Japanese mother company.

The company does not have any Japanese employees but has had some over the years. The scope of employing Japanese nationals was to help develop certain projects according to directives from the Japanese offices. New products launched on the Swedish market were intended to be also created according to the Japanese market. The levels these Japanese nationals were employed on were normal, medium level positions in the company, such as junior software developer. The European subsidiary has in comparison to the Swedish subsidiary, a Japanese CEO, that was recruited specifically for this position.

4.4.6 Interview 6: Fredrik Johansson, Software Engineer at Sato Techno Lab Europe AB

Fredrik Johansson is a Software Engineer at Sato Techno Lab Europe AB in Gothenburg. He has been employed at the company for 8 years. He started his employment directly after graduating from Chalmers University of Technology. His position has changed over time, to the extent that he has gained more responsibility through experience. While his formal position is still that of software engineer he says that he has informally become something of a team-leader of a group of software engineers.

The Research and Development department Fredrik Johansson works at is one of the few departments of this nature within Sato Japan. Their contact with Japan is resumed to a daily contact, but they also have contact with the subsidiaries in Singapore and America. Of all departments, the Swedish research and development department is most involved in new products and their development, which makes them a strong partner in the organization. The Japanese interest in the Swedish research and development team translates into constant contact, through mail and video conferences, where translators are used to facilitate the communication and the understanding between the two parties. The communication is mutual, both parties are open to listening and learning of each other. There is not much direct influence or a desire to steer. The influence from the Japanese can be seen in the Swedish way of working, the Swedish subsidiary borrowing characteristics from the Japanese business conduct. The influence from the Japanese mother company has changed over time, as the level of trust for the Swedish operation has increased. Also, the change have gone the other way in the Swedish part influencing the Japanese part.

The company does not have any specific staffing policy, they employ people based on competence, skills and moreover, they take into consideration how much the person fit in the working environment. They look after diversity so that they can take advantage of the different views diversity brings. Japanese nationals were sent to the Swedish subsidiary in order for them to get to see and learn how the research and development department works. The Japanese colleagues usually stayed only for a couple of months, never more, at the Swedish subsidiary and their aim was to gather information about the developing projects at Sato Sweden to later inform headquarters when they came back to Japan.

Fredrik Johansson reveals that they considered hiring a Japanese speaker that could also work as a software engineer, in order to improve the communication between the two entities but has realised that employing someone for communicational reasons would mean that the strategy of the company would redirect from being a company aiming to develop new software to a company trying to sustain its communication with the parent company, and therefore risk losing their independence. Also, such an individual would most likely be become a full-time translator unofficially even if he officially had another post and therefore just sticking to using translators is good.

5. Analysis

The collected data will be analysed and the analysis will be presented in this section. First, we will present an analysis of each individual company, then take the analysis further and compare it to our studied theories and lastly, we will try to discover patterns in the Japanese ways of staffing their Swedish subsidiaries.

5.1. Company specific analysis

5.1.1 Terumo Sweden AB

The staffing policy regarding management positions at Terumo Sweden is managed by Terumo Sweden together with Terumo Europe. Decisions regarding new employees are taken in collaboration, although, the Swedish entity seems to be the final decision maker when it comes to employees on normal levels. Terumo has had a HR department but that has been dissolved, probably due to restructuring issues, since Terumo has had 26 employees in 2012 and now it has 19. The HR department has on the other hand been taken over by the HR department from the European office in Belgium. This HR department in Europe has further responsibilities, including the one of employing people on top managerial positions.

As the situation looks now, Terumo does not have any Japanese employees, nor on low level positions and neither on top manager positions. The HR department, who is in charge of the recruiting process, seems to have been influenced by the European way of doing business, since no Japanese was hired on high positions in Sweden. The Swedish employees that they have at Terumo, have satisfactory results so that the Japanese mother company does not feel the need to step in and increase its control level according to data gathered from the interviews.

Terumo has though employees of Danish and Finnish nationalities, suggesting the desire to be extremely involved in the markets that they are available in. Terumo conducts its sales operations in the Nordic countries, and having a market/customer oriented perspective and strategy, they invested in having employees that can easily communicate with their customers. Terumo Sweden has both a local perspective for which they have chosen over the years to invest in hiring host country nationals, but also a regional perspective in the Nordics for which they invested in hiring parent country nationals. Paik and Ando (2011) clearly suggest that the choice of employees is directly related to the strategy that the company has, strategy that has also been noticed in the choice of employees at Terumo Sweden. Considering that it is a company oriented towards the regional market in the Nordic countries, Terumo Sweden has therefore hired host country nationals.

