Cross-cultural influences on organizational learning in MNCS: The case of Japanese companies in China

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Abstract

This paper draws on the social construction perspective and on social learning theory to examine the cross-cultural influences on organizational learning in MNCs. Social learning theory suggests that constructive engagement and member solidarity are key constituents of organization-based collective learning. Literature suggests, however, that cross-cultural differences in assumptions about social participation by organization members may impair organizational learning. The paper also reports a qualitative study, conducted at five Japanese-invested manufacturing companies in the Pearl River Delta, China. The research found that managers perceived Chinese frontline workers as lacking constructive engagement and member solidarity as compared with their Japanese counterparts, thus limiting organizational learning, and attributed these perceived differences to deep-seated cultural values. Attempts in two of the companies to ‘Japanize’ the workforces were reported to have had some impact, but appeared not to have substantially changed this picture. Urging caution regarding cross-cultural stereotyping and home country bias, we consider the implications for organizations with international manufacturing operations.

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1. Introduction

Schon (1983: 114) argued that the concept of organizational learning would become ‘an idea in good currency’. Since then, we have witnessed sustained interest both in academic circles and among business practitioners in pursuing the question, ‘how does an organization learn?’ (Tsang, 1997: 74). Much empirical material has been generated (Crossan and Guatto, 1996; Easterby-Smith, 1997), and some studies have examined the application of organizational learning theories to multinational corporations (MNCs) (Bartlett and Ghoshal, 1989; Gupta and Govindarajan, 2000; Kogut and Zander, 1993).

The idea that MNCs are social communities, specialized in the acquisition and transfer of organizational knowledge (Kogut and Zander, 1993), has given rise to several studies of how MNCs manage their knowledge flows and learning processes (Martin and Salomon, 2003; Minbaeva et al., 2003). Most of these studies adopt a cognitive/technical perspective on organizational learning (Easterby-Smith and Araujo, 1999; Huber, 1991), focusing on the facilitating mechanisms and potential barriers involved in knowledge transfer processes between the source and recipient units within the MNC network (Gupta and Govindarajan, 2000; Jensen and Szulanski, 2004; Mudambi and Navarra, 2004; Szulanski, 1996).

The cognitive/technical perspective represents organizational learning in MNCs as the acquisition, interpretation, integration and distribution of knowledge flow between the headquarters and its subsidiaries (Gupta and Govindarajan, 2000; Jensen and Szulanski, 2004) or among the subsidiaries themselves (Björkman et al., 2004; Mudambi and Navarra, 2004). This emphasis, however, neglects the role of cultural assumptions. Previous studies show that national cultures have developed different social expectations and norms regarding organization-based collective learning (Carmona and Gronlund, 1998; Hedlund and Nonaka, 1993). However, knowledge of the impact of culture on organizational learning (Cook and Yanow, 1993) remains limited, and very few studies have investigated how culture influences organizational learning in MNCs.

This paper seeks to fill this gap by applying a social construction perspective (Cook and Yanow, 1993; Easterby-Smith and Araujo, 1999; Gherardi et al., 1998; Lave and Wenger, 1991; Leonard-Barton, 1992; Yanow, 2000) to understand the nature and impact of cross-cultural differences in organizational learning. We will report a study of organization-based collective learning among Chinese frontline workers in the manufacturing plants of five Japanese MNCs in the Pearl River Delta of China. The rationale for choosing the intersection between Japanese and Chinese settings is that while the two countries have cultural similarities, there are also important differences which are not clearly understood (Fukuyama, 1995; Hall and Xu, 1990; White and Nakamura, 2002). The two countries are also worthy of study in their own right because China is now a major economic player, increasingly important to the world economy, while Japanese manufacturing companies remain leading players in terms of international inward investment, and retain a reputation for operational-level organizational learning capabilities and systems (Fruin, 1997; Nonaka and Takeuchi, 1995).

The main contribution of the paper is to indicate the potential influence on organization-based collective learning of cultural differences in expectations about the nature and depth of organizational participation and inclusion. The rest of the paper is divided into five sections. Section 2 compares the cognitive, knowledge-oriented perspective with the socio-cultural, learning-oriented perspective, and outlines the knowledge types and learning processes associated with these two perspectives. In Section 3, we adopt a definition of national culture, review the literatures on cross-cultural value differences, with special reference to Japan and China, and identify the
implications for organizational learning. In Section 4, we explain the qualitative methodology adopted for investigating the five companies in our research study. In Section 5, we compare and contrast the orientations toward organization-based collective learning of Chinese and Japanese frontline workers, as perceived, reported and illustrated by managers in our study. Finally, in Section 6, we consider alternative explanations for our findings, suggest directions for further research and identify practical implications for organizations with international manufacturing operations.

2. Perspectives on organizational learning, knowledge types, and constituents of social learning

In this section, we shall distinguish the cognitive, ‘knowledge-oriented’ perspective and its associated knowledge types, from the ‘learning-oriented’ social construction perspective and its associated social learning constituents.

The field of organizational learning originated from studies on decision-making and ‘bounded’ rationality at Carnegie-Mellon University (Augier, 2001), and early work focused on how organizational routines develop over time in response to, or anticipation of, environmental changes (Cangelosi and Dill, 1965; Cyert and March, 1963). Subsequent work investigated the organization/environment interface (Hedberg et al., 1976), rationality/irrationality (Argyris and Schön, 1978), and the role of knowledge acquisition, information distribution, information interpretation, and organization memory (Huber, 1991). An implicit assumption behind such models is that organizations are endowed with quasi-human cognitive capabilities (Cohen and Levinthal, 1990), and can thus perform intelligent decision-making processes by processing internal and external knowledge. This cognitive perspective has acquired mainstream status in studies of the organization and management of knowledge flows in MNCs (Foss and Pedersen, 2004; Kogut and Zander, 1993).

