MSc Strategic Engineering Management

Dissertation

Missing link between Performance and Japanese language for Japanese overseas subsidiaries

A case study of a Japanese automotive component manufacturer in Europe

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Abstract

This dissertation investigates the performance challenges of a European subsidiary of a large Japanese automotive component manufacturer, and whether such challenges are caused or amplified by the founding and dominant language of the headquarters' language – Japanese.

There is widespread research describing the national and organisational culture differences that could lead to different forms of working styles and values. Also research exists demonstrating the differences of languages – contextual to non-contextual, the intertwining of culture and language, and difference in meaning caused even with translation.

There has been research studying the interactions between subsidiaries and headquarters as well as difficulties of communication amongst such offices.

The research conducted a questionnaire on a team of fourteen employees – made of a multiple nationalities including Japanese expatriates to Europe, located in one of the offices of the European subsidiaries. An additional questionnaire provided in literature was also employed for a more specific subset of members of the subsidiary – operational management at senior manager and director level as well as a human resource manager.

The results found that not all theories such as Hofstede's dimensions are able to predict the results. Even something as small but profoundly meaningful – a

small pause or hesitation to reply a question, which was said to be a positive polite gesture in Japanese language, was found to be negatively perceived by the Japanese native speakers, while being of no concern to the rest. It also found that at least some issues are similar to those predicted by prior theories describing the issues that occur between distant headquarters and subsidiaries.

As a result of this research, a couple of more focused recommendations on how to better engage with headquarters could be determined, that should be able to improve against the issues of this team.

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1. Introduction

In examining the robustness and quality of the products being imported from Japan into Europe up to the early 90s research into the success of such Japanese corporations, such as DENSO (formerly known as Nippon Denso) and Toyota Motor Corporation tells us that much of their post-war success can be attributed to the work of Deming (Beckford, 1998).

Theories are often associated with Japanese companies. Such theories include those of “Zero-Defects” or “Poka-Yoke”, which when implemented are accredited for Japanese companies’ cost reduction and thus customer loyalty (Bodek, Dillon and Shingo, 1989).

Japanese companies are all around us today through brand names such as Sony and Toyota, it seems that their success overseas has not been close to that of their homeland.

Looking at the financial report of one such large manufacturer – DENSO over 50% of its revenue is still domestic (DENSO Corporation, 2015).

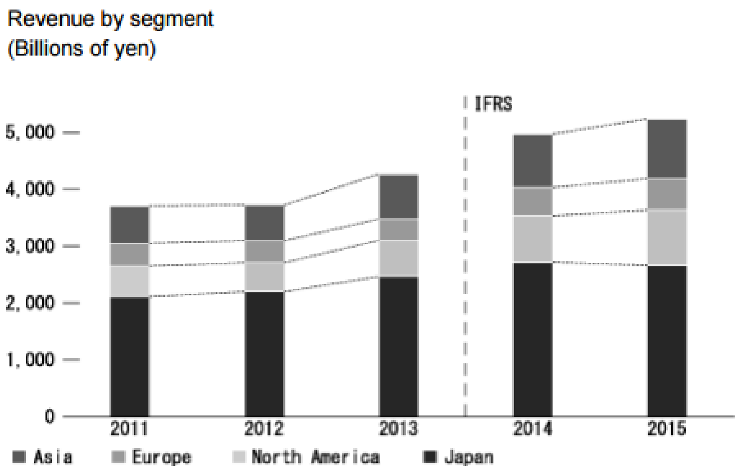


Figure 1 - DENSO Revenue (DENSO Corporation, 2015)

This is not the case for all Japanese manufacturers, since, for example Toyota seems to have an equal split of revenue amongst domestically in Japan and North America (Toyota Motor Corporation, 2015).

The European organisation and business unit under focus in this research is one that has not enjoyed the full overseas success as that of Toyota. In such an atmosphere there is also a reasonable difficulty with employee retention.

The same is also not the same for European competitors as Continental AG and BOSCH seem to continue their success in Europe (Schniewind, 2018).

Perhaps the fact that Europe as a region operates with the English language as its business language whereas its headquarters being located in a country (Japan) operates through the use of the Japanese language may be the unexplored or underestimated factor for all the difficulties of the operations.

1.1. Culture and Language

Much work has been done into understanding national culture and its influence on an organisation. Perhaps one of the most popular work is that of Dr Hofstede involving the study of culture influence at IBM which has since been evolved by others Michael Harris and Misho Minkov (Hofstede, 2011; Hofstede, 2019; The Hofstede Centre, 2001).

Through this dissertations it is hoped to uncover difficulties for an organisation to operate when the parent company is Japanese and operates in Japanese language (at least in part).

There may be instances of more obvious issues such as old documentation being available only in Japanese - such obvious occasions are expected to cause issues and are not the main focus of this research.

Rather, the indirect effect will be considered and given additional effort as it may be more easily missed by its Japanese management and actually causing small but significant impacts on the organisation's performance. An example might be when a European employee with a double-barrel surname is registered with only half of their surname in the company, leaving the employee unappreciated as if the company could not even bother to get their name right. The reality is that most computer systems in Japan including those of city hall, are unable to accept the entry of a middle name or a double-barrel surname.

Japanese language itself lacks a Japanese word or phrase for “middle name”.

Such indirect influence, is perhaps a bit challenging to separate out from culture, but it is assumed in this research, that at its root - culture flows out of language. This concept that culture stems from language and that they are intertwined is best summarised by the American anthropologist Kroeber (1923) having said, “culture, then, began when speech was present, and from then on, the enrichment of either means the further development of the other”.

In education and linguistics, it is sometimes said language cannot be separated from culture, and that to learn a language, one is also learning the originating culture (Valdes, 2001), because “cultural manifestations are acts of communication” (Guessabi, 2018).

So the assumption made in this research is that even if great effort was made during translation from Japanese to English, the fact that language derive culture as defined, and that Japanese language is very contextual (Reischauer and Jansen, 2003), then translation of the Japanese language may lead to a loss of context and hence a meaning that is literally lost in translation.

There is also the matter that the connotation of a word is not equivalent to the direct translation of words. Kameda (2012) gives examples of words that have an exact translation but carry a different level of positive to neutral connotation after doing so.

Guojonsson (2009) even suggests, that the contextual language as well as the various ways of communicating honorifics, and ritualised practices such as the exchanging business cards, are reasons that foreigners are not deeply involved in Japanese business. Thus there are also instances where languages force our cultures to collide (SYNODOS, 2016). In some respect, the exchange of business cards at the start of such meetings, is a reflection of the hierarchy, and thus necessary for Japanese to distinguish that hierarchal gap to then establish the language necessary (West and Graham, 2004).

With so much difference and potential for misunderstanding surrounding language, it is no surprise that Neeley and Kaplan (2014) tell us that in global organizations that speak several languages without a language strategy, often result in inefficiency. It is therefore reasonable and recommended that global organisations select one main language which is often English.

Unfortunately, Japanese headquarters do not always accept to change their business language. When the Japanese company Rakuten (a major online seller) decided to switch the business language from Japanese to English, it was received with public criticism including that from other large global organisations such as Honda, calling it “stupid” (Neely, 2012). However even though establish and enforcing language policies are difficult, Neely (2012) reports that even then, performance may suffer due to reduced information flow.

With language playing such wide effect in culture and operational performance, it is of interest to study and understand if Japanese language could cause issues to a European subsidiary.

Within the context of the organisation being used in this case study, this research will aim to clarify the above assumptions and suspicions in order to propose a few potential countermeasures.

It is hoped that this research can contribute to the organisation all three pillars of sustainability (Robertson, 2014, ISO, 2016; Sikdar, 2003; Glavič and Lukman, 2016). The ideal results would be – better employee retention, better economic stability and reduced air-travel (with the implied CO_2 impact).

1.2. The Organisation of the Study

DENSO was established in 1949. At the time of this writing, the organisation employed close to 170,000 employees globally, 40,000 of which are located in their headquarter office alone, in Japan.

In Europe the operation is significantly smaller – with 17,000 employees amongst several offices and production sites. Of employees, around 700 are in Germany – where there is no production operations (only logistics, sales and engineering). The study will focus on the powertrain components development team located in 150 international employee engineering facility in Germany. The team itself is made up of 14 engineers of 8 different nationalities.

1.3. Research Question

"Is Japanese language generating a hindrance to achieving sustainable operations of a European Japanese automotive component manufacturer in Powertrain and are there countermeasures available to limit the negative impact?"

1.4. Aims and Objectives of the Study

- Critically evaluate the relationship between Japanese language and the ability of the powertrain components team to achieve its business objectives.
- Identify potential countermeasures and critically review their effectiveness at improving the business effectiveness as well as the possible side effects

1.5. Outline of Dissertation

The dissertation will review relevant literature in Chapter 2 and critically review it in order to identify the theories and models available, as well as the limitations or short-comings. There is much literature describing the cultural dimensions of different national regions most notably that of Hoffstede's 6 dimensions of culture (Hofstede, 2017). There is also much literature, such as that of Meyer (2014 & 2015) describing the communication difficulties amongst expanding organisations due to cultural differences that translate a good behaviour into a negative one and vice-versa. However there is also literature such as that of Bouquet, Birkinshaw and Barsoux (2015) that attributes difficulties of organisations expanding overseas to managerial and operational issues that seem to develop by themselves as a consequence of the subsidiary being a subsidiary in one market, and the headquarters being a headquarters in a different market. The other possibility is also suggested to be caused by linguist ability such as in the work of Neeley (2015).

In the Chapter 3, an explanation of the choice of research methodology and justification to that chosen method.

The result and findings of the research will be detailed in Chapter 4.

Final conclusions and recommendations will then be summarised in the final section of the dissertation - Chapter 5.

2. Literature Review

The differences in the way people or groups of people behave in different cultures even when working for the same company or brand has been well studied, most reputable is the work of Dr Hofstede, which has heavily been expanded to reflect more countries and organisations at the Hostede Centre by Michael Harris and Misho Minkov (The Hofstede Centre, 2001). In their work they try to define culture by dimensions of opposing scales.

The six-dimensions established including all of the original work as well as the additional recent research are (Hofstede Insights, 2017; Hofstede, 2011):

1. **Power Distance**: A measure of acceptance of unbalance of power between those with and with less power within a society.
2. **Uncertainty Avoidance**: A measure of avoiding risk and ambiguity.
3. **Individualism versus Collectivism**: A measure of people's preference to work as individuals or part of closely tied up group for the collective goal.
4. **Masculinity versus Femininity**: The term relies on the stereo-typing the meaning of masculinity and femininity. A society with higher masculinity prefers assertive decision making, hero-like behaviour, as well as attaining success and rewards. On the other hand femininity represent a preference for being modest, focusing on co-operation, and good social quality of life for all - weak and strong.
5. **Long-Term versus Short-Term Orientation**: Social psychologist Michael Harris Bond originally studied this dimension and was first known as confucian dynamism before becoming the fifth dimension of

Long-term orientation (Hofstede, 2019). This dimensions measures whether a group prefers to retain tradition or would rather continuously revise its method in preparing for the future.

6. **Indulgence versus Restraint**: The term measures to which level a society focuses on seeking indulgence of human drivers, or restraining itself towards social norms.