On the other hand, the European subsidiary has only Japanese on their top management positions. This reveals that the international HR management practices that the Japanese have had especially during the 1960s-1980s, are still available but to a lower extent. This global strategy the mother company has, has let to it hiring parent country nationals on top positions (Paik & Ando, 2011). This might be due to globalization and the increased number of subsidiaries that the company has. As Bryde (2003) points out, it can be extremely resource demanding to be sending Japanese employees at every subsidiary and therefore the mother company has decided just to place key employees on key positions. The Japanese employees at the European subsidiary have an overall power over the subsidiaries located in Europe, which seems to be satisfying for the Japanese mother company. This seems to be the way Terumo has tackled the global environment with its international staffing policy. Sekiguchi, et al (2016) have presented that new ways were needed. This development and state of Terumo does line up very much to Nakamura's study (2016), regarding Japanese expatriates diminishing and Japan moving slowly towards new international staffing policies.

According to Reynolds (1997), one Japanese practice for employing Japanese nationals was that the parent country nationals were sent at the subsidiaries on assignments of up to 5 years. In Terumo Europe's case, the Japanese employees are assigned for a period of 4 years, which reveals that the Japanese mother company still has a hold of old business practices.

We find, at this stage, that Terumo Corporation has had for the Swedish subsidiary a more geocentric staffing policy approach (Bryde, 2003), even though, as the interviewees claimed, Terumo Corporation itself has not had any involvement in the recruiting process. This approach is also reinforced by Heenan and Perlmutter (1979), cited by Chakravarthy and Perlmutter (1985), since the decisions making regarding managerial positions are taken at European level. Moreover, the staffing policy for the managerial positions for Terumo Europe has been influenced by an ethnocentric approach, showing clearly that Japan has not changed their approaches since their bubble economy era. The changes that have occurred are related to the level of globalization, Terumo Corporation does not have the same influence on the smaller subsidiaries and therefore the staffing policies at these subsidiaries are chosen by the local management or by the next big subsidiary, with a lesser Japanese influence, all being grouped under the influence of the regional subsidiary, as Heenan and Perlmutter (1979), cited by Chakravarthy and Perlmutter (1985) have shown.

Some of the branch offices of the lower regional subsidiaries do not have Japanese managers but the larger region headquarters still goes by this policy. This shows that the higher levels of management in Terumo abroad are still occupied by Japanese nationals and therefore the problems voiced over focusing on Japanese nationals in the higher position might still not have disappeared (Kopp, 1994b; Keeley, 2001). Not all managers are Japanese managers which shows that Terumo at least seem to have succeeded incorporated host country nationals in some cases, Sweden being such a case. This could be seen in the subsidiary showing positive financial numbers, direct influence from Japanese headquarters have diminished and finally no discontent has shown from the interviews. Something that Keeley (2001) found as a crucial point for the future of Japanese companies abroad. Also, this change has been rather recent, as Schaaper et al (2013) found that Japanese companies seem to be more aware and willing to adapt new localisation policies during a more recent time. Even though Terumo has never had a Japanese manager, we can still say we see a shift away from the Japan headquarters and towards the European one, further on showing a regionalisation with sub-regions and in such sub-regions an increase in host country national managers.

5.1.2 Alps Electric Europe Gmbh

Alps Electric Europe Gmbh, Swedish filial (further on referred to as Alps Electric) is, as Terumo Sweden AB, a Japanese subsidiary, that actually has more contact with the European headquarters. Alps Electric directly answers to the European subsidiary, even though they are also influenced by the Japanese, through their rules and regulations but also through their way of working. Magnus Brunzell, the company's Branch Manager calls this an appurtenance to the European subsidiary from a communication point of view and an appurtenance to the Japanese company from a legal point of view.