The social construction perspective was developed in the early 1990s as a counter-balance to the cognitive perspective, conceiving organizational learning as a process of inter-subjective, inter-group or interpersonal adjustment within a particular socio-cultural context (Nicolini and Meznar, 1995). It assumes that social participation enables members to make sense of current events and to build group solidarity (Brown and Duguid, 1991; Elkjaer, 2003; Gherardi et al., 1998; Lave and Wenger, 1991), through ‘ongoing social activity aimed at discovering what is to be done, when and how to do it’ (Gherardi et al., 1998: 277). As argued by Cook and Yanow (1993: 378), ‘when a group acquires the know-how associated with its ability to carry out collective activities, that constitutes organizational learning’. Organizational learning processes, viewed this way, take place in and through day-to-day work practices that are pursued and advanced by multiple communities of practice (Brown and Duguid, 1991; Gherardi et al., 1998), and are situated in intricate webs of social relationships and interactions.

The cognitive perspective is ‘knowledge-oriented’ (Easterby-Smith and Lyles, 2003), addressing the broad structural and systemic factors that affect the content-upgrading of the various types of ‘organizational knowledge’ generated from internal or external sources. By contrast, the social construction perspective is ‘learning oriented’ (Easterby-Smith and Lyles, 2003), focusing on the interpersonal adjustment processes and social dynamics that are collectively engendered by organization members. By emphasizing situated learning (Lave and Wenger, 1991) and the development and institutionalization of social practices (Gherardi and Nicolini, 2002), the social construction perspective allows researchers to investigate how issues of power (Coopey, 1995), politics (Coopey and Burgoyne, 2000) and culture (Cook and Yanow, 1993) influence learning in organizations at the micro-level.
While the co-existence of the cognitive and social construction perspectives might be taken as a sign of the fragmented state of the field of organizational learning (Easterby-Smith, 1998), we regard them as complementary, together reflecting the multi-faceted nature of knowledge and learning processes in organizations. We now identify various organizational knowledge types and organizational learning processes.

2.1. Knowledge types

The respective extents to which information is codified and is shared across different social and institutional entities are two major dimensions for classifying different types of knowledge in organizations (Boisot and Child, 1988, 1996, 1999). Knowledge may thus be tacit or explicit, and may be situated at individual or collective levels (Spender, 1996). Tacit knowledge is uncodified, contextualized, hard-to-articulate and intuitive in nature, and is acquired mainly through practical experience, or ‘learning by doing’ (Polanyi, 1962), whereas explicit knowledge is codified and articulated in formal and systematic language, which facilitates sharing and transfer. For individually-situated knowledge, control of storage, retrieval and application rests primarily within the sphere of individuals (Meindl et al., 1996), whereas collectively-situated knowledge is widely distributed, and is located in ongoing social exchange processes, such as open dialogue (Schein, 1993), co-participation (Wenger, 1998), social practices (Gherardi and Nicolini, 2002) or routines (Nelson and Winter, 1982).

Blacker (1995) identifies five different types of knowledge repository in organizations: embrained, embodied, encultured, embedded and encoded. Each has features that correspond to particular combinations of the individual/collective and tacit/explicit dimensions of knowledge (Lam, 2000). Embrained knowledge is individually-situated, and comprises explicit cognitive abilities, conceptual understanding, and theoretical reasoning. Embodied knowledge is also individually-situated but is tacit in nature, based on practical experience in specific contexts and manifests in skilled bodily or technical actions. Encultured knowledge comprises collectively-situated and largely tacit meanings and understandings, which are constructed and reproduced through social interaction and may be made more explicit through storytelling. Embedded knowledge is also collectively-situated and largely tacit, residing in taken for granted routines and systemic operations. Encoded knowledge is ‘information conveyed by signs and symbols’ (Blacker, 1995: 1025) such as progress charts, and prototype diagrams, and comprises explicit knowledge, also referred to as ‘canonical practice’ (Brown and Duguid, 1991) or ‘espoused theory’ (Argyris and Schön, 1978). This may describe standard operating procedures and systems, disseminated through official documents or exhibits. Physical or symbolic artifacts are thus vehicles for sharing knowledge and/or for making it explicit (Walsh and Ungson, 1991).

The various forms of knowledge serve diverse functionalities. Embrained knowledge is a resource for rational analysis and deductive thinking for tackling new and complex problems (Simon, 1957). Embodied knowledge enables individuals to generate automatic responses when facing problematic situations. Encultured knowledge helps to maintain shared assumptions and cohesiveness among existing members and to instill common values and norms among newcomers. Embedded knowledge similarly provides common ground for effective coordination. Encoded knowledge specifies standards and procedures for recognizing and dealing with contingencies.

2.2. Constituents and components of social learning

While knowledge types refer to various resource repositories in organizations, social learning denotes a set of processes for the creation and dissemination of such knowledge. Wenger (1998)
identifies constructive engagement and member solidarity as two major constituents of social learning that form the basis of effective organizational learning in and across communities of practice.

The first constituent, constructive engagement, or knowing in practice, entails working together as a community of practice to make sense of ambiguous situations and to engender productive responses to problems encountered (Lave and Wenger, 1991; Storck and Hill, 2000; Wenger, 2000). This relates to the concepts of ‘practice’ and ‘meaning’ in Wenger’s (1998) theory of social learning.

One aspect of constructive engagement is active participation in recurrent situated activities (Orlikowski, 2002) by members ‘who recognize this participation as competence’ (Gherardi and Nicolini, 2002: 421). For example, frontline employees may initiate ad hoc, informal meetings, at which they pool embrained knowledge and transfer embodied knowledge to one another through performance modeling and feedback. Such joint enterprise and mutual engagement (Wenger, 1998) shape sense-making through ongoing participation in work practices (Gherardi et al., 1998; Lave and Wenger, 1991; Richter, 1998; Weick, 1995), and may also generate innovative solutions to workplace problems (Brown and Duguid, 1991; Orr, 1996).

Other aspects of constructive engagement are open experience sharing, where members articulate and exchange perspectives and intellectual resources and take others’ opinions into consideration (Boland and Tenkasi, 1995), and open dialogue, through which members shape meanings and develop ‘shared repertoire’ (Wenger, 1998: 73), by reconciling differences and negotiating working consensus (Fiol, 1994). For example, Orr (1990, 1996) observed that photocopy machine technicians told ‘war time stories’ during informal breakfast and lunch meetings about how they dealt with the unexpected, thereby compensating for inadequate codified knowledge. Open experience sharing and open dialogue are also important during formal meetings, where frontline employees and supervisors may pool embrained knowledge and review working arrangements in order to develop encoded knowledge about how various departments may work together in future to prevent or tackle particular problems.