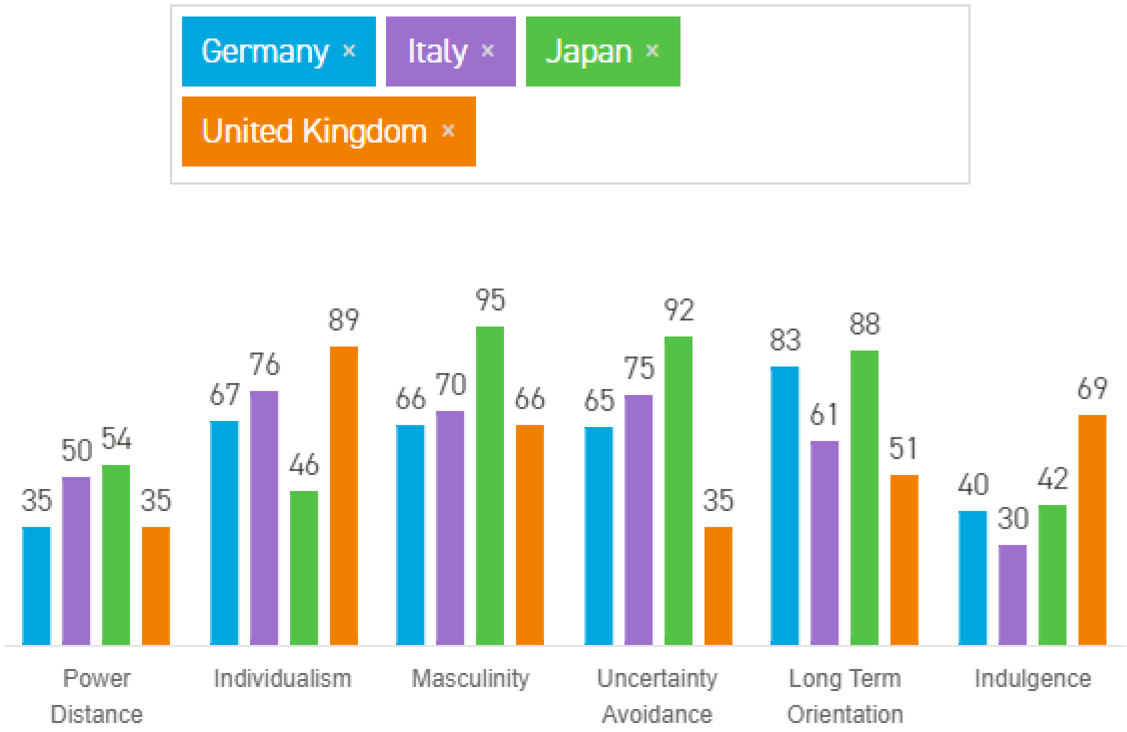


Figure 2 - 6D Comparison (Compare countries - Hofstede Insights, 2017)

Hofstede's work is one of the most is popular and thus also well critically reviewed for being subjective and its methodology of research (McSweeney, Brown and Iliopoulou, 2016; Catalin and Micu, 2013). In actual fact, the work of Hofstede has also evolved and been revised in follow-up publications with the inclusion of different research, such as that of Michael Harris Bond

(Hofstede, 2019). Hofstede addressed the difference of national and organisational cultures in the publication “Measuring organizational cultures: A qualitative and quantitative study across twenty cases” (Hofstede, Neuijen, Ohayv and Sanders, 1990). From this latter research, six different dimensions were uncovered (Hofstede, 2011):

1. **Process-oriented versus results-oriented**

Difference between focus on process or the focus of outcomes.

2. **Job-oriented versus employee-oriented**

Job-orientation focuses on job performance, whereas employee-orientation cares for the overall well-being of employees.

3. **Professional versus parochial**

Professional pivots around the speciality of study / experience / title of the individual, the latter focuses on company given identity.

4. **Open systems versus closed systems**

This is the scale to which communication is conducted externally and with what level of ease are outsides admitted in.

5. **Tight versus loose control**

The level of formality and punctuality expected - certain industries may require tight control by nature, but the level of tight control applied can vary amongst organisations or units of the same industry field.

6. **Pragmatic versus normative**

This measures the level of flexibility to adapt to the environment - in particular the customer. Public services tend to be more flexible whereas organisations serving within legal constraints tend to be more normative. This dimension is also referred to as the degree of “customer orientation”.

In most of Hofstede’s work, it is implied that culture dimensions belong to the nationality of the unit of comparison or the organisation. However the study does not seem to reflect if the dimensional differences are caused by headquarter and subsidiary relationships or market differences. For example, perhaps headquarters have a natural tendency to imply assertiveness.

Other concern is that of language. If a language which lacks assertive expressions, is that a reflection of the society’s lack of assertiveness or is it just that assertiveness is expressed with less assertive words.

It could be that while conducting a research similar to that of Hofstede, it might be impossible to distinguish between the direct translation (by the interviewee or the translator) and the indirect message.

There has been work done to uncover the relations between language and culture, and also Hofstede's study was questioned by West and Graham (2004) from this view. They cited the work of Hall and Hall (1987) which specifically pointed out that Japanese language is a language that inseparable from culture. They explained this by highlighting the difference of *tatemae* and *honne* - two forms of truths used when speaking in Japanese. The direct translation of *tatemae* is "building facade in front", but in context it is meant to imply something that speaker is saying on the surface and not their true opinion or consideration. On the other hand, the direct translation of *honne* is "true sound" which is the honest feeling or thoughts of the speaker.

Literature suggests that attempting to define culture without language is in fact not possible, to the extent that gaining proficiency in a language (King, 1990). A well-defined link between language and culture are nevertheless elusive (Tenzer, Terjesen and Harzing, 2017) .

Of course, 'culture' in itself is abstract and complex. It is said that culture is "learned… transmitted intergenerationally… symbolic… dynamic… and ethnocentric", (Nishiyama, 2012).

Based on such literature conclusions, one ought to accept the subjectivity of any finding that is a result of research in a diverse culture and language environment. Even if "truths" were to be found, one cannot assert that they will be true indefinitely.

2.1 Subsidiary versus Headquarter Factor

Hofstede's work started based on his involvement at IBM over 70 different countries (Hofstede Insights, 2017), however it implies differences only belong to the culture of the society. It could however be possible that the differences are caused by relationship differences of the different units.

This aspect has been investigated by Bouquet, Barsoux and Levy (2014). They studied the effect that attention from headquarters has on a subsidiary. They focused on the negative impact on a subsidiary of a western company operating in China. This research found issues of 'Headquarter versus Subsidiary'. Their research expected it to be desirable to get the attention of headquarters and is envied by subsidiaries that are not in a market that is "hot area", but actually concludes that the result of the attention can produce unstable or hindered performance results. To the said authors' surprise, during workshop discussions, managers voiced frustrations to excess attention rather than insufficient attention. They termed it as "hyper-attention" which negated the value of the subsidiary.

The study did not include influence of daily communication mediums, but only business trips for headquarters to the subsidiary. The study resulted in three claimed issues:

1) Number of visits from headquarters
2) Increased workload due to the visit (directly and thereafter)
3) Lack of understanding generated after the visit

(Bouquet, Barsoux and Levy, 2014)

These three claims will be critically reviewed, however it might also be that conclusions are not transferable, other research of Beechler and Yang, (1994) studied the transferability of a limited sample of Japanese companies' human resource management to American subsidiaries in specific regions, and found that much variation exists even within the same industry sector based on their prior experience and corporate philosophy.

2.1.1. Number of visits

The number of visits focuses on the work-load made to please the visiting senior staff for issues such as socialising with visitors over the weekend, itinerary planning and pleasing their personal agendas (Bouquet, Barsoux and Levy, 2014). On face value this seems to be irrelevant for the focus of this study. However, it is plausible that Japanese language exacerbates this due to implications made when communicating in Japanese language.

While in the west we refer to members by their name (or family name) with a prefix such as ‘Mr, Madam, Sir’, in Japanese language, family names are suffixed with honorary (or down-ranking) titles (King, 2013). Example senior management may refer to lower management with a suffix “-kun” which is normally used to infer younger age, but in a business context used to infer subordinance. It is found that such suffix also make the implication where the “junior” is expected to be on standby with anticipation of the “senior” request (Nishiyama, 2012). This will be relevant in the following research as it might amplify the frustration of staff in our European subsidiary that understands the implication of the suffix, and equally might frustrate the performance of the members of a subsidiary that do not understand the implications of the suffix. There are possibly even less direct inference in Japanese language such as the choice of referring to “us” / “our” as a direct translation - “watakushi” / “watakushi no” or choosing the word “uchi” which translates more closely to “(my by possible implication) home” or “inside”. The use of “uchi” can sometimes be used to infer the distinction from “soto” (outside), thus implying that the receiver of the communication is not part of the group which therefore implies difference.

While the literature refers to “hot markets” as those of growth, it might be relevant to the research to assume that the results are transferable to this research from the viewpoint that our subsidiary is in a hot technological market.

2.1.2. Increased Workload due to Visits

Bouquet, Barsoux and Levy (2014) found that the visits from headquarters also generate additional activities beyond the visit itself that are deemed to be only for the merit of the headquarter curiosity rather than the performance of the subsidiary itself. Indeed this may be even more disruptive for operations with significant time-differences such as ours, as it may require working outside of normal ours to satisfy headquarters while reserving the normal operational hours for the local region customers.

While the literature talks about the workload in itself, one should question if this hunger for information from the subsidiary is aggravated by linguisting differences. Example - while it might be easier to explain things verbally on the phone, written communication may be required to reduce the risk of misunderstanding. Complex matters may need to be visualised altogether to circumvent language completely. The study of Gunasekaran and Rohani (2016) demonstrates the positive effect of visualising in communication to overcome language barriers and improve the quality of communication, but makes the positive conclusion of invested time to avoid wasted time later.

However the study does not question if the investment would have been less had the language barrier been lower, which could be the case when the language barrier is so high for Japanese in communication with an English speaking subsidiary.

2.1.3. Lack of Understanding

Lack of understanding as concluded by Bouquet, Barsoux and Levy (2014) is caused by headquarters having assertiveness of overseas situation based on their limited exposure and thus setting incorrect expectations or making judgements on behalf of the subsidiary.

This again might be worsened when considering the effectiveness of the infrequent visit with lower language compatibility. Using the example of the word “difficult” can help to illustrate the point. In several literature work it is recognised that in English, “difficult” implies a low probability of success but with a definite possibility, whereas in Japanese, the translated word “muzukashii” implies it is “difficult and impossible” (Adachi, 2010 and Kameda, 2012). In fact, during negotiations, when uses the phrase “chotto muzukashii” - “a little bit difficult," are indirectly hoping for the requester to give-up, while in English it might be received with a sigh of relief that it is more achievable than just, “difficult”. This difference may stem from culture that is expressed through language, Gao (2015) describes the desire to value harmony lead to the avoidance of disagreement and avoidance to make categorical statements. In opposite contextual translating from “not possible” to Japanese is understood as aggressively rejecting to even consider the request. Such a statement may come at the cost of a termination of the relationship amongst the two speakers (Donahue, 1998).

Thus it is easy to imagine that visitors from headquarters participating in overseas meetings with only direct understanding of the language (academic or by translators) may completely misunderstand the situation. If this misunderstanding is then used for assertive decision making back at headquarters, it is obvious that the level of misunderstanding is multiplied.