The European subsidiary is also involved in the recruitment process since the HR department in the Swedish subsidiary is directly linked to the HR department in Europe. The Japanese are said not to influence the recruitment process in any way, nor on regular level, nor on management level. Their only requirement was to have a Japanese national on the Swedish subsidiary so that they can improve communication between the quality department and the Japanese office. This employee has been assigned this position for a period of three years with the possibility of an extension of up to 2 years, as most Japanese nationals have while working abroad, something typical of the Japanese human resource strategy since the bubble economy (Reynolds, 1997). Otherwise, the Swedish subsidiary is very independent in their choice of new employees. The managerial positions were always occupied by Swedish nationals, chosen based on their competence, talent and skills. Bryde (2003) revealed that when a company choose their employees after talent, they employ a geocentric approach. This approach is further sustained by Heenan and Perlmutter (1979), cited by Chakravarthy and Perlmutter (1985), since the Swedish department directly answers to the European department. All of the above suggest that all the small subsidiaries are gathered under the larger European subsidiary, who is in charge of taking care of issues that are more appropriate for a department that has a certain understanding of the local rules.

The management at the European subsidiary has though different characteristics. The top manager is a German national while all the other managers are Japanese. A position hard to attain in Japanese multinational corporations according to Maki et al (2014). But as this person was not a subject of interview in this thesis we couldn't see if he faced the same problems that Maki et al. (2014) presented, that could occur to non-Japanese nationals able to gain a managerial position in a Japanese multinational company.

The positions below the managers are occupied by local nationals, as Kopp (1994a) also presented in her study. According to Kopp (1994a), in her study of American companies, the high managerial positions were occupied by Japanese nationals and the positions under them, were occupied by local nationals, and Magnus Brunzell further reinforces this claim, by revealing that his manager is a Japanese national. Alps Europe is experiencing though a new trend, where these Japanese nationals are said to return to their home country and the positions in their regional subsidiaries will be held by nationals of that region. This trend has been begun by the European manager who for some years ago, was a Japanese national. This change is said to occur as the European subsidiary desires to have more independence and less control from the Japanese head office. Something the new German manager is striving towards according to our interview. They desire to have the possibility of constructing their own strategies, targeting the clients they see as most suitable and taking advantage of the profit in the way they desire, for investments or penetrating new markets. The ethnocentric approach at the European subsidiary is developing towards a more regiocentric approach, but the incentive came internally. Japan itself does not desire such a change. Also, the change is only in its early stages. If the change will continue, is something that cannot be discerned with the information we have at hand, but the desire is there and that the first step has been taken which indicates that it is not something unlikely, especially now with a non-Japanese national at the head of the

European headquarters. The European CEO seems to have broken through the "rice-paper ceiling" theory, a theory that seemed to have been a norm in the company until recently (Kopp, 1994b). But as the clear majority of high end positions in the European headquarters are still occupied by Japanese nationals one cannot say that the "rice-paper ceiling" is totally gone. Much like Beamish and Inkpen (1998) and Schaaper et al (2013) conclude, the Japanese expats are decreasing if ever so slowly. The direct discrimination that Negandhi et al (1985), Bartlett (1986), Johansson and Yip (1994) brought forth in their studies was not prevalent in the data gathered in this study and it can neither be ruled out to be happening in the European headquarters much like the "rice-ceiling".

The automotive industry in Europe is a strong industry. Alps Electric provides products for this industry and the European subsidiary has seen the potential in this region. A less controlled strategy and more freedom of choice would mean for the company the possibility to explore as much as possible of what the automotive industry can offer. The managerial positions are of extreme importance in these situations, since it can mean the difference between becoming extremely successful or moving on a constant growth path and therefore, it will be interesting to see how the managerial positions on the European subsidiary will develop.