The second constituent of social participation, member solidarity, entails cohesiveness, both at an intra-group level, and at the level of the group’s relational harmony with the wider collective. This constitutes a platform that may sustain constructive engagement through times of adversity and change, even if members are geographically dispersed (Orlikowski, 2002), and relates to the concepts of ‘belonging’ and ‘identity’ in Wenger’s (1998) theory of social learning.

One aspect of member solidarity is a sense of mutual trust and accountability built on spontaneous cooperation, shared meanings and norms, common task significance, and emotional attachment to a collective identity across a ‘community of communities of practice’ (Brown and Duguid, 1991; Wenger, 1998, 2000). Such trust may motivate and facilitate the free sharing of embrained and embodied knowledge among frontline employees, enabling them to become more fully attuned to the needs of other individuals and groups performing different but interdependent tasks. In the event of mistakes or omissions, such trust may encourage a focus on creating new embrained and encoded knowledge in order to prevent further problems, rather than on games of blame and blame-avoidance.

Another aspect of member solidarity is organizational-level symbolic and emotional bonds (Brown and Starkey, 2000; Cook and Yanow, 1993; Corley et al., 2001; Gherardi et al., 1998; Gherardi and Nicolini, 2002; Orr, 1990, 1996; Storck and Hill, 2000; Weick and Roberts, 1993). Organization-level bonds may motivate and facilitate the development of embedded knowledge to enable various departments to coordinate their actions more efficiently through mutual adjustment. They may also facilitate the spread of encultured knowledge about performance
norms and about norms of constructive engagement to new employees, through storytelling and role modeling.

3. Cross-cultural differences in organizational learning

Assumptions about the nature and importance of constructive engagement and member solidarity tend to differ across cultures (Easterby-Smith, 1998). For example, Japanese manufacturing organizations are known for their ability to manage tacit knowledge through constructive engagement and member solidarity at the collective level (Nonaka and Takeuchi, 1995), while Western firms tend to place more emphasis on contributions by individuals (Hedlund and Nonaka, 1993). In this section, after proposing a definition of national culture, we identify intercultural differences in organizational learning through social participation, and we conclude with two propositions regarding the contrasting approaches of Japanese and Chinese employees.

3.1. Implications of national culture for organizational learning in cross-cultural settings

The concept of national culture has long existed in various academic disciplines (Kluckhohn and Strodtbeck, 1961), and no single definition fully captures its diverse meanings and attributes. Borrowing from an organizational-level formulation, we shall assume that ‘a culture is constituted, at least in part, from the inter-subjective meanings that its members express in their common practice through objects, language, and acts’ (Cook and Yanow, 1993: 386). National culture may shape action by providing ultimate values toward which action is directed and adopted (Rokeach, 1973; Schwartz, 1992), where a value is ‘an element of a shared symbolic system which serves as a criterion or standard…’ (Parson, 1951: 11–12). A person’s actions and frames of reference may be guided and shaped by the value systems associated with the indigenous culture in which that person grew up. As Swidler (1986: 283) notes, ‘culture provides resources for constructing organized strategies of action.’

Research on International Joint Ventures (IJVs) suggests that national culture-based value differences at senior levels may give rise to incompatible assumptions about management systems that can impair organizational learning in cross-cultural settings (Danis, 2003) and may even result in the dissolution of the JV (Child and Rodrigues, 1996; Parkhe, 1991). Mistrust and socio-emotional conflicts arising from cross-cultural value differences may be aggravated by negative stereotypes. For example, in a Western-Sino IJV, the Westerners may see the Chinese partners as change-resistant (Child and Markoczy, 1993) over-preoccupied with ‘face’ (Ho, 1976), and indifferent to out-groups (Hofstede, 1984), while the Chinese may see their Western counterparts as arrogant and disrespectful (Child et al., 1994).

While such cross-cultural difficulties concern organizational learning at the strategic apex of the organization, our own research focused on China vis-à-vis Japan regarding operational-level organizational learning, i.e., at shop floor level. At this level, Keys et al. (1998) argued that best practices from Japan might not be replicable overseas, because of Japan’s unique social and cultural environment, but Saka’s (2004) study of Japanese companies in the UK suggested that successful adaptation and transfer could nonetheless be effectuated. One possible explanation for this is that Japanese and British cultural values are sufficiently compatible in relation to organizational learning for compromise arrangements to be struck. China and Japan are both oriental, group-oriented cultures (Fukuyama, 1995; Hampden-Turner and Trompenaars, 1993; Hofstede, 1984), but differ significantly in their ways of interpreting and expressing Confucian values (Hall

3.2. J-type model: social learning community

A core strength of exemplary Japanese manufacturing firms has been identified as their capability to manage and promote organizational learning through shared values and interdependent team relationships (Hill, 1995). Another core strength is proactive input from frontline and peripheral workers (Fruin, 1992, 1997), such that Japanese work forces have developed the ability to mobilize themselves in very large numbers to meet internal and external challenges (Cole, 1995; Keys et al., 1998; Lam, 2003). Such firms operate as cohesive social learning communities, where frequent lateral sharing of knowledge between units and identification with the wider collective enable the integration and synthesis of knowledge (Kono and Clegg, 2001; Lam, 2000, 2003). That Japanese workers are expected to display an abundance of constructive engagement and member solidarity, which, as noted above, are major constituents of organizational learning, may at least in part be attributed to their national culture, which is said to value initiative taking and collective identification.