Unfortunately confusion exists even when communicating yes, as even when Japanese members are nodding their heads while saying, “yes” is actually aizuchi (nodding in agreement) confirming reception of the words and understanding the words themselves, but not with what is being said. Japanese would be able to understand when “yes” means yes or when it means no by interpreting verbal and non-verbal cues. Thus language requires more than just linguistic competency but also bicultural competency (Adachi, 2010).

One of the recommendations of Bouquet, Barsoux and Levy (2014) was to learn to say “no” to headquarter. The implied challenge is developing a self-esteem to resist sub-ordinance and justifying decisions, however as mentioned earlier, in case of a Japanese headquarter, it may require language and the related culture consideration.

The source of misunderstanding mentioned so far is mostly from words of different meaning, yet it must also be recognised that there are words for which there are no identical translations. Taking the example of “you” - a single possibility in modern English, whereas “du” (used for younger persons or close friends) and “Sie” (for formal conditions) are available in German, however Japanese, often implies it without saying or uses one of the many words - “anata”, “omae”, “kimi”, “anata” each able to deliver a specific implication that cannot be easily translated back into English by a single word (Saint-Jacques, 2012).

One such as expression might be “A rolling stone gathers no moss”, which is found in British-English, American-English, and Japanese, but the intended message difference. Japanese appreciate moss as a beauty that requires patience and stillness, concepts similar to that of historical-British values of settling down and building a house and family - growing the moss. However in American society, moving on to new and better jobs (Maurer, 2019) is common, and thus this expression is often used to imply the opposite - that it is necessary to keep on-going moving, changing on to prevent the moss from growing, and so that the stones can keep their shine (Fujisato, 2012).

When two parties from different cultures in a negotiation are likely to adopt the primary language of one of the two parties, this will open up the difficulties of difference in meaning to the same word even if translated. It is also the case that this difference may emerge even when both parties communicate in the same native language but from different cultures, the notion or meaning can differ (Adachi, 2010).

2.1.4. Improper Translation due to Language

It is also said that culture is a result (at least in part) of language, even to matters seemingly as trivial as colour Suntharesan (2016).

If we are able to describe by non-equivalent words, such as describing a colour by means of a more qualitative description or by quantitatively describing in terms of ratios of red, green and blue, it is unlikely to give the same meaning – since the language has words that are of importance to that culture Akhan (2017), and perhaps the absence of a word implies that it is unimportant to that culture.

If it assumed that culture barriers emerge from language, then it shown in literature that the cost of culture adjustments exists, especially when limited opportunities to exploit prior experience exist (Barkema, Bell and Pennings, 1996) and thus hindering operational profitability due to said costs.

The concept of language influencing the way of thinking is also visible in Western languages – such as German and English. French (2015) gives us the simple example of the German word – “Der Akadmiker” – “an academic”, which in German carries some additional layers of meaning such as the implication of one considerable prestige. From this elemental word distinction other words derive further deviating differences such as “akasddemische Viertel” – “academic quarter (15 minutes)”. This term is used to imply the superiority of an academic, granting them the right to be always in delay to appear in class due to their status.

When focusing to Japanese, it is unfortunately also the case that it is not only the individual words that transfer different meaning, but that the words ending a sentence transfer an emotional stance for the speaker, rather than the word order as is in English (French, 2015).

2.2 Implicit Communication

Difference in understanding are not only caused by language differences, but also implicit communication. From a study of Louis Vuitton, Meyer (2015) found that certain "*managers didn't finish their sentences. Instead, they would begin to make a point and then say something like "OK, you get it?"".* Employees could understand the meaning of the words, probably to an equal or higher linguistic understanding, but different office regions could not reach the same implicit meaning. Furthermore, it seems that the vague and unclear way of communicating at Louis Vuitton, may be part of the magical space for the company, and thus employees *"...embrace it, because they believe it is central to the company's success*." (Meyer, 2015)

Meyer (2015 & 2014) also reports that the same style of working caused difficulties in overseas operations leading to camps of "them versus us" similar to those reviewed earlier by (Bouquet, Birkinshaw and Barsoux, 2015).

2.3 Language Bias

There is much literature about the bias of language often in particular about the gender bias of languages. This can occur in the way language is used or by the language itself.

An example of the first is well explained by Mills (2010), with reference to the song of Calvin Harris - The Girls from 2007, in which the song talks about loving all “types” of girls (ethnicity and skin colours”. In doing so, the verse objectifies women in categories, and kills the possibility of implying love that is possible from between two or more unique individuals. This form of bias is said by Mills (2010) to be a stereotype usage of the language.

The latter case of language bias occurring by the language itself is of greater interest to this review. Mills (2010) refers to it as sedimented grammatically, pointing out that some languages do it to greater extents. The example used is that of a minister, for which the noun for the profession is masculine, thus making it difficult to refer to a female minister.

The work of Mills (2010) reviews in detail gender bias and the different ways that language bias is corrected in different ways with different consequences - such as “male nurse” rather than using an entirely new gender free word as in other cases such as “police officer”. However, gender bias is a dimension which we are increasingly being made aware of. It could also be possible that language biases in other dimension that affect the way an organisation thinks.

One example is that that there is a lack of marketing department in Japanese organisations (Kotler and Yamamoto, 2014). Often product line-up and market predictions are driven by the engineers with the support of business planning departments to calculate the cost of their ideas to ensure profit based on the engineers predicted value. This could in fact stem from the fact that there is no native Japanese word for marketing, instead they use Katakana writing to directly import to English world as “ma-ketingu” (Matsuda, 2008). Thus there could be inherent bias in the way one thinks of professions or responsibilities as a natural consequence of the language, in the same way the existence of a word implies importance and the way we think about matters (Akhan, 2017).

2.4 Corrective Actions Considering Language

In literature it is possible to find advice on how to correct against issues that could arise from language. Such is the example of Neeley (2015) who recommends three rules for organisations with regard to language:

1. Dial down dominance (for fluent speakers)
2. Dial up engagement (for less fluent speakers)
3. Balance inclusion (team leaders)

(Neeley, 2015)

The framework proposed by Neeley (2015) is designed to create an unbalanced dominance of control by language. It is worth to wonder if in a Japanese overseas subsidiary company - where on one hand, the Japanese team have a native dominance of Japanese and a very low proficiency in English (Aoki, 2017; Yokogawa, 2017'; ETS, 2017), and on the other hand similarly polarising but inverted language proficiency exists - could lead to more than just isolating part of the organisation, but rather mutual exclusion and dual parallel working. If that were to be true, it would be worth to investigate ways in which to reconnect the two "halves" of the organisation.

Literature suggests that indeed language is a critical matter, as "*Leaders of global organizations often pay little attention to language when hiring, training, assessing, and promoting employees… The company's competitiveness may suffer as a result.*" Neeley and Kaplan (2014). However can organisations emphasise on language skills at the expense of talent in the operating field? It would be worth to gather a sense, if language skills can deliver better results than high professional skills in a globally challenging organisation such as that of a Japanese overseas subsidiary.

2.5 Summary

The organisation is expected to show attributes and behaviours expected or described in the literature. Therefore the research will determine which models or theories seem to be true for the organisation, and later attempt to uncover if the root cause of these issues are simply due to the validity of the models or due to language areas.

From Hofstede's 6D (Hofstede Insights, 2017), it will be relevant to determine if the uncertainty avoidance contrast is true for this organisation, as this might determine that the headquarter and subsidiary have resulting different risk appetites - *"the amount of risk that an organisation is willing to take in order to meet their strategic objectives"* (IRM, 2017) and if communication or languages are generating or amplifying this dimension. The questionnaire will ask if when a Japanese colleague supports with communication or their hold a face-to-face meetings, are the associates in the subsidiary able to convince headquarters to proceed with a business opportunity that was deemed riskier. The interview will attempt to describe how headquarters was convinced and why it was not possible to do earlier as well as whether the delay to convince headquarters hindered the possibility of achieving the operational targets.

Often decisions are discussed and deliberated in headquarters, and thus it seems that the organisation follows a closed system rather than an open system (as described by Hofstede, 2011). By investigating this matter, it may be uncovered that the organisation has a closed system to the extent that subsidiaries are deemed external, or if this is a cause of language difficulties, or is deep rooted the language based culture of “uchi” (my home).

To determine the validity of the dimension the questionnaire will try to include some Japanese members to try and differentiate if the same words have a different sense of assertiveness or not.

Most of the issues faced in the subsidiary might be similar to those uncovered by Bouquet, Barsoux and Levy (2014) and (Nishiyama, 2012). To determine this, some of the questionnaire questions will be used to confirm similarities. In addition, the “Headquarters Knows Best” diagnosis tool will be used. While these questionnaire results will not expose language relevance, it will hint to the sort of improvements that can be applied and expose points worth investigating deeper in the interviews.

To understand if communication differences, such as different use of direct communication due to language or those such as described by Meyer (2015) of implicit communication differences. Direct experience will be put on the questionnaire list in order to determine if all questioned associates can capture the same understanding or not.

3. Research Methodology & Methods

This chapter will describe the six layers of research methodology selected as part of the layered sequence introduced by Saunders, Lewis and Thornhil (2016).

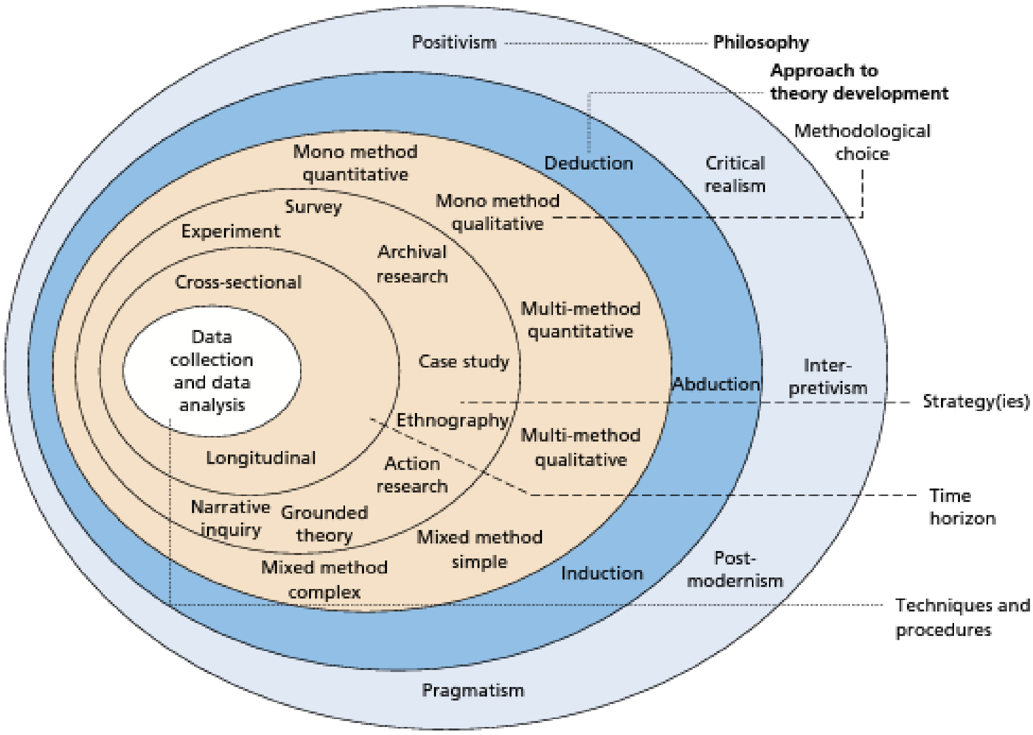


Figure 3 - The Research Onion (Saunders, Lewis and Thornhill, 2016)

This research seeks to identify possible relationships between operational performance and the Japanese language based on a case of a single small team part of a large organisation with multiple nationalities within a specific team, it is assumed that conclusions made are contain uncertainty in themselves as a result of language, and the language itself cannot convey objective facts, due to individual interpretation. This will be the ontological assumption when approaching this research since the individuals within the organisation are in part not working in their native language and since language is an imperfect method of objectivity, it is thus also implied that this research cannot be of an objective nature.