5.1.3.Sato Techno Lab Europe AB

Sato Techno Lab Europe AB, the Swedish subsidiary (further on referred to as Sato), is, as the name of the company suggests, a part of the European subsidiary of SATO Corporation. Sato has two functions within the bigger company, that of research and development and the one of offering technical and sale support. The Research and Development department has a strong communication with the Japanese head office, since the main R&D department of the company is located in Japan. The technical and sales support function answers directly to the European subsidiary, since all the support is actually offered internally to other European subsidiaries. The way the company is organized suggests that the Japanese office is not extremely involved in the decisions of Sato but rather is there as a tool that can help facilitate diverse issues. It is more likely so, that the kind of relationship between the subsidiary and its mother company is a relationship of collaboration and cooperation. Work exchange is done to further strengthen the collaboration between the two entities in the corporation. The Japanese are neither involved in the staffing policy at Sato, since all the recruiting decisions are taken locally. They take their decisions based on what the job applicant has for competence, skills but also on how well the applicant might fit in the organization. All is based on the current needs of the company, needs that are observed by the Swedish subsidiary itself. All of the above suggests that Sato uses a geocentric approach when they employ new people, both on regular and managerial positions. As Bryde (2003) shows, a geocentric approach is mostly focused on employing the people with the right competence and skills, which Sato has revealed to be doing. Moreover, Heenan and Perlmutter (1979), cited by Chakravarthy and Perlmutter (1985) claim that a geocentric approach is based on the fact that the subsidiaries are all gathered under a bigger subsidiary which has more responsibility and level of control. Since the sales department directly answers to the European subsidiary, Heenan and Perlmutter 's (1979) claim can be supported, the Swedish subsidiary is wanted to be controlled by the European one, direction that comes from the Japanese parent company.

The fact that Japanese nationals were sent at the company, was said not to be due of an ethnocentric approach but more of a desire from the Japanese office to take advantage of the knowledge at the Swedish subsidiary. In most cases, at other companies, when Japanese nationals were employed on managerial positions, the scope was that of control and supervising, which is completely the opposite in Sato's case. In their case, the scope was knowledge exchange and the possibility of the development of new products for the Japanese market. To further strengthen the idea that the Japanese do not desire any specific control over the Sato subsidiary, is the fact that Mats Hedberg was chosen as the company's CEO by the Japanese mother company. They chose on purpose a Swedish national, who could gather competent people, who could run the R&D department. The goal was to bring quality through a high degree of knowledge to the company. While Japanese companies have been seen to be unwilling to employ non-Japanese nationals in subsidiaries, in Satos' case a Swedish manager was employed in an office that manages research and development, which is a high-skill and very important part of a company. While the other interview and much of the studied literature show the reluctance of Japanese multinational companies to hire non-nationals on manager position and their desire of control (Kopp, 1994a; Keeley, 2001; Maki et al 2014; among others) but in the case of the Swedish office of SATO according to our data they do not experience this. They are uninfluenced just not to a degree found in the literature and other collected data.

On the other hand, the European subsidiary has a Japanese CEO in charge and Japanese nationals on managerial positions, a characteristic that Kopp (1994a) found to be very common when studying Japanese subsidiaries. SATO Group has maintained its ethnocentric approach in the European region. The European subsidiary has more responsibility for sales and therefore is required a need of control, due to the fact that the region's financial issues are handled on European level.

Communication between the R&D department in Sweden and the one in Japan is done through translators which suggests an attempt from the Japanese side to adapt to the European way of working. More and more Japanese companies are aware of the high possibilities the European market offers and therefore there is a trend in Japan consisting of improving their proficiency in the English language.

5.2. Discussion of the findings

5.2.1 Data comparison

A common theme could be seen in the gathered data from the different companies, in the general approach to management staffing and the organisational structure. Importance of the regional European headquarters was distinct in all three of the researched companies. While the exact level of importance the regional headquarters had on each subsidiary differed, it was a clear factor in all studied cases. Also, in all three cases, a Swedish national was occupying the position as manager in the Swedish office. A Japanese national was only present in one of the three researched Swedish subsidiaries, but in the European headquarters the presence of Japanese nationals is still major. The position as manager of the European headquarters was occupied by a Japanese national in two out of the three cases and in the case where the manager was not a Japanese national, the rest of the top positions within the headquarters were occupied by them, showing that the prevalence of Japanese expatriates, as documented in the reviewed literature (Trevor M., 1983; Kopp, 1994; Nonoka & Takeuchi 1995; and others), is clearly present in the Japanese European headquarters but not in the Swedish offices. Also, the data collected from our interviews revealed that there is a slight change in using Japanese nationals on managerial position in the European headquarters. The German manager of Alps Electric in Europe, used to be a Japanese national, but that has clearly changed. Our data showed, in accordance to Schaaper et al (2013), that the change within Japanese multinational companies is moving away from the ethnocentric staffing approach if ever so slightly.