Shared assumptions about the need for constructive engagement may be underpinned by cultural assumptions that include high tolerance for uncertainty (Nonaka, 1988), and the inclination among managers to adopt a ‘variety amplification’ cognitive pattern, open to as many phenomena as possible (Aoki, 1988; Nonaka, 1990; Sullivan and Nonaka, 1986). Japanese organizational traditions are reported also to emphasize self-initiative, total participation and commitment from all frontline workers to achieve continuous improvements (Ouchi, 1981; Imai, 1986). There is also a strong expectation that employees (while being proactive and resourceful) can obtain help from superiors when having personal difficulties (Koizumi, 1989; Tayeb, 1994). The much publicized ringi decision-making system and quality circles, both of which seek to obtain group consensus and company-wide commitment to the implementation of decisions, remain highly popular practices (Kono and Clegg, 2001).

Regarding collective identification, the cultural value system inherited from the Tokugawa period has helped Japanese firms to develop interpersonal cooperation among employees and reciprocal obligations between employees and the firm (Hill, 1995). These collective cultural values and cooperative norms have fostered the development of a ‘strong form’ of trust (Barney and Hansen, 1994), thus lowering the necessary transaction costs for achieving competitive advantage over the Western and other Asian rivals. In Japanese culture, the boundary of the ‘family group’, ie, is not rigid, such that Japanese workers can consider others with non-kinship ties as family members (Kashima and Callan, 1994), which can promote a strong sense of member solidarity within the company (Koizumi, 1989). Thus the Japanese are said to be very open to personalizing solidarity relationships with work colleagues, and to developing a high degree of shared identification with and emotional attachment to the corporation as a non-kinship based family (Cole, 1989; Dore, 1973; White and Nakamura, 2002). Typically, a set of company practices and informal norms reinforce the group’s salience, and strengthen regular employees’ identification with the firm and their embeddedness in collegial and superior–subordinate relationships (Aoki, 1988).

3.3. Chinese organization model: paternalistic bureaucracy

Chinese organizations, by contrast, have typically been found to resemble paternalistic bureaucracies, characterized by a strong, traditional reliance on uncodified and undiffused
knowledge and by a ‘fief’ form of governance structure (Boisot and Child, 1988, 1996) favouring personalized but hierarchical relationships. Chinese workers’ attitudes towards their employing organization have been characterized as ‘tangible instrumentality’, with weak emotional attachment to fellow workers and to the enterprise (White and Nakamura, 2002). Their national culture, relatively indifferent to initiative taking and collective identification outside the kinship based family, might be expected to result in low levels of constructive engagement and member solidarity.

Regarding the relative absence of constructive engagement, Chinese leaders expect to have absolute authority and control over subordinates and Chinese subordinates are said to expect and be expected to conform to instructions from above rather than to engage in independent inquiry or initiatives (Farh and Cheng, 2000). Long-established assumptions about the need for deference to topmost authority are expressed in large power distance (Hofstede, 1984), managerial paternalism and paternalistic headship (Bond and Hwang, 1986; Westwood, 1997), worker dependency (Bond, 1991), and authoritarian leadership (Silin, 1976). When faced with new problems, Chinese workers tend to avoid making individual decisions and refrain from exposing ideas to public scrutiny (Tang and Ward, 2003). In a study of foreign-invested joint ventures on Chinese soil, Child and Markoczy (1993) traced the unwillingness of local Chinese managers to express opinions in meetings to their deference to higher authority. They found that this deference restricted the joint ventures’ ability to obtain members’ input and in turn dampened the lateral flow of knowledge.

Regarding relative absence of collective identification with the firm, portrayals of Chinese social organization indicate that the Chinese ‘family group’ is defined almost exclusively by kinship ties, sharply distinguishes core from non-core group members (Hsu, 1953) and is the primary unit in most social settings (Lockett, 1988; Tang and Ward, 2003). Accordingly, Chan (2000) highlights a tendency for non-family members in the organization not to be trusted. Kinship ties are said to take precedence over the needs of other groups (Redding, 2002), including work colleagues, the wider organization and society as a whole, a phenomenon called ‘utilitarianistic familism’ (Lau, 1982: 72).

Based on the literatures on cultural values and practices in Chinese and Japanese organizations, respectively, we submit two propositions regarding constructive engagement and member solidarity, the two major constituents of social participation in organization-based collective learning.

**Proposition 1.** Japanese workers tend to exhibit higher levels of constructive engagement in organization-based collective learning processes than do Chinese workers, manifest as more active participation and as greater willingness to engage in open experience sharing and open dialogue.

**Proposition 2.** Japanese workers tend to exhibit higher levels of member solidarity as a basis for organization-based collective learning than do Chinese workers, manifest as stronger interpersonal bonds of mutual trust and accountability, and as stronger collective identification with the company through symbolic and emotional bonds.

### 4. Methodology

Case study methodology (Yin, 1989; Eisenhardt, 1989; Marschan-Piekkari and Welch, 2004) was employed to investigate factory plants operating in the Pearl River Delta region of the People’s Republic of China that were owned, either wholly or in part, by five Japanese manufacturing companies. The research design evolved from an initial study of each company on a stand-alone
basis that explored and identified relevant concepts informed by theories, before moving to the later stage of replicating the emerging findings across the different cases (Parkhe, 1993). Two interrelated research aims emerged. The first of these sought to ascertain whether cross-cultural value differences were perceived to exist in Japanese-owned or Japanese-invested manufacturing companies located in China. The second was to investigate how any such cultural differences influenced frontline employees’ participation in organization-based collective learning processes.

Between them, the China-based plants operated in a range of industrial sectors, including electronics, food and beverages, textiles and architectural products. They also varied in terms of ownership type, and years since establishment in China. These variations were taken into account when making cross-case comparisons (Strauss, 1987) and increased the potential for generalizability to other manufacturing settings (Table 1).

The fieldwork took place between February 1999 and December 2000. For triangulation purposes, a number of data collection methods were adopted, including in-depth interviews, 24 of which were conducted across the five Japanese subsidiaries. The interviews asked respondents to draw on personal observations and experiences and sought to generate detailed descriptions of specific events and concrete incidents in which collective learning took place or failed to take place. Direct observations of five group-meeting sessions were conducted in one case company, with the intention of witnessing collective learning processes in situ. Secondary data, including company records, brochures and annual financial statements were also collected from all five companies.