The models and conclusions from literature are assumed to also suffer from language handicaps (as an example the research of Hofstede may have also been based on imperfect data due to language differences), nevertheless by recognition of their popularity in the academic community, it is also possible to extract some level of universal conclusions that if generalised, hold true for other similar conditions (within similar time periods). Those conclusions and truths may change over time for unknown reasons or change of language itself. Due to the dependency on time to interpret reality, a critical-realism approach is assumed for this study.

Critical-realism - interprets and concludes on the subject based on observation or experience of existing data from events (Saunders, Lewis and Thornhill, 2016) and thus seems appropriate for this scope.

The research attempts to develop and grasp the effect of language and the culture it carries in an international work environment, and therefore realism is appropriate in contrast to a relativist philosophy, however the research must remain bound to critical realism and not direct realism since it is assumed that reality cannot be directly sensed or objectively deduced.

An acceptable criticism of the above decision is that by accepting that the pure the result may be of less value to future organisations or other organisations, since the reality is partial to the given sample and moment. This is an accepted limitation since the goal of the research is to better the selected organisation. It is accepted that this form of post-positivism requires that multiple measurements and observations are necessary to adjust against the inaccuracy of the measured data itself (Sachdeva, 2009). The final and perfect conclusions may never be achieved since it will require several samples and re-evaluation since according to a critical-realism approach, the truth itself is not stationary as time passes.

Literature suggests that language is in itself a dilution of reality. Recent work such as that of Bone et al., (2017) suggest and produce results that indicate that language (direct and indirect) is a distraction even for experts of the field, and that the problem is so complex, that AI might be better suited and learning to decode human communication. Thus it would be a failure to pursue deductive reasoning for this study, since it is not the scope of the study to validate the findings of existing literature, since it is by previous reasoning assumed that objective realities are elusive by time and language

Rather, this research will use inductive methods and testing to drill down and deep into the mechanisms and patterns that may be obstructing the operations of the organisation from achieving its goals. This method of investigation might be better called interpretivism (Saunders, Lewis and Thornhill, 2016).

Of course this in itself implies that the findings of such research may not be transferable due to their relative value in time and context.

The concluding results of the research might be valid for other parts of the organisations and in the future, deductive methods may be employed to validate them, thus allowing the research to extend to a more objective direction or a more critical-realism process. While such deductive methods as a follow up to inductive research (Donley, 2012), they will be considered as activities for future work.

3.1 Research Approach

The literature reviewed will be used as guidance to validate the extent to which they hold true to the said organisation and hopefully draw-out recommendations for the organisation.

If new hypothesis are generated as part of the research, it may be possible to take on a deductive approach to validate those hypothesis through experiments of deductive reasoning (Donely, 2012). However the majority of the research will be inductive, as set out earlier, the research will only attempt to make wider conclusions and prioritise conclusions relevant to the specification organisation, which is justified according to Saunders, Lewis and Thornhill (2016).

However, collecting age and nationality information of the expected relative small sample size, might make it impossible for participants to fill out the questionnaires without fear of identification due to the small sample size. Therefore, it might be that hypotheses will have to be proposed as points of future research for larger sample sizes.

3.2 Research Design and Strategy

The research will be a qualitative study in which the main source of data will be surveys which are commonly used for qualitative studies (Saunders, Lewis and Thornhill, 2009). Interviews are a popular to find the behaviour of people (Krishnaswami and Satvaorasad, 2010) and were considered but omitted due to time-limitations from the company management.

3.3 Data Collection Method

The research will be conducted by means of the questionnaire surveys. The questionnaire will be shared with one team in Germany. The rational of this is that if there are no differentiating trends, it would contribute to a larger data set, however differences may also appear that could help extract hypothesis or validate in part some of the results found in the literature review (such as language dominance bias).

A second questionnaire will be conducted with only three members:

1. Operational director
2. Managerial member of the human resource department
3. Operational senior manager (Japanese expatriate from headquarters)

The second questionnaire will be explained in more detail, but is almost entirely based on the diagnosis tool by Bouquet, Birkinshaw and Barsoux (2015). Since this is meant to identify objective issues about the organisation, it is deemed unnecessary to conduct the questionnaire with a large sample size as in theory the answers should be similar.

3.3.1 Questionnaire Design

The first questionnaire will start off with questions that do not have a background to the question, and progressively go deeper into the subject, as suggested by Brace (2008), in order to minimise the risk of bias in the answers.

The questionnaire for the engineers will be short, as Cape, Lorch and Piekarski (as cited by Brace, 2008) showed that the average drop-out rate of participants is proportionate to the length of the questionnaire.

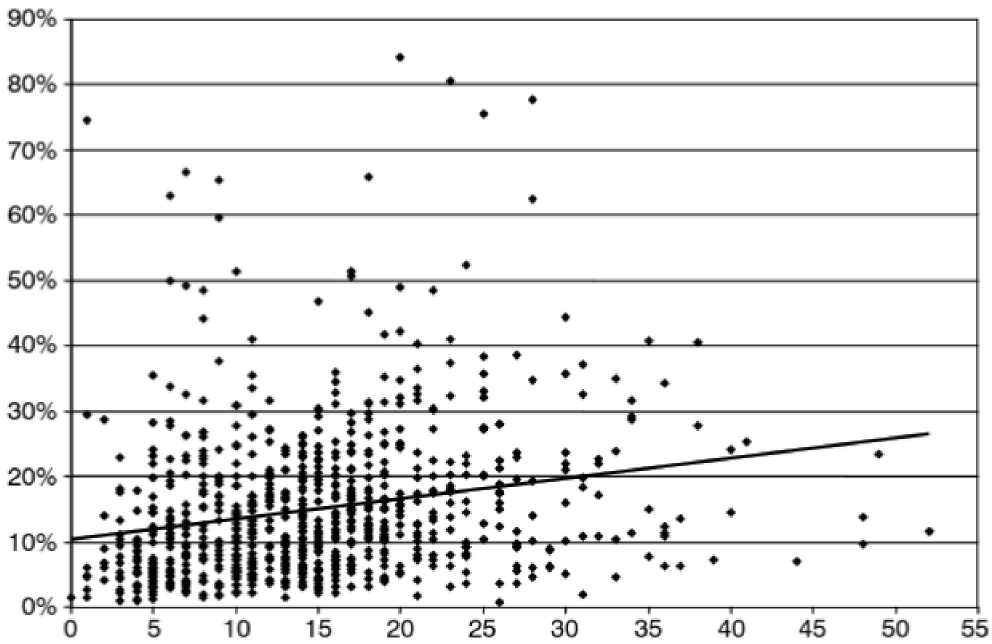


Figure 4 - Drop-out rate against interview length Cape, Lorch and Piekarski (as cited by Brace, 2008)

The target is to set a questionnaire that takes 5 to 10 minutes, which based on the literature, has an average 15% drop-out. Which for the target sample of 15 would leave 12 full replies. To make sure that the designed questionnaire can be completed in 5 to 10 minutes, it will be trialled on a native German speaker and a native Japanese speaker.

The main questionnaire used by all participants is included in appendix I - Questionnaire A. The questionnaire is explained in the following.

Questions 1 will establish if a power-gap exists in the organisation. If the answer to both questions show the same power-gap, then we would identify that Hoffstede's (2017) power-gap is either caused by national expectation or the organisation, if not, then Hoffstede's power gap theory holds true. If the answer is consistent amongst participants, then we can eliminate the national expectation and be more certain that it is caused by the organisation.

Questions 2 and 3 will validate if inefficiencies of working styles are caused by Hoffstede's (2011) organisational culture differences of "pragmatic versus normative" working style.

Questions 4 to 7 will validate if linguistic assertiveness is interpreted similarly amongst participants and if there is any correlation amongst Japanese and non-Japanese members, which would help suggest that the difference is caused by language (Graham, 2014) rather than just the cultural differences (Hofstede, 2011)

Question 8 will explore if the way a response is given (in this case speed to response) gives higher or lower confidence, in order to determine if differences expected based on Hofstede's dimensions (2011) are in actual fact caused by interpretation of language, in this case, a pause in conversation being a sign of doubt or an act of politeness.

Questions 9 and 10 will establish the context of hot-market for the organisation being studied in relation to the work of Bouqury, Barsoux and Levy (2014), to then establish if the issues found in their work are also true in this organisation using questions 11 to 18, which could be reasons for hyper-attention from headquarters (Bouqury, Barsoux and Levy, 2014).

Question 19 and 20 will confirm if the issue of making wrong decisions by headquarters on regional matters in spite of limited exposure and understanding seems to occur in this organisation as well (Bouqury, Barsoux and Levy, 2014).

Questions 21 to 22 will establish if there is a bias in communication between the local office and towards headquarters and if the weakness is in the inability to say "No" as suggested by Bouquet, Barsoux and Levy (2014).

Questions 23 to 24 is to establish if there are similar issues of implicit communication as those for overseas offices of Louis Vuitton are also plaguing this organisation (Meye 2015).

The management will be given an additional questionnaire based on the diagnosis tool provided by Bouquet, Birkinshaw and Barsoux (2015) is one intended for diagnosing an organisation suffering from too much attention from headquarters. The authors provided a way of scoring the result based on the number of yes answers. Consideration was made to modify it to have a standard Likert scale, however it was judged to retain the original yes or no method to avoid ambiguity in interpreting the results, however an additional “I don’t know” option will be added. Further justification is given in the later *Credibility* chapter.

3.4 Data Analysis Method

The questionnaires will be analysed by reviewing the data scatter towards popular answers to the multiple-choice type questions and reviewing the average result and deviation. From these results, literature and possible new hypothesis will be used to interpret those results.

3.5 Credibility and Validity

In order to minimise the bias that can occur from the phrasing of the question, the questionnaires will be made of selective answers (Social Research Methods, 2017). The questionnaire will be shared out to the organisation's powertrain related engineers and managers (around 14 members). The justification for this is that it has the best probability of exposing a relationship in this inductive research.

The first part of the questionnaire will be utilising a Likert scale with all questions being mandatory to be completed. The options will be “strongly disagree”, “disagree”, “neutral”, “agree” and “strongly agree” as well as “I don't know”. It is decided to include “I don't know” in order to prevent the participants from choose a random answer for the reason that it is mandatory. This is not only suggested by Brace (2008) but also recommended when seeking opinion. Furthermore, if there is a trend in selecting the “I don't know” option, it may indicate that the target participants of the research is perhaps not qualified in the knowledge necessary for the research (Brace, 2008), and so the inverse (a low number of “I don’t know” results) could at least show an indefinite increase of credibility of the research.