5.2.2 Regarding the "Rice-paper ceiling" and discontent

The discontent presented in (Kopp, 1994b; Yoshihara, 1989; Froese, 2010) was not seen in the data. This of course cannot rule out that it is not there. The willingness of disclosing such information or speak out loud of discontent in an interview, where the interviewee has chosen not to be anonymous, cannot be assumed to be especially high. Also, evidence for the existence of discrimination of the type presented by Kopp (1994b), Yoshihara (1989), Froese (2010), Negandhi et al (1985), Bartlett (1986), Johansson and Yip (1994) was not found in the Swedish offices, but, at the same time, we cannot conclude that it not existent, as the Japanese managers are still present, a step higher in the hierarchy, at the European headquarters. This could mean that the "rice-paper ceiling" presented by Kopp (1994b) and mentioned discrimination could still be present on the level where Japanese managers are still dominant but not in the local subsidiaries which employ host country nationals. As this discrimination in the literature was found in cases where managerial positions were dominated by Japanese, there is the chance that it exists in the areas of the researched companies as well, just located to where Japanese management dominates. In our conducted interviews, we received some information regarding the new German manager in the European headquarters of Alps Electric, and this specific data pointed out towards some of the highlighted problems of the division between Japanese nationals and non-nationals, similar to the problems found in our literature review (Yoshihara, 1989; Froese, 2010; Maki et al. 2014). While it was mentioned in the data how the General Manager of Alps Electric Europe struggles to try to make the European headquarters more independent and decrease reliance on Japanese expatriates, the staffing policy at the European headquarters was not the main focus of this thesis and the amount of information regarding that specific situation is insufficient for us to come to any concrete conclusions. At the same time, it is neither to be disconsidered, since it should be something to note, as it gives a hint of the problems that still exist where Japanese management is dominant. Furthermore, the information we have about this issue reveals that there is a desire from the European part of the company to become more independent, while the Japanese actually do not desire such a change. Also, it might give an idea about the direction the international management staffing policy at Japanese subsidiaries is taking in the future since the German General Manager managed to acquire the position, and is now working to further the process of moving away from the ethnocentric human resource strategy. Making sure that the phenomenon known as "rice-paper ceiling", and the removal of discrimination and discriminatory aspects, is something that needs to be strived towards in Japanese multinational companies, as these has shown to cause several negative effects for companies, as Kopp (1994b; Sekiguchi T, et al.2016) presented. Therefore, the reduction of discrimination and overreliance on Japanese nationals is necessary to reduce such disadvantages.

5.2.3 Bridge individuals

Bridge Individuals (Harzing et al, 2011) or also called boundary spanners (Yagi and Kleinberg, 2011) could not be entirely identified in our data, but it is nonetheless something of importance in the discussion of Japanese international management. One interviewee mentioned that it is something which is very good and desirable, but with the communication issues, it could lead that the person just ends up as a translator instead of a true bridge individual, as Harzing et al (2011) presented. This shows that the communication problems mentioned by Sekiguchi et al. (2016) and Peltokorpi (2007) are still very relevant. Alps does have a Japanese national at their office which acts as a “Bridge individual” so it is clearly not an unused practice even in the local Swedish office. Also, Swedish nationals going to Japan for certain periods of time of up to 2 years, was also something found in the data. Considering that there is a higher degree of Japanese nationals in the European headquarters, and it being a regional headquarters, it is more likely that such individuals are present there as well. This practice is seen as positive by the interviewees, but also by the available literature and therefore, one could say that using bridge individuals is a useful tool for Japanese multinational companies, both now and in the future. One critique would be though that the difficulties in communication (Sekiguchi et al, 2016; Peltokorp, 2007) can be a hindrance for obtaining the full use of bridge individuals, as much of their working time will be consumed by just the communication part of their unofficial tasks, leaving less time for accomplishing other tasks. As an interviewee in Sato claimed, there will be little time for the respective employee to be able to perform the given tasks. Even the Japanese national at Alps Electric, who is employed as a senior engineer, is considered by the others to be there to act as a translator and help improve the communication between the two offices. The tasks related to the engineering part of his job seem to be neglected, thus leaving more room for solving translational issues. At the same time, with a decrease in communication difficulties, then the use of bridge individuals will be even higher. Therefore, an increase in English proficiency is a good way to improve the effectiveness of bridge individuals and as they are seen as very positive by both listening to the interviews and in the literature review (Harzing et al, 2011; Yagi and Kleinberg, 2011) increasing their number is also seen as preferential.