The interviewees included seven expatriate Japanese managers from four of the companies, along with local Chinese managers and supervisors. Almost all interviews were tape-recorded with interviewee consent and in the isolated cases where this was withheld, detailed field notes were fully written up within 24 h. Each interview lasted between 1 and 2 h, and was guided by an interview protocol that focused on intercultural differences in collective learning styles and approaches. Interviewees were asked to describe and illustrate their perceptions of the

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Background information of case companies</th>
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<tbody>
<tr>
<td></td>
<td><strong>Canon</strong></td>
</tr>
<tr>
<td><strong>Industry</strong></td>
<td>Electrical equipment</td>
</tr>
<tr>
<td><strong>Geographic location</strong></td>
<td>Zhuhai</td>
</tr>
<tr>
<td><strong>Main products</strong></td>
<td>Camera, photocopier, laser printer</td>
</tr>
<tr>
<td><strong>Mode of operation</strong></td>
<td>Wholly-owned</td>
</tr>
<tr>
<td><strong>Partners</strong></td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Registered capital</strong></td>
<td>US$140 million</td>
</tr>
<tr>
<td><strong>No. of employees</strong></td>
<td>2700</td>
</tr>
<tr>
<td><strong>No. of Japanese</strong></td>
<td>48</td>
</tr>
</tbody>
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a Guangzhou.
b Hong Kong.
c Macau.
d Total number of Guangzhou, Hong Kong and Macau.
characteristic collective learning orientations of local frontline Chinese staff and of Japanese expatriates, and to comment on any related cultural differences. They were also asked to give accounts of intercultural collaborative learning activities, to describe their organization’s efforts to facilitate organizational learning within the China-based plants, and to comment on any problems regarding employees’ engagement in collective learning or regarding the development of cohesive learning teams.

We decided to target managers’ accounts rather than those of frontline workers for three reasons. Firstly, the companies were reluctant to give access to their Chinese frontline employees. Secondly, we discovered that there were no Japanese frontline workers stationed in research sites. Thirdly, only the managers had had prolonged contact with both Chinese and Japanese workers, and therefore would be in a better position to provide detailed accounts of perceived characteristics of both Chinese and Japanese workers in their company. Furthermore, we regarded managerial accounts as important in their own right, since managers were in a position to influence company policy regarding cultural integration.

The data analysis proceeded iteratively through data coding, data sorting, within-case integration, and cross-case comparisons (Eisenhard, 1989; Parkhe, 1993). The analytical approach was issue-focused (Weiss, 1994: 153; Stake, 1995) and was iterative in nature (Glaser and Strauss, 1967; Eisenhardt, 1989). A mixed data coding approach was adopted, through which emerging themes were compared with established constructs in the organizational learning literatures, with the early stages of the analysis more open ended than the later ones. This approach reflected an attempt to be sensitive to the case contexts while also allowing the data to be matched with appropriate theoretical concepts.

Passages within the interview transcripts were first given codes based on factual descriptions or inferential interpretation in the light of relevant literature and with reference to examples and impressions obtained during the interviews themselves (Miles and Huberman 1994: 57). The initial categories were clustered on the basis of the first author’s own interpretation and understanding of the interview data. As we developed a deeper understanding of the case contexts, such as the specific local institutional conditions, we became increasingly sensitive to the issue of cross-cultural differences in expectations about social participation in organizational learning. Accordingly, later interviews became more directly focused on this issue, and during the latter stages of the analysis, we drew more directly on the literature on social learning theories (Lave and Wenger, 1991; Wenger, 1998; Gherardi et al., 1998) and on Sino-Japanese cultural differences (Bond, 1991; Bond and Hwang, 1986; White and Nakamura, 2002).

Although we eventually found that data could be matched with categories from pre-existing social learning theory (Wenger, 1998), an inductive element remained part of the overall analytical approach (Strauss, 1987; Strauss and Corbin, 1990) and preserved unique nuances within the data. Analysis within each company case iterated between data and theory, in the light of the availability of disconfirming evidence from available sources. The last stage of data analysis entailed examination of cross-case similarities and differences, giving rise to further theoretical modifications in order to arrive at ‘theoretical saturation’ (Strauss, 1987).

5. Findings

In line with our analysis of the literature on cross-cultural differences, many respondents indicated that they perceived marked cross-cultural value contrasts between Chinese and Japanese frontline workers. In this section, we report our findings with reference to Wenger’s (1998) model of social learning. Accordingly, we shall illustrate perceived cross-cultural differences in Table 2 in
terms of the components of constructive engagement (active participation, and openness to experience sharing and to dialogue) and of member solidarity (trust and mutual accountability, and symbolic and emotional bonds). In many cases the illustrations given of differences regarding one particular component of social learning also overlap with allusions to differences regarding other components. We conclude the section by explaining how some companies responded to such perceived differences by engaging in high levels of ‘Japanization effort’.

5.1. Active participation

Japanese and Chinese managers in all five case companies reported that the Chinese frontline workers tended to act passively (and uncooperatively). They contrasted this with Japanese frontline workers in corresponding plants in Japan. Some Japanese managers mentioned that on arrival in China, they had expected that the Chinese frontline workers would, like their Japanese counterparts, actively generate ideas and insights for improving production, and had been disappointed that this was not happening. To them, the Chinese frontline workers appeared to maintain rigid and narrow conceptions of their roles, and were seen not to participate actively in