This research acknowledges assumed that results are likely to be most true to the participants, meaning the subject and participant error (Saunders, Lewis and Thornhil, 2016) cannot be ignored. The fact that the research matter is about interactions between different individuals, teams, offices and the interpretation of the communication, implies that the results are expect to vary even with the same group of participants after experiencing a different management in headquarters as it may later their answers on their recent experience. However it is unlikely that the results would change overnight as organisational changes tend to be gradual in Japan.

Saunders, Lewis and Thornhil (2016) recommends identifying a neutral time to collect the data to minimise subject or participant error, however this was not deemed feasible from a practical view-point for the participants and may also incur the risk of reducing participation which would greater impact the statistical reliability for the data.

The Likert scale will show the “Strongly disagree” as the first of the 6 options in order to encourage cancelling out the biases of acquiescence and order effect - the tendency to agree and to go for the first option (Brace, 2008). The risk of Likert scales with strong options is that some participants may feel biased to avoid strong positions. It is suggested that the use of 2-stage questioning could help evaluate strength of disagreement/agreement, however it still has some uncertainty. This will not be done in this case, as it will lengthen the questionnaire which should be avoided for the reasons already mentioned. Furthermore, a short questionnaire will help minimise the risk of pattern answering that can be caused by fatigue and boredom. This last issue will also be minimised through mix of positive and negative questions.

For the second questionnaire based on the tools provided by Bouquet, Birkinshaw and Barsoux (2015), participation is restricted to management. The rational to restrict this to the management is that they are the sample that will be motivated to complete in spite of the additional time required, as they are one of the stakeholders of the research outcome.

On the other hand, limiting the questionnaire to one individual, may lead to missing answers as not all operations might know the answer to the question.

As an example, confirmation about if *"Head office is unresponsive to requests, sales leads, or opportunities from the periphery"* (Bouquet, Birkinshaw and Barsoux, 2015) is something that a human resource department might be unaware of to be true or not. Conversely, confirmation about if *"There is a wide gap between the composition of the top team/board and the global reach of the group (for example, there is no one from outside the home continent)"* (Bouquet, Birkinshaw and Barsoux, 2015) is something more likely to be correctly known by human resource than an overly focused operations related management member.

The questionnaire will be modified to add an “I don’t know” option following the same previous reason in the Likert-scale - to reduce false “yes” or “no” and similarly, the first option in the questionnaire will be “no” rather than “yes” (as originally presented by Bouquet, Birkinshaw and Barsoux (2015), to minimise the issues of forced false answers and agreement-bias (Brace, 2008). The management questions are in appendix II - Questionnaire B. The data will be reviewed in two methods, the first to count the number of “yes” answers and evaluate them as suggested by the authors of the questionnaire 6 to 11 (non-inclusive) suggest the company has a predisposition to “headquarters know best”, and 11 to 16 (inclusive) suggesting an acute symptom of it Bouquet, Birkinshaw and Barsoux (2015).

However, since the introduction of the “I don’t know” option, the numbers of yes answers will be converted into a percentage of non-”I don’t know” answers and compared to percentage ranges of 37.5% to 68.75% (non-inclusive) and 68.75% to 100% (inclusive).

3.6 Ethics

Identity of participants shall not be collected unless voluntarily given for the purpose of additional comments. Information identifying the individual shall be treated as confidential (Social Research Methods, 2017). This means informed consent will be asked for during the questionnaire surveys (Sachdeva, 2009; TH-Koeln, 2017).

4. Research Results

The results of represented in graphs or tables accompanied by critical analysis. The raw results of both questionnaires A and B are included in appendix III and IV respectively.

4.1 Headquarters Knows Best Syndrome Results

Following the original criteria given to us by Bouquet, Birkinshaw and Barsoux (2015), then individual B and C's answers suggest the organisation has an acute symptom, whereas individual A suggests it only has a predisposition to it. As a percentage of exclusively "yes" or "no" answers, then all answers are above 68.75% which was the bottom limit to suggest an acute symptoms.

	Yes (Count)	No (Count)	I don't know (Count)	Yes (As % of Yes/No)
Individual A	8	3	5	72.7%
Individual B	11	4	1	73.3%
Individual C	12	4	0	75.0%
Average	**10.3**	**3.7**	**2.0**	**73.69%**

Table 1 - Headquarter Knows Best Syndrome Questionnaire Results

Table 1 shows individual A, reduced the total average due to 4 unanswered questions. While disappointing, it justified the including of the option to allow participants to answer "I don't know", as this would have otherwise given false values.

The questionnaire answers show that there were 5 questions to which all individuals answers "yes" those being questions are:

1) Head office is unresponsive to requests, sales leads, or opportunities from the periphery.
2) There is a wide gap between the composition of the top team/board and the global reach of the group (for example, there is no one from outside the home continent).
3) Visits from HQ are more about HQ demands than subsidiary needs.
4) It is rare to solicit advice from executives outside the home continent.
5) The company lacks influence with local regulators and government officials.

Questions 1 to 3 are categorised as vertical dynamics - of limited attention from headquarters or limited upwards influence (Bouquet, Birkinshaw and Barsoux, 2015).

Questions 4 and 5 are categorised as horizontal dynamics - of limited autonomy or discussions without involvement of the headquarters. These results suggest that there is a level "company knows best syndrome" which can be damaging to the long-term success of the company in a global market which is said to lead to loss of sales and talent due to the limited career progression (Bouquet, Birkinshaw and Barsoux, 2015).

There were 2 questions with unanimously "no" answers, those being:

1) The flow of visits and secondments is exclusively from HQ to subsidiary.
2) There is no regular contact with colleagues in other subsidiaries.

Eliminating at least 3 of the issues identified would benefit to eliminate the possibility of an acute syndrome. Making the assumption that issues 1 to 3 are caused by language, it would be strategic to utilise the strengths of bi-direction secondments and regular contact with other subsidiaries, to raise headquarters' responsiveness and potentially penetrate the upper board/team which could lead to headquarter driven visits. If language were not of concern or a concern that can be overcome, then the advice provided by Bouquet, Barsoux and Levy (2014) could be explored in this organisation by:

a) Challenging headquarters' requests for visits by trying to alter their timing in such a way to benefit the subsidiary.
b) Using assignments and the 2-way trips already existing to help influence each other's' expectations by developing a deeper understanding of realistic expectations .

It would be desirable to convert the headquarters' position into that of a coach or consultant as recommended by Bouquet, Barsoux and Levy (2014). To trigger this change, the subsidiary may try request for consultation or advice to pull the headquarter into that role.

The final issue of local regulatory involvement is considered out of scope of this research.

4.2 Working Efficiency Questionnaire Results

The results will be reviewed through subjective commentary analysis or statistical methods of average and population-based deviation.

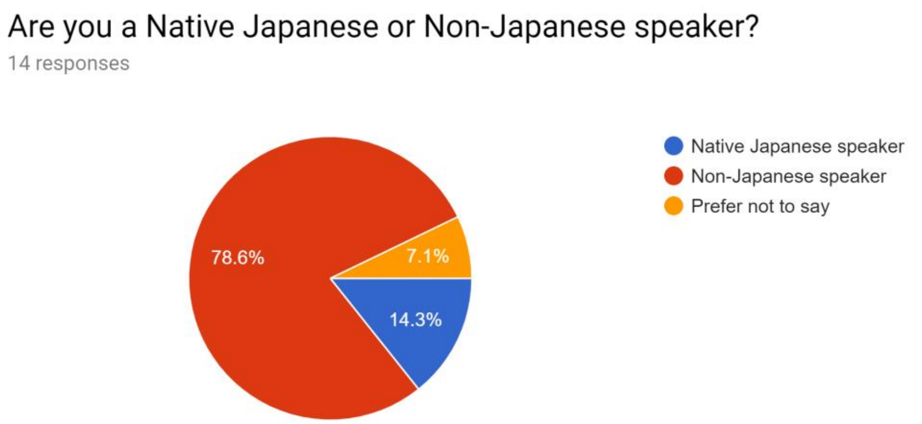
For the calculation, answers are converted as shown in the following table.

Strong disagree	Disagree	Netural	Agree	Strongly agree	I don't know
-2	-1	0	1	2	N/A

Table 2 - Questionnaire Numerical representation

Figure 5 - Population language distribution

The questionnaire had a 100% participation rate of 14 candidates and identified their language speaking skills as shown in figure 5.



Since some of the hypothesis to be validated that language causes issues to the subsidiary, it would have been beneficial to determinate difference in trends between the answers of the Japanese speaker non-Japanese population. However, based on the sample size of 2 (Japanese speaker) and 11 (Non-Japanese speaker), the statistical confidence and margin of error for normal distribution assumption are weak. The Non-Japanese case - sample size of 11 for a population of 14 would result in a 15% margin of error at a 95% confidence, whereas the Japanese sample of 2, would lead to a 44% margin of error at an 80% confidence.

However the research is a qualitative study and thus the statistical concern is raised to acknowledge the limitation of the comparisons made from here on.

4.2.1 Question 1 to 3

The expected distinction in perceived power gap or flexibility is not in accordance with predictions based on of Hoffstede's (2017) models for this organisation. The population answered in equal magnitude and distribution, as shown in figure 6.

Your organisation does not have a large power gap between higher and lower ranked members of the organisation within the same office/country.
14 responses

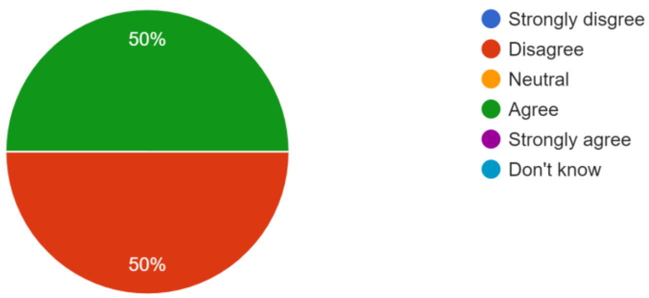


Figure 6 - Results to Question 1

Thus it is also assumed not to be a matter of language skill or ability. This however different in case of the result for flexibility as shown in figure 7.

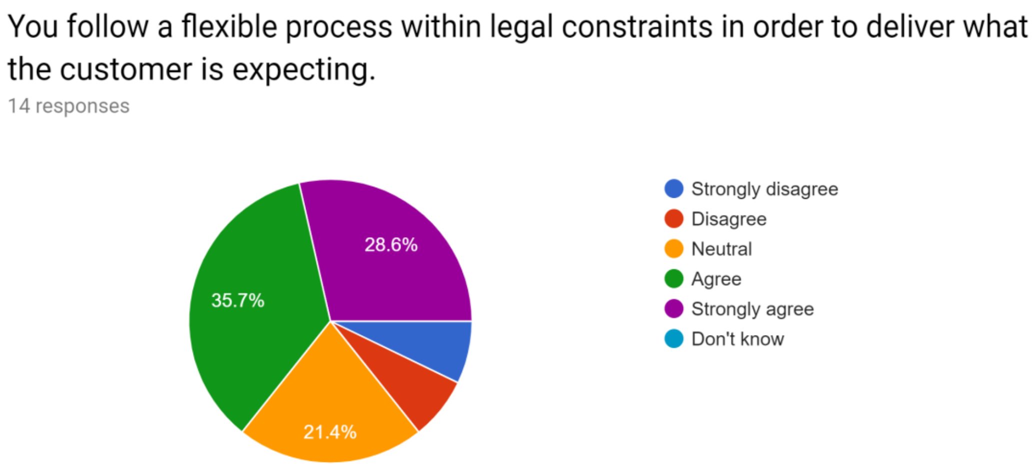


Figure 7 - Results to Question 2

The statement flexible work practices are indicating an average value of 0.71 and with a deviation of 1.16. The two Japanese speakers both answered “agree” so the non-Japanese only speakers, would have had only a slightly large average 0.73 with a significant deviation of 1.35. The large deviation may be caused by the diverse cultural backgrounds.