5.2.4 The pattern

A pattern regarding Japanese international management policy could be seen. The ethnocentric staffing policy was not present in the Swedish subsidiaries, but this is not to say that the policy has disappeared completely from Japanese companies. Rather, one could say it is still present, but is not as encompassing as presented in a lot of the reviewed literature in this thesis, such the studies of Trevor (1983) and Kopp (1994a). Furthermore, signs of a slow decrease are present, in accordance to the findings of Schaaper et al (2013).

The pattern we have seen regarding the current development of Japanese international staffing policy was that the larger regional headquarters still make use of the old Japanese ethnocentric staffing policy, but then, within the subregions of those offices, a more localised approach is used. This pattern translates into the fact that the European subsidiary uses an ethnocentric policy, whilst the Swedish subsidiary uses a geocentric policy, with a decrease in influence and contact between the smaller, local subsidiary and the main headquarters and an increased contact and communication from both offices, the parent company and the subsidiary, to the regional headquarters. Sato was though an exception to this rule, probably because the research and development department needed close contact to the parent company. Due to the nature of the departments, the research and development part of the company has high contact with the Japanese headquarters, who themselves have a research and development department, while the sales and technical support part of the Swedish office had more linkages with the European headquarters. One could say that the different departments have close contact with the next bigger subsidiary who performs the same or similar tasks.

This new approach could incorporate the Japanese's strategy of combating competition, as presented by Sekiguchi et al (2016) and Black and Morrison (2010). This new approach translates into a desire for the local offices to have closer connection to the local market and to gain all the advantages of this localisation, such as closeness to the client, a better understanding of the client's needs. Meanwhile, the overhead control of the enterprise is still managed by Japanese nationals, keeping close control through the regional offices. Within these regional offices, the ethnocentric approach and influence Japanese companies have had for a long time on the overarching structure of the company, are still present.

Another path these regional offices could take is by tackling the local vs global issue and move away from the ethnocentric approach, something that was already spotted by Schaaper et al. (2013). One thing to take note of is that the researched subsidiaries are not of any major size, especially if it is compared to the size of the company as a whole. This is a factor that can very well influence the choice of putting a Japanese on the subsidiaries' management or not. When more money is involved in the company, the incentive to increase the control over its own subsidiaries increases as well.

Global competition and advances in technology are two likely reasons to this slight change in approach. With better communication technologies, the distance within parts of the larger corporation shrink, making it easier to influence over a great distance. Communication is also improved with the Japanese learning themselves how to better communicate in business English, or using appropriate translation tools, and therefore Japanese managers who have high English skills are no longer needed. Several interviewees noticed that the Japanese mother company is moving towards a more global strategy, which according to Paik and Ando (2011) require PCNs, but that is combined with a customer oriented strategy, which require HCNs due to the need of local embeddedness. Having an ethnocentric approach just in regional offices could be a step towards the transformation to a more global approach but as Sekiguchi et al (2016) and Robinson (2003) mentioned, with the Japanese companies having a high path dependence, this change will happen very slowly. In addition, we could say that this small change is a step in the right direction, towards recognizing the competence and skills of local personnel and integrating it in the right way in the company, all whilst still keeping the Japanese identity.

To summarize, having in mind the mentioned literature and the collected data through our interviews, we can say that the Japanese management staffing policy is undergoing a change. There is less reliance on Japanese nationals and an increased adaptation to the local regions as Kopp (1994), Sekiguchi et al (2016), Yoshihara, (1989), Froese (2010) and Schaaper et al, (2013) have predicted. There is an increasing need of new ways of conducting business in the Japanese companies, and the employed personnel will be very much involved in how these new ways are going to be adjusted. to the company's strategy and adapted within the corporation.

So, we can see that the collected data does not correspond to the older theories of for example Trevor (1983) and Kopp (1994a). The change spotted by Schaaper et al (2013) on the other hand, was found signs of. One single Japanese national was found in the three subsidiaries and the bridge individual concept was mentioned in the other companies as well.