<table>
<thead>
<tr>
<th>Core constituents</th>
<th>Salient components</th>
<th>Japanese employees’ orientation</th>
<th>Chinese employees’ orientation</th>
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<tbody>
<tr>
<td>Constructive engagement in collective learning processes</td>
<td>Active participation</td>
<td>• Conception of work as a collectively self-organized activity</td>
<td>• Rigid, narrow focus on individual, hierarchically differentiated job duties</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Self-disciplined participation in creating and sharing knowledge</td>
<td>• Passive, minimalist, unpunctual job engagement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Frontline workers initiate improvement proposals</td>
<td>• Frontline workers are dependent on higher authority for improvement initiatives</td>
</tr>
<tr>
<td>Willingness to engage in open experience sharing and open dialogue</td>
<td></td>
<td>• Strong participation in company-arranged collective learning forums</td>
<td>• Unenthusiastic about interacting with other members in relation to work issues</td>
</tr>
<tr>
<td>Member solidarity as a basis for collective learning</td>
<td>Mutual trust and accountability</td>
<td>• Close, cooperative interpersonal working relationships</td>
<td>• Loose social connections at work: individualistic, antagonistic and competitive relationships</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• A sense of interpersonal and cross-departmental interdependence among the employees</td>
<td>• Clearly demarcated duties, titles and power</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Wholehearted contributions</td>
<td></td>
</tr>
<tr>
<td>Identification with the organization through symbolic and emotional bonds</td>
<td></td>
<td>• Strong loyalty to and pride in the enterprise</td>
<td>• Emotional detachment; instrumental orientation toward and weak identification with the enterprise</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• ‘We’ consciousness; family-like atmosphere</td>
<td>• ‘I’ consciousness</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Colleagues are treated like strangers</td>
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self-organizing activities or in collective learning forums such as quality control circles. For example, the Japanese Production Manager at Kirin commented as follows:

The unique feature in Japanese production management systems is that there is no intention to manage every worker. Instead a staff-centered approach is adopted to facilitate the performance of their duties. They have to manage their own tasks and handle equipment problems. When we are implementing quality control (QC) activities in Japan, everyone would actively participate in the activities and would evaluate the results in a self-disciplined manner. In China, the QC activities have to be performed by a third party to control the product quality.

The Japanese General Manager at Casio alluded to another sign of relative passivity (and lack of cooperation) among frontline Chinese workers, when he complained that the local workers were not punctual in attending company meetings:

Their punctuality still needs further improvement. It has been a tradition for us to hold a monthly breakfast meeting in the factory. But there is always a delay for 7 to 10 minutes to wait for the presence of all factory workers.

The Chinese managers’ perceptions of the Chinese frontline workers tended to correspond to those of the Japanese managers. For example, the Chinese Production Supervisor at Casio gave the following account:

Another area to improve is their self-discipline. The Chinese work very hard during the superior’s presence, but they may become slothful when he is not there. For example, they may read newspapers, write private letters and play computer games during office hours.

At Kirin, Casio, and YKK, where there had been relatively little effort to Japanize the local units, task roles on the assembly line took on a hierarchically differentiated pattern, with responsibility deflected upward to the Japanese or Chinese team leaders, who found themselves assuming functional as well as managerial duties. The frontline Chinese workers in those companies were generally seen by both Chinese and Japanese managers to avoid decision-making responsibility and not to give suggestions for improvement. For example, the Japanese Production Manager at Kirin continued:

In Japan, when we are considering setting up a new management system, the staff at the lowest rank will make the first proposal. The ideas will then be circulated up to the top. The juniors are the ones who will be operating the system, so it is better to have their input during the planning stage, in order to minimize the problems of implementation. But in China, instead of frontline workers, the managers will make the proposal and determine the broad direction. The frontline workers are not aggressive enough.

The Chinese Deputy General Manager at YKK (Hong Kong) had a similar viewpoint about the difficulties involved in getting Chinese frontline workers to accept greater responsibility. He commented:

Differences in the socio-cultural conditions of local workers have created some difficulties for introducing the quality management programme. Every worker was supposed to take the lead in the problem solving process and team discussion activities. But the Chinese staffs could not appreciate the benefits at first. It took them quite a while to accept the proposed changes and change their attitudes.
5.2. Open experience sharing and open dialogue

The lack of constructive engagement among the Chinese workers appeared also to be reflected in a general reluctance to engage in experience sharing or dialogue. When asked about the most difficult problems encountered in the technology transfer process, the Chinese Production Supervisor at Casio commented further on this issue.

The headquarters provides us with the support we need, both in terms of technology and resources. However, when it comes to human resources, there seems to be a big issue to be tackled here. I have no doubt about the local talents. In fact we (Chinese) can master the new ideas pretty fast. But compared with the Japanese, we seem to lack their ‘fighting’ spirit and the willingness to share and learn.

Similar problems were also identified among the two companies, Kyoden and Canon, which, as explained later, had exerted high levels of Japanization effort. The Japanese Production Manager at Canon judged that the local workers fell short of Japanese standards of total involvement in the enterprise’s collective learning activities. The Japanese General Manager at Kyoden, where the most extensive Japanization effort had been made, commented similarly on the relative unwillingness of the Chinese frontline workers to share in discussions about quality improvement, and despite culture change efforts at the site, he did not expect this to change in the near future.

If it is possible, I would like to see that all staff become responsible for the kaizen activities, because so far only the leaders are responsible for quality control. The frontline workers have made a limited contribution to the improvement of product quality. It would be much better if the responsibility for quality improvement was not restricted to the leaders and became shared by everyone.

The perceived problem of lack of constructive engagement among the local Chinese workers thus appeared to be a common factor in all five companies, including those where there had been a relatively high level of Japanization effort.

5.3. Mutual trust and accountability

The Japanese expatriates explained that interpersonal bonding, expressed in close, cohesive and cooperative relationships among immediate co-workers, was taken for granted in their respective Japan-based factories. They expressed disappointment that Chinese workers appeared, by contrast, to be individualistic, competitive and antagonistic (and consequently unwilling to share ideas, experience and information). For example, the Japanese General Manager at Canon lamented that Chinese workers seemed even to face barriers to working cooperatively with members of their immediate work group.

An interesting characteristic among local workers is that the concept of work is somehow different from in Japan. Sharing of information, responsibility and workload is somehow limited here.

The Chinese managers tended to concur with such descriptions of the individualistic behavior of the frontline Chinese workers. For example, according to the Chinese Production Manager at Canon:

It is intended that the problem solving meetings are conducted in an open and candid manner for the common good of the company. The members are supposed to contribute
wholeheartedly to the discussions without any reservations. However, due to the inherent Chinese culture of competition rather than cooperation, on some occasions team members set out to out-do the others.