Further indicative evidence that a diverse culture may be preventing a low deviation, is reflecting also in the next question’s results (shown in figure 8).

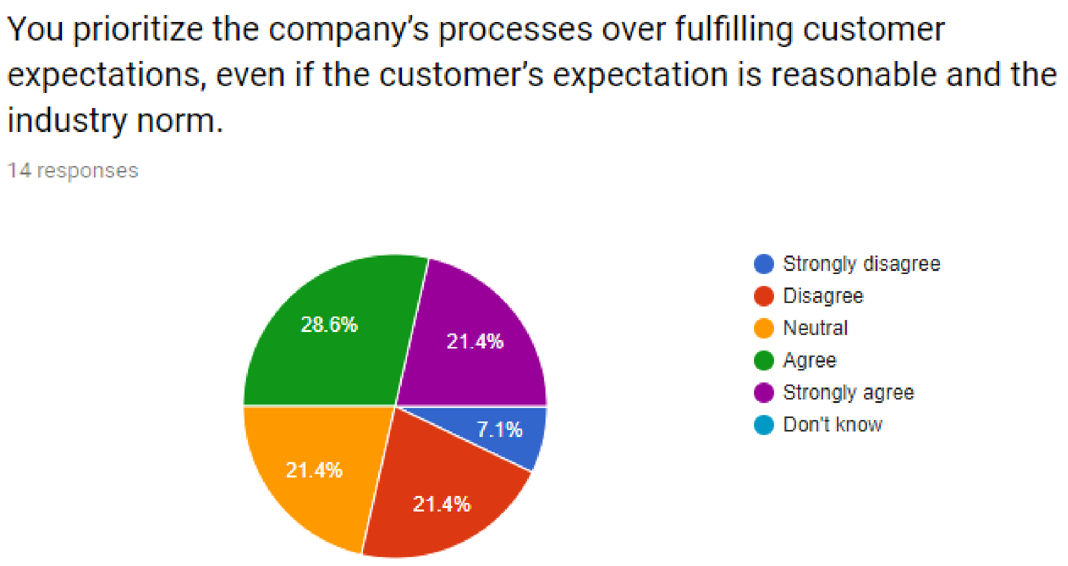


Figure 8 - Results to Question 3

The average for this third question is even closer to a neutral result of 0.36 with a large population based deviation of 1.23. Focusing on the non-Japanese speakers alone, results in a slightly more average customer focused average of 0.55 with a slightly smaller population based deviation of 1.16.

Ironically, the Japanese speakers - even though statistically unreliable due to the small sample size, have the largest disagreement, with an average of -0.5 and a population deviation of 1.5. This suggests that perhaps the diverse organisation prevents it from exhibiting the expected trends based on Hofstede or that the difficulty caused by Japanese language forces the population to manage things in their own way.

4.2.2 Question 4 Review

The question about preferring assertiveness gave an average of 1.21 (see figure 9), but once again with a large deviation of 1.21. The Japanese and Non-Japanese speaker based population results are 1.33 and 0.5 respectively. This implies that organisation style of working it is not consistent. This confirms the concern that assertiveness may not be an attribute of a culture, but an attribute in which business discussions are conducted professionally in different native languages, and perhaps incorrectly applied/transfered into English.

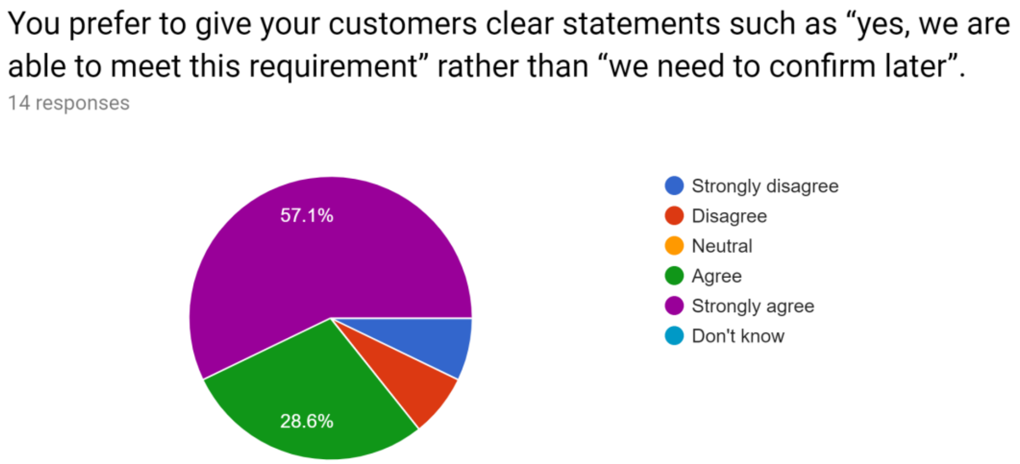


Figure 9 - Results of Question 4

4.2.3 Questions 5 to 7

Questions 5 to 7 were to design to determine to evaluation how sure are participants of a supplier's hypothetical non qualitative reply such as "Yes, we probably can do that".

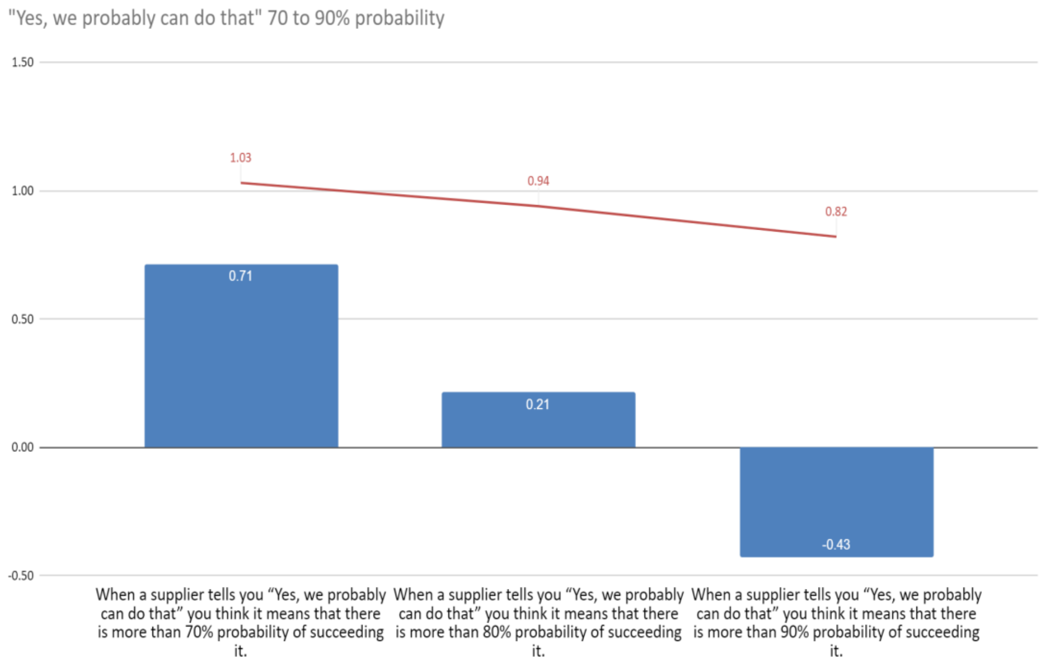


Figure 10 - Average Results to question 5 to 7

(Bars indicating the average and the line indicating the deviation.)

The results are interesting because form 70 to 90% all results show a large population variation that decreases from 1.03 to 0.82 respectively.

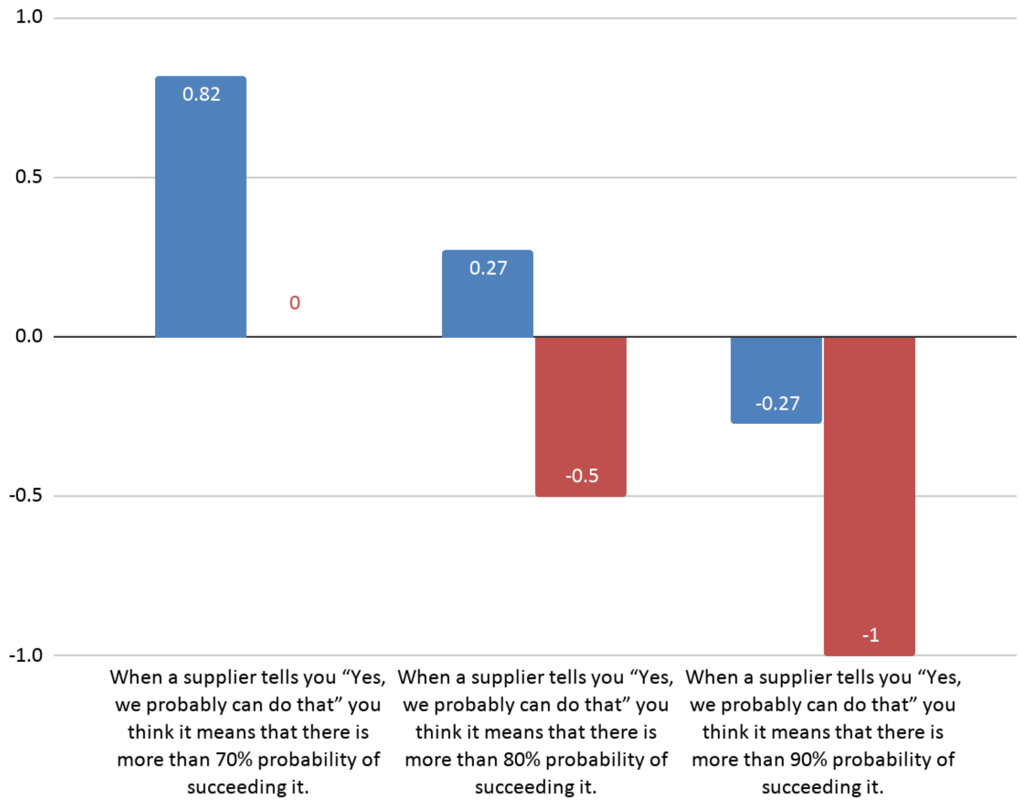


Figure 11 - Split Results to question 5 to 7

(Blue: Non-Japanese and Red: Japanese speakers)

The results shown in figure 11 suggests Japanese speakers interpret “Yes we probably can do that” more pessimistically than the non-Japanese speakers. This supports the hypothesis that intended message and the understood message could be differing due to language in spite of all members having worked in the European subsidiary for over a year. It definitely supports reason to concern that objectives and performance goals might be also un-met due to language bias communications.

4.2.4 Questions 8

Communication is also non-verbal and is documented by Meyer (2015) for the case of the managers at Louis Vuitton, thus this question should show differences of interpreting a pause to respond. Shigemitsu (2007) studied the relationship of pauses in conversation specifically between English and Japanese speaking, making the case that pauses that are considered courteous in one language, can be inadequate in other languages.