6. Conclusions

6.1 Thesis' conclusions

This thesis' research question was *whether the current management staffing policy of Japanese companies in Sweden has changed, compared to what policies were used by Japanese companies during the Japanese bubble economy era?*

We have come to the conclusion that *the management staffing policy of Japanese companies in Sweden has changed, from an ethnocentric approach towards a more geocentric approach.* This has led to a shift in focus of the subsidiaries from being a product oriented company to being a customer/market oriented company. Having competent people that are hired specifically for the job, the subsidiary can therefore focus more on its strategy, which is offering a Japanese made product that will suit the Swedish/Nordic consumer. The ethnocentric approach was linked to a high level of control from the mother company and therefore, choosing a geocentric approach, the parent company shows trust and faith in the actions and strategies of the Swedish subsidiary. Moreover, the costs of using a geocentric approach rather than an ethnocentric approach are thought to be smaller, giving the parent company the chance to redirect funds to other divisions, such as R&D. The change towards a geocentric approach could represent a new trend that the Japanese companies are adopting in the process of their internationalization.

This thesis has researched whether Japanese MNCs have changed their international management staffing policies over time. Having experienced a period of high economic growth during the years prior to the beginning of the 1990s, Japanese companies took advantage of the available resources and expanded to other countries. Studies made on international Japanese companies during that period of time revealed that Japanese MNCs chose to adopt an ethnocentric staffing approach, sending out Japanese nationals to occupy the manager positions in their subsidiaries. Furthermore, this approach was linked to a certain level of control the Japanese companies wanted to have over their subsidiaries. This need of control was extremely costly for the mother company, since an ethnocentric approach is considered to be rather expensive.

The 1990s brought with them a period of economic downturn, Japan and Japanese MNCs being greatly affected. Nowadays, the effects of the economic downturn are still sensed and Japanese companies are still affected by its aftermath. Since the ethnocentric approach is considered to be a costly approach, it was of interest to research whether these economic issues have influenced the Japanese international management staffing policies.

A case study of three Swedish subsidiaries of Japanese MNC was conducted. Interviews were made at the respective companies, in hope of finding out how the current staffing policy looks like and if there is any kind of influence. Furthermore, it was of interest whether this policy has changed over time and if it shows signs of changing in the future.

The results from the interviews have shown that the Swedish subsidiaries have no Japanese employees on managerial positions. These positions were instead occupied by host country nationals, who were mainly employed based on their competence and skills. The Japanese mother company had no influence over how the subsidiary chose to staff the rest of the company, no sign of control in that regard could be identified. We therefore concluded that Japanese subsidiaries in Sweden might conduct a geocentric staffing policy, meaning that they employ personnel based on qualifications, talent and skills. However, if the same conclusion applies to other subsidiaries of a larger size, that we cannot claim.

The available literature has mentioned that companies which apply a geocentric staffing policy are often focused on integrating all subsidiaries, under a global system, that takes care of the decision making. This has also been seen in the case of the Swedish subsidiaries, since all studied companies have a closer connection to the European subsidiary rather than the Japanese headquarters. It is instead the European subsidiary who thereafter answers to the Japanese headquarters, thus combining all local subsidiaries, under a regional subsidiary, which afterwards reports to the mother company. The level of control in the European subsidiary can be seen through the high number of Japanese nationals on high positions. Having the European department that controls most of the support functions within the company, such as the HR department, the Swedish subsidiary is allowed to focus specifically on the given task. Having to focus on achieving their goals rather than on other complementary functions, the Swedish subsidiary therefore needs mostly competent and skilled employees, that are able to do the job. One could say, considering the people employed at the Swedish subsidiary, that the Swedish subsidiary has thus a strategy that is in accordance with the mother company's strategy.

On contrary to the Swedish subsidiaries, the European office still has Japanese employees on managerial positions, showing that at the European level, the Japanese company still adopts an ethnocentric approach. The interviews have though revealed that there is a desire to change how the European headquarters are managed and by whom. Signs of such changes have already been seen, with positions that were before occupied by Japanese, now being occupied by European nationals. But in the European headquarters, Japanese nationals still remain dominant. Furthermore, there is a desire in the European offices to be able to have own goals and strategies, showing that at the moment, there is still very much influence and control from the mother company, control that the subsidiaries are trying to avoid. How the Japanese mother company is trying to fight this takeover, is to be seen.