The Japanese expatriates portrayed their respective organizations’ Japan-based factory sites as trusting and mutually accountable communities. In contrast, they saw the local Chinese workers as accepting accountability only for specific tasks assigned to them. For example, the Japanese General Manager at Canon complained about the difficulties of working with the local Chinese employees on cross-departmental projects. He perceived them to be less motivated than their Japan-based counterparts to cooperate with other teams and felt that there was a long way to go before a cohesive learning community, comparable to those on Japanese home soil, could be forged.

The cultural differences are significant. Within the traditional culture of Canon, we encourage close cross-departmental cooperation and expect total employee participation in the production process, and each department acts supportively toward the others. Here, however, the workers perceive their work differently. They tend to have clearly demarcated duties, titles and power.

5.4. Symbolic and emotional bonds

The general belief that the Japanese workers share a strong common bond with their organization (White and Nakamura, 2002) appeared prevalent. Japanese employees at all levels were seen to have a strong emotional attachment towards their company, manifest as strong loyalty. For instance, the Japanese production manager at Canon was proud of being a ‘Canon man’, and expressed strong commitment to and identification with the organization and its goals. However, the Japanese managers reported concern about lack of emotional detachment among the Chinese. For example, the Japanese Plant Manager at Canon commented that the Chinese workers were not working cooperatively with other teams.

The unique traditions of Japanese management require close coordination between different departments. Chinese workers are less cooperative in this regard.

The Chinese Deputy General Manager at Kyoden also commented that the local Chinese workers did not regard the organization as a salient and unified entity. Such attitudes fell far short of his aspirations, and he believed that it would take a long time before a family-like atmosphere could be established. As he explained:

It is ridiculous to treat your colleagues as strangers since you’ll be facing them for the whole day, even though they are not from the same department. It is our hope to build up a family-like atmosphere within the company, and we are working hard towards this direction.

5.5. High versus low Japanization effort

Managers attributed the perceived cross-cultural differences in organizational learning behavior to values that were deeply ingrained in national culture. Having defined this as the root of ‘the problem’, some locally based managements developed solutions that entailed scaled down expectations, while others applied high Japanization effort as a form of cultural ‘brainwashing’. Thus it was that varying degrees of Japanization effort were reported in the five case study companies. At their most intense, such efforts entailed attempts to make communal rituals, office
and plant architecture and other physical artifacts isomorphic with those in the corresponding Japan-based plants, in order to socialize local Chinese employees into compliance with Japanese-style organizational norms that appeared to correspond to the collective learning constituents of constructive engagement and member solidarity. According to interviewees’ accounts two companies, Kyoden and Canon, had exerted the highest degree of Japanization effort.

At Canon, several managers claimed that their company’s custom-built open plan factory design exemplified the cultural norms imposed by the corporate parent, and facilitated frequent informal meetings and interactions because of relatively close physical proximity and accessibility among production line staff. They believed, in particular, that the open architectural layout enabled frontline staff to become rapidly aware of any problems arising, and to participate freely in sense-making and knowledge sharing as required by circumstances. At Kyoden, the top management believed that requiring all workers to wear uniforms and to undertake various daily communal rituals from Japan was helping the local Chinese to identify with the company, and was socializing them into the headquarters’ norms of self-motivation and accountability.

In contrast, interviewees at Casio, Kirin and YKK indicated that the respective managements had made relatively little attempt to Japanize their local workforces. For example, office and plant layouts at these three companies were said not to closely follow the open plan style at the corresponding Japan-based sites, and company rituals were described as infrequent or poorly attended. Furthermore, at YKK, there was no mandatory requirement for workers to wear uniforms.

As indicated by quotes given earlier by managers at Kyoden and Canon, high Japanization effort had had some impact in socializing frontline workers into adopting the constituents of collective learning, but did not appear to have closed the ‘cultural gaps’ between the assumptions of Chinese frontline workers vis-à-vis the Japanese.

6. Conclusions

6.1. Theoretical and practical implications

We found that Japanese expatriate managers and local Chinese managers in all five companies (1) reported differences between frontline Japanese and Chinese workers in terms of constructive engagement and member solidarity, and hence participation in organization-based collective learning, and (2) attributed to deep-seated cultural values the frontline Chinese employees’ resistance to such involvement. Thus our Japanese and Chinese informants believed that national culture either shaped or limited local employees’ orientation toward constructive engagement and member solidarity.

These two main findings are consistent with our two theoretical propositions, which are both based on the ‘particularistic’ view (Easterby-Smith, 1998) that national cultures constitute unique sets of values and assumptions that either encourage or discourage collective learning though knowledge sharing and mutual routines (Carmona and Gronlund, 1998; Hedlund and Nonaka, 1993; Holden, 2001).

We found that managers at the two highly Japanized case companies, Canon and Kyoden, reported that the Chinese frontline employees had come to participate more in these companies’ collective learning processes than in the less Japanized companies, although progress in this respect had been disappointingly slow. Whatever progress had been made was attributed to the concerted cultivation by the Japanese management of corporate values through corporate culture maintenance rituals, such as collective physical fitness exercises and office cleansing routines.
performed early in the morning, and through other imported enterprise contexts, such as open plan plant and office layout.

Moreover, we also found that human resource management policies, programmes and practices at the host sites differed considerably from those adopted to support organizational learning in the corresponding home sites. Expatriate managers regretted this but accepted that local conditions governed what was economically and politically feasible.

These findings suggest that while the host culture may present barriers to the cross-national transfer of organizational learning systems from a home country to a host country (Holden, 2001; Hong et al., 2006; Glisby and Holden, 2003; Wensley, 2001), there are two broad principles regarding the removal of such barriers.

First, importing enterprise contexts from the home country is likely to work better if these are adopted from the very beginning. Thus, it may be important to choose sites with relatively few physical constraints on appropriate plant and office architectures. Also, it may be better to introduce rituals and routines immediately, as an integral part of organization membership, rather than bringing them in later on, when they may be regarded as arbitrary impositions.

Second, while policies, systems and practices regarding employee selection, performance appraisal, reward management, pre-employment socialization, job design, formal training, and other structural aspects of human resource management at the host site are constrained by local labour market needs and expectations, interpersonal elements, such as role modeling of target norms and behaviors (Alas and Sharifi, 2002), are less constrained and may help to build norms conducive to social participation in organization-based collective learning.