Furthermore in later studies of Shigemitsu (2012), it was that the frequency to reply to questions differed between Japanese speakers and English-native speakers when speaking English. In this later study both groups had high English language skills, and thus the difference was caused by influences from the Japanese language culture difference. Thus concluding from both literatures that a pause is expected to be perceived as being neutral to positive for Japanese speakers and negative to neutral for English speakers.

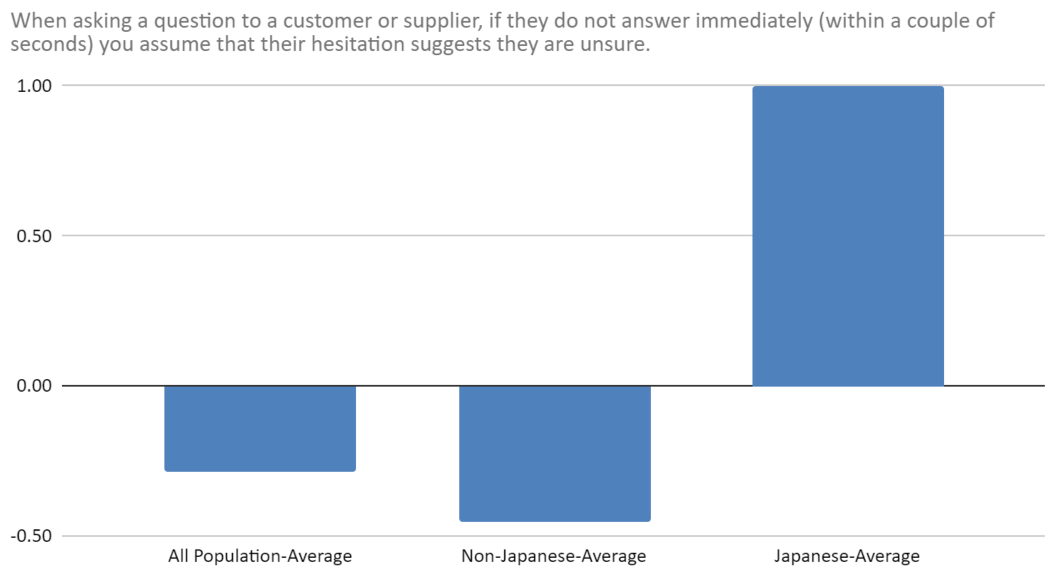


Figure 12 - Results to question 8

Surprisingly, the results of this study revealed an opposite result. The Non-Japanese speakers did not think negatively or doubt the certainty of an answer even if it is followed by a pause, but rather slightly positive on average (average result of 0.29). For the Japanese-speakers agreed that the pause or delay to answer is a sign of uncertainty by the responder.

The reason for the unexpected result is unknown, and may only be hypothesised at this stage. It could be that the two groups are compensating for awareness of the norm of the used language or that priori studies no longer hold true due changes in culture. Nevertheless, this result thus support this study's concern that language difference could lead to performance issues, as this sort of "question & answer" conversation would occur several times during a business day. Judging confidence in answers is important for management to act upon.

4.2.5 Questions 9 to 11

Questions 9 results in a consistent result that on average disagree with the statement of the company not being in a hot technological market, which the 2 Japanese speakers unanimously agreeing and a deviation of 1 for the non-Japanese speakers as seen in figure 13.

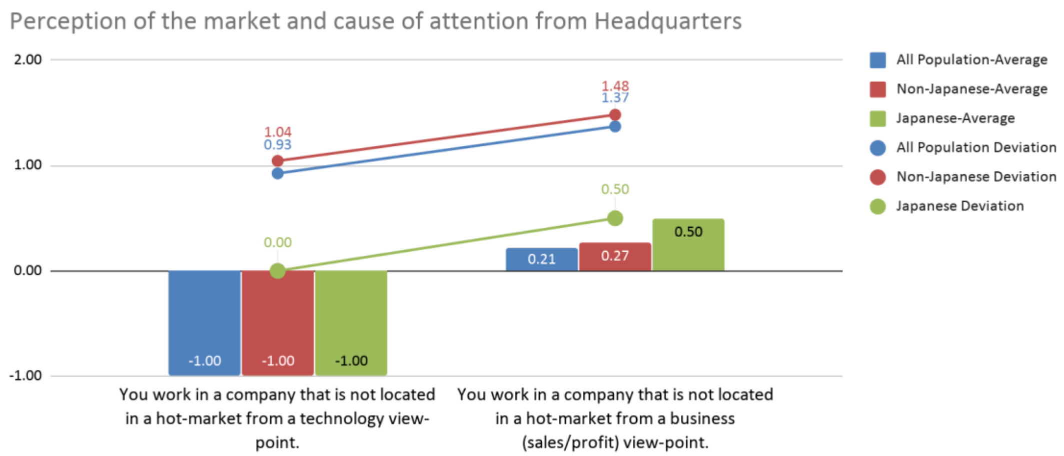


Figure 13 - Results to question 9 to 10

The participants had a negative view on the business potential for the region they are located in. The non-Japanese had somewhat distributed view about it with an average result of 0.27 (disagreeing to not being in a hot sales/profit market) but with a large deviation of 1.48, whereas the Japanese speakers agreed more strongly about the situation with a much smaller deviation of 0.5.

You get attention from headquarters because you are in a hot-market.	
All Population-Average	-0.14
Non-Japanese-Average	-0.27
Japanese-Average	0.00
All Population Deviation	1.06
Non-Japanese Deviation	1.14
Japanese Deviation	0.00

Table 3 - Results to question 11

Thus it is not surprising that on average, the participants felt neutral to the cause of attention from headquarters being the “hot-market” factor as shown in table 3. However in this case both Japanese and non-Japanese speakers had a deviation of slightly above 1.

4.2.6 Questions 12 to 15

Hyper-attention from headquarters can cause man-power consumption on internal satisfaction rather than achieving business goals (Bouqury, Barsoux and Levy, 2014). In literature, it would seem that members expatriated or sent on assignment overseas in particular, are the ones that consume most energy satisfying headquarters.

The results in figure 14 suggests that the same does not apply for this organisation, rather it seems that local staff rather than the Japanese expatriates are the ones suffering the negative impact.

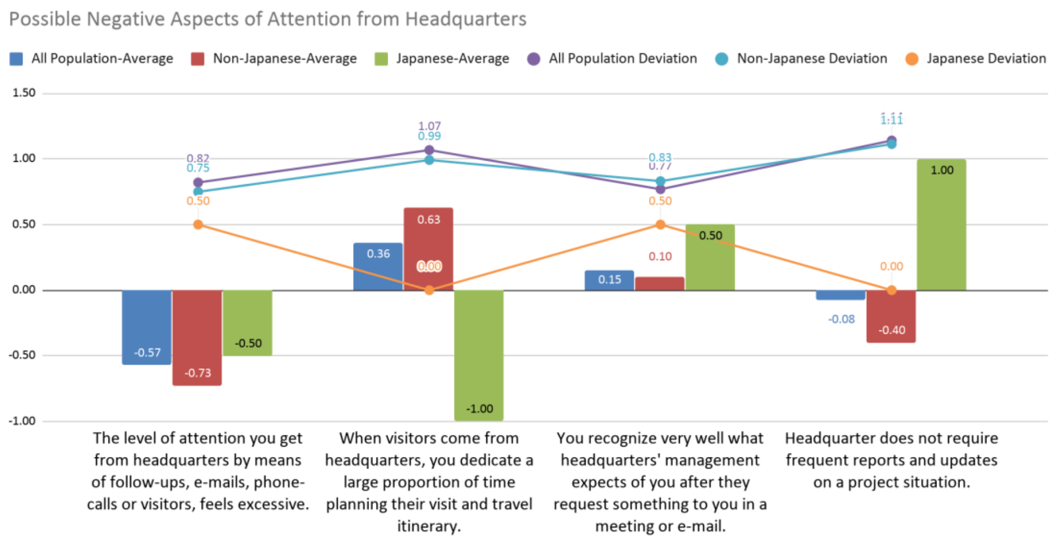


Figure 14 - Results to question 12 to 15

For all three population considerations, on average stand between neutral and disagreeing to receiving excessive follow-ups, this result is with a relatively low deviation of less than 0.5.

When visitors come from headquarters, it seems that the Japanese participants do not suffer from dedicating time to planning their visit. However it seems that for the non-Japanese participants, their average opinion is that they agree to spend excess time on planning their trips, however this average of 0.63 is achieved with a larger deviation of nearly one. Once again it is surprising that the non-Japanese result swings opposite to the opposite side of zero, in contradiction to the literature based expectation. The root-cause too cannot be determined, however possibilities could be hypothesised, such hypothesis include that:

a) There is no issue, and the difference between Japanese and non-Japanese is down to unequal and small sample size.
b) The Japanese participants do not feel the impact of planning because they delegate the task to the non-Japanese staff.
c) The Japanese participants do not feel that planning trips is an excessive task but an expected task.
d) They do not receive many requests for visits from headquarters because it might be that the location is not in a hot-market as seemed to be the result in one of the earlier questions.

When it comes to understanding what headquarters expects - the average result is neutral (0.15), however it would seem to be slightly clearer to the Japanese participants as their average result is that of 0.5, and deviation of 0.5, that is to say within the sample, nobody disagreed from the Japanese speakers.

4.2.7 Questions 16 and 17

The hypothesis that communication is more time consuming for linguistically diverse organisation is demonstrated by the answers shown in figure 15.

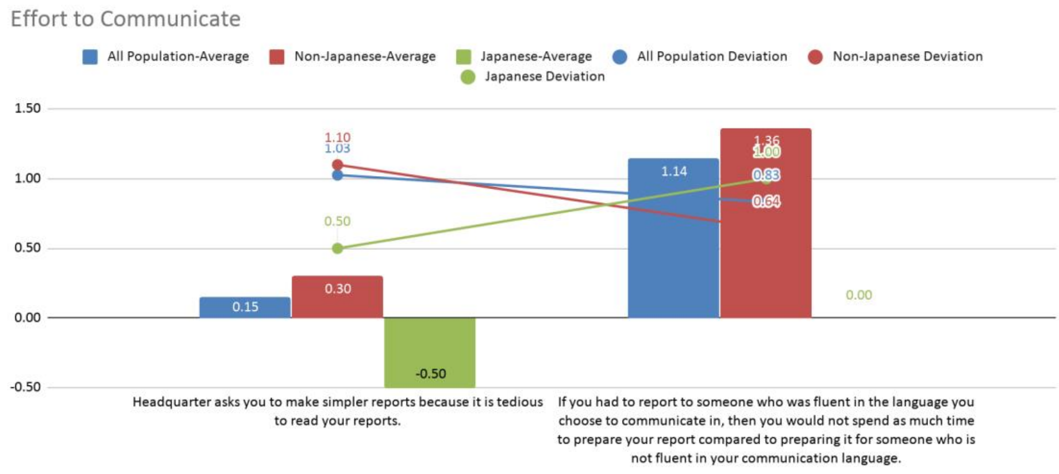


Figure 16 - Results to question 16 and 17

The non-Japanese speakers on average agreed (0.3) but with a large deviation of 1.1, that they are asked to make simpler reports because headquarters finds it tedious to read, and the same participants also believe that they would not have to spend as much time to prepare reports for receives that were fluent in their own language (average 1.36, with a low deviation of 0.64)

This is of course a large contract with the Japanese-speakers that on average were half-way (-0.5) between disagreeing and being neutral to the need to make simpler reports but on average were neutral about having an easier time when communicating with the same fluent language as the receiver (but with a deviation of 1).