6.2 Implication for the practice

This change in approach that was mentioned in our interviews has also been mentioned in more contemporary literature. Signs of such a change are for example, the current staffing policies in the smaller subsidiaries, and the appearance of the bridge individuals. They are employees on normal positions, supposed to enhance the communication between the subsidiaries and the parent company, thus, no longer needing Japanese managers to facilitate the communication between the different offices. Since bridge individuals are people with good communication skills, there is no requirement related to their nationality. Subsidiaries can adopt any suitable management staffing policy for their company and strategy and at the same time, employ bridge individuals in order to improve the communication between the different parts of the corporation. Moreover, the current employees of the company can become a link in the connection between the subsidiary and the parent company, through work exchange, conducted in Japan, as the literature states, for short periods of up to two years. The costs are lower and the benefits are higher with employing and training bridge individuals when compared to employing Japanese nationals on managerial positions, which is seen as a costly practice.

There, we believe that Japanese companies should reconsider their business practices and maybe take into consideration the usage of other approaches.

According to studied models, Japanese companies have a high path dependency and therefore they usually take a long time until they completely change their policies. Considering that 30 years after the economic downturn, the Japanese companies have still not completely recovered, it is maybe time for a change in strategy and an attempt to speed up the processes.

6.3 Implications for theories and further research

As concluded, research at the Japanese subsidiaries in Sweden has shown that an ethnocentric approach was not present in the researched data. The approach is still used at European subsidiaries, but a change towards a different approach has been noticed, and hopefully, this thesis will provide a good basis for future research on how Japanese international management policies are changing. As such signs of change can be detected, further research to see to what extent this sample is representative of the greater population is recommended.
Japanese staffing policy does not get the kind of attention it did around the age of the bubble economy, and what can now be seen regarding the subject is not the same as what studies from that time found. To look further with the same perspective but at the different levels of organisation is an interesting direction. To take a look at the same research question but instead through the other different offices such as the Japanese headquarters and the European one. This would give another insight as the perspective would differ between the levels of organisation. Also, as it is ultimately the Japanese headquarters that makes the decisions of changes of the international management staffing policy, their perspective future plans and thoughts are sure to be of interest.

A new larger quantitative study, as Trevor (1983) conducted, of the use of expatriates and Japanese national managers in subsidiaries are also something that can show us more exact numbers on the change that has happened. Grouping regional offices and smaller local offices and researching if the staffing policy differs between them can reveal interesting insights. A point that is also very important is to see passed the change and look at what results these changes have brought. Therefore, further research that examine the effects on the organisation these management policies have had, is of importance, especially as the old way Japanese companies have gone to tackle the problem has been very criticized, such a study could show if those allegations are rightful or not.

Moving away from managers and specifically research into “bridge individuals” is also something that can lead to interesting findings since the communication between the parties that the individual is ‘bridging’ is difficult by nature. Does this individual just turn out to be a translator like one of the interviewees mentioned in this thesis or does he bring know-how to the table? It also of interest how these bridge individuals can be used as the resource.

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Appendix

Interview questions

Introductory questions

- What is your name, age and nationality? (in the case the interviewee does not insist on being anonymous)
- What is your current position in the company?
- For how long have you occupied this position?
- How did your career path start in this company and how has it changed over time?

Main questions

- What function within the larger company does the Swedish branch involve itself in?
- For how long has it been owned by the Japanese company?
- How did the acquisition go? (in the case where a merger/acquisition took place)
- Could you describe the type of contact this company has with its mother company?
- To which degree is this company influenced by its Japanese owners? Is it a direct or indirect influence?
- Has the degree of influence changed over time? In which way? (if the answer is yes)

- Do you believe that in the nearby future the way the company's Japanese owners influences this company will change? In which way? (if the answer is yes)
- Do you have any specific staffing policy?
- How does this policy reflect your choice of employees?
- Is the staffing policy you have influenced in any way by the parent company?
- Is the staffing policy regarding management roles influenced in any way by the parent company? In which way? (if the answer is yes)
- Do you have any Japanese employees? In which positions? (if the answer is yes)
- Who is the decision maker when it comes to employing new people, you or the parent company? What was your decision to employ Japanese/Swedish nationals based on?
- Is there anything else that you might want to add?