6.2. Caveats and limitations

We acknowledge that our findings may be seen as part of a broader, more complex picture that includes home country, self-serving and/or social desirability bias, cross-national political hostility and host country bias, language barriers, and differences in assumed expert power. Below, we assess four alternative explanations for our findings.

6.2.1. Home country, self-serving and social desirability bias

It is possible that some Japanese expatriates, out of national pride, might have expressed ‘home country bias’ (Bartlett and Yoshihara, 1988). Thus they may have exaggerated the importance of their indigenous management practices and the favourable qualities of their compatriot employees, and they may have exaggerated the extent of the intercultural adjustment problems faced by the Chinese. It is possible also that the Chinese managers who agreed with the Japanese managers may have expressed the self-serving bias of an elite group with a need to see themselves as superior to ordinary Chinese employees, and/or they may have expressed ‘social desirability’ bias by not being entirely frank in reporting their feelings, a phenomenon noted by Shenkar (1994).

However, we regard these possible explanations as relatively unlikely for three reasons. First, a more straightforward explanation of the apparent inter-subjective agreement between the two national groups of managers about the lack of social participation by Chinese frontline workers, and about the impact of cultural factors is that their reports were based on actual observations. Second, the interviewees’ reports are consistent with the extant literatures about mainland Chinese employees (Hill, 1995; White and Nakamura, 2002; Hall and Xu, 1990), which indicates that they are seen as passive (Child and Markoczky, 1993; Pun, 1990), decision-averse, and unwilling to work as teams (Child et al., 1994). Third, their reports are consistent with other studies that have
indicated the proactivity and solidarity of Japanese workers (Fukuyama, 1995; Hedlund and Nonaka, 1993; Nonaka and Takeuchi, 1995; White and Nakamura, 2002).

6.2.2. Cross-national political hostility and host country bias

It is possible that cross-national political hostility from frontline Chinese workers toward the Japanese, based on historical incidents involving the two nations, was a factor driving resistance among the former to developing emotional attachments to a Japanese company and hence to engagement in organization-based collective learning at our research sites. A recent sign of hostility by the Chinese toward the Japanese was a series of urban riots during the early part of 2005, in protest against actions by the Japanese government that were widely interpreted as glossing over wartime atrocities. However, there are three reasons relating to the time and place of the research why cross-national political hostility is relatively unlikely to have been a significant factor in our study. First, most of the recent anti-Japanese public demonstrations in Beijing, Shanghai and Shenzhen were short-lived, and had limited repercussions, in that there were no reports of subsequent large-scale labour protests or workplace vandalism at Japanese enterprises. Second, these public demonstrations occurred five years after the interviews for our study were conducted. Third, prior researchers have noted that people in the southern part of China are seldom concerned about ideological issues and tend to care more about instrumental issues, such as the improvement of their own economic well-being (Henley and Nyaw, 1987; Bond and Hwang, 1986; Lau, 1982; Tang and Ward, 2003). This ‘migrant worker’ mentality, featuring preoccupation with seeking higher pay and better working conditions (Bjorkman and Lu, 1999), is consistent with the lack of commitment and belongingness attributed to the Chinese frontline workers in the research.

Notwithstanding this, it is possible that a form of ‘host country bias’, akin to that of supporting their home team rather than the away team in sports matches, may constitute a potential barrier to Chinese frontline workers’ identification with the goals of Japanese or other foreign organizations and thus to their engagement in behaviors that promote organizational learning.

6.2.3. Language barriers

Another possible explanation for our findings regarding the Chinese frontline workers is that language barriers reduced their ability and inclination to participate in organization-based collective learning. Since the majority of them could not speak Japanese, the Japanese managers relied on the Chinese middle managers or on professional interpreters to convey relevant messages at the workplace or during company meetings. Social distance arising from the need to go through intermediaries may have constituted a barrier both to the transfer of tacit knowledge, hence to participation in knowledge creation (Nonaka and Takeuchi, 1995), and to the development of solidarity with the company.

6.2.4. Difference in assumed expert power

An additional possible explanation for the ‘passive’ behavior of Chinese frontline workers is that this did not stem from cultural factors but was rather a reflection of a perceived difference between themselves and the Japanese in terms of expert power. The Chinese frontline workers may have adopted the stance that it was inappropriate for them, as relative novices with little experience of working in nonstate-owned enterprises within a market economy, to suggest to the Japanese how work in this context should be done, given the latter’s successful prior experience. Semantic confusion and incomprehension about the meaning of being active participants in the construction of a learning community may have constituted a related barrier.
Although we regard some of these alternative explanations as unlikely in the particular case companies that were studied, they illustrate that there are multiple potential causes of low levels of apparent constructive engagement and member solidarity, and suggest that it is advisable for managers at host sites to remain alert to these alternatives.

6.3. Suggestions for further research

While our research identified a consistent pattern of perceptions and attributions concerning the relationship between cross-cultural value differences and organizational learning behavior across the five case study companies, a qualitative study such as this one could not directly examine or establish patterns of causality.

Questions concerning whether or not the core values of some national cultures actually predispose members to engage relatively freely in organizational learning at operational levels, and whether the core values of other cultures constitute actual barriers to organizational learning warrant further critical examination through a series of cross-cultural comparative studies. Local differences in human resource management systems and/or product-level business strategies (Currie and Kerrin, 2003) are additional independent variables that might affect the behavior of local frontline workers and could be considered and controlled for in future research. Also, although accessing relevant data might present a major challenge, the impact of cross-national political hostility could be examined by comparing the levels of collective identification versus resistance among Chinese frontline workers within investing companies in similar industries from various European, North American, and Asian countries. Since it is possible that members with different socio-cultural backgrounds may have different but no less valid ideas about how to pursue and express active engagement and member solidarity, further research could also seek to obtain face-to-face interviews with frontline workers in order to discover what active engagement and member solidarity mean to them, and to develop representations of what they see as possible constraints on their engagement in organization-based collective learning.

References