4.2.8 Questions 18 and 19

Sufficient understanding of a region directly or via communicated information is important for the right decision making, and thus the result of question 18 supports the hypothesis that the information headquarters has may be insufficient or the affirmation made by headquarters is wrongly biased. The non-Japanese group more than agreed with an average result of 1.5 (and a low deviation of 0.5) whereas the Japanese group averaged a neutral score of 0 but with a deviation of 1 - as shown in figure 16.

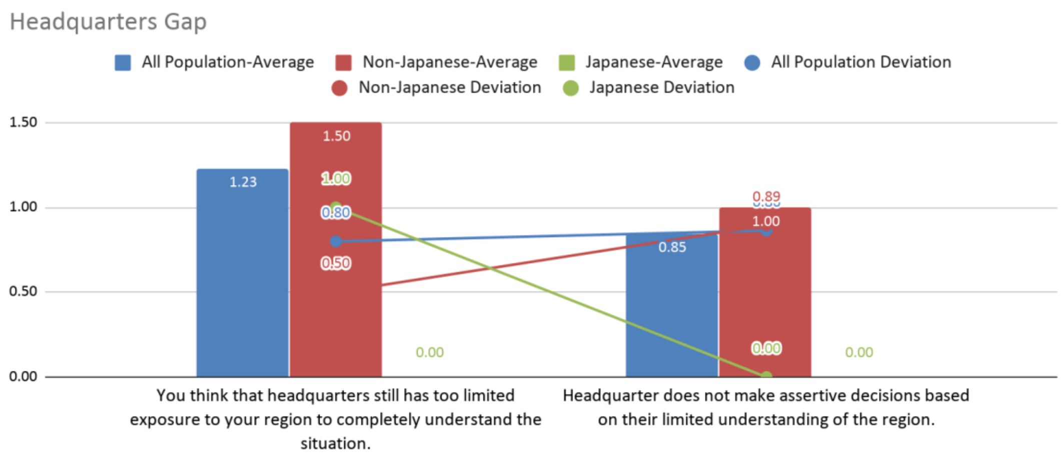


Figure 16 - Results to question 18 and 19

The same figure reveals a similar but less pronounced difference of opinions about headquarters assertiveness to make decisions based on limited understanding (question 19). The latter result may be positive in the sense that decisions are not made, however even for the Japanese speakers, an average result of 0, may be concerning for an organisation which might have decision making authority assigned at headquarters. This possibility alone might limit the European office from pursuing or having decision taken on matters necessary to perform or out-perform its regional rivals. Furthermore, it is possible that the lack of decision making contributes to demotivated staff or poor staff retention - since at times not making the decision can equate to making the wrong decision which leads to employees feeling frustrated about their leaders (Llopis, 2013).

4.2.9 Questions 20 to 22

It is often said that good team-players or employees must learn to say “no” or reject unreasonable requests (Gross, 2016). It is also expected that for subsidiaries to get beyond the stereo-type parent-child relationship, also need to have the ability to reject or adjust requests from their headquarters (Bouquet, Barsoux and Levy, 2014). Thus the results to the following three questions are somewhat concerning. The first question about rejecting requests from headquarters shows that the non-Japanese speakers have an overall neutral opinion about (0.2), but with a deviation of 0.87, meaning some felt that they cannot reject requests. The Japanese-speakers seem to feel mildly more comfortable to reject requests (shown by their average -0.5 result). However, consider the question was based on “unreasonable” or “not feasible”, only a stronger disagreeing result (<1.0) would have been the healthier response.

The next two questions about “saying no” to regional colleagues and colleagues from headquarters, shows two significant results. First, is that non-Japanese speakers, find it easier to say “no” to local colleagues (average 1.27) as opposed to those from headquarters (average 0.4) with very similar deviations. The Japanese speakers on the other hand, feel equally empowered to say “no” to regional and headquarters (with an average of 1.0 and a deviation of 0.0), as shown in figure 17.

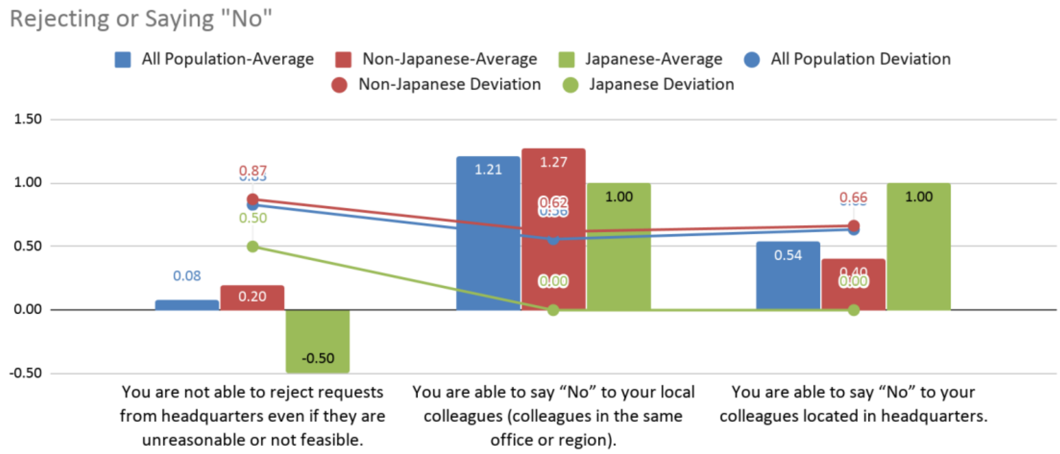


Figure 17 - Results to question 20 to 22

The differences for non-Japanese is clearly an issue which might be caused by the power-gap or the linguistic difficulties to reject requests in a non-confrontational manner. However if this were the sole reason, one might expect the Japanese-speakers to have the opposite unbalance of their non-Japanese speaking participants. The reason for the consistent Japanese-speaking result may in fact be due to a sense of empowerment caused by expatriation or due to being more easily aligned by headquarters arguments which are easily conveyed by means of Japanese language (thus creating the impression that it is unnecessary to say "no").

4.2.10 Questions 23 and 24

The final two questions related to feedback communication (see figure 18). The non-Japanese speakers felt that they did not receive clear feedback on what they did wrong (average of -0.7) and did not know what should be improved (average -0.5). The Japanese-speakers fared slightly better for the first question (average of 0, but with a larger deviation of 1.0) but where more consistently centred around the negative result of -0.5 when asked if they receive feedback on what needed to be improved.

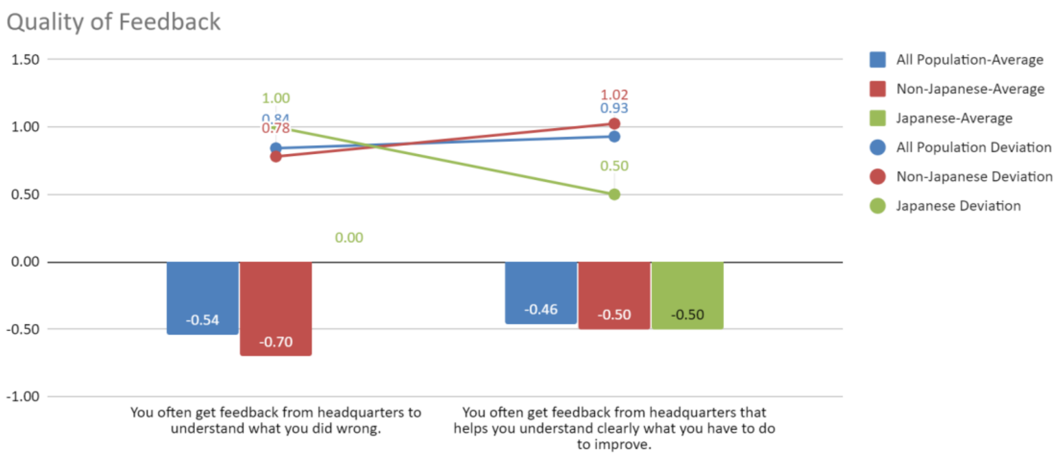


Figure 18 - Results to question 23 and 24

5. Conclusions and Recommendations

"Is Japanese language generating a hindrance to achieving sustainable operations of a European Japanese automotive component manufacturer in Powertrain and are there countermeasures available to limit the negative impact?"

First objective: Critically evaluate the relationship between Japanese language and the ability of the powertrain components team to achieve its business objectives.

The results are not objectively conclusive due to several reasons, not limited to the following:

a) The sample size of Japanese-speakers and Non-Japanese speakers were not equal.
b) The sample size of both groups were both statistically small to generalise for the whole subsidiary.
c) Other differences of the population such as experience, hierarchical position were not considered and/or adjusted for.

The results do however, show reasons for concerns, as both questionnaires, supports the hypothesis that those with Japanese linguistic skills face a different and in some cases an apparently less severe work related challenges.

Thus the data implies that there is some influence of Japanese language on the performance of the organisation, but it is not possible to separate the effect of Japanese language completely from the headquarters and subsidiary relationship. It is however clear that, Japanese language is not helping the operational performance of the European subsidiary, as no positive interpretation was found.

Japanese might be considered difficult to learn due to its non-Roman character set and its highly contextual usage making it hard to translate over, and thus somewhat impractical to expect all employees to learn the language.

This leads to the second objective: Identify potential countermeasures and evaluate their possible effectiveness at improving the business achievement as well as the accompanied side effects.

The research could identify some of the issues expected in literature, and thus it is possible to make recommendations of countermeasures that have the potential to deliver similar benefits as that proposed in literature.

The research was conducted on the available population, and thus the population size in itself in spite of a 100% participation yielded low statistical value, especially for the Japanese-speaking category. Nonetheless the results show some differences that did not always align with the theory in literature.

It would thus be beneficial to consider a research of a similar nature with a larger population and a categorisation of departments. The fact that Japanese language does seem to have negative impacts on this specific department does not imply it is so and with the same negative magnitude for all departments.

5.1 Countermeasures to Language Barriers

The following may help improve the organisational performance:

a) Having dedicated translators with high contextual know-how to support overcoming communication barriers in meetings and/or providing verbal support explanation to written communication.

b) Adding non-verbal communication medium such as video conferencing to increase the possibility that such expected communication is less likely to be loss.

The proposal of a contextually experienced translator is assumed to be effective since it would eliminate the risks of falsely attempting to separate culture and language Hall and Hall (1987), thus hopefully applying the correct phrasing to adjust for interpretation gaps as was shown in questions 5 to 7 in the main questionnaire asking participants to rate probability of success to "we probably can do that". A contextual translator can consider the right expression in Japanese to translate into a non-directly equivalent phrase but a more closely equivalent probability meaning, thus reducing at least those difference of culture that are caused by language (Graham, 2014; Donahue, 1998; Adachi 2010).

Emphasis of contextual translator is important, in order to not introduce those issues of implicit communication as those reported by Meyer (2015). If the translator could only directly translate, there will still be loss of communication for non-verbal communication or loss of meaning from imperfect communication as occurred to those in the overseas Louis Vuitton office (Meyer, 2015). To avoid such occurrence, the translator would thus need to be able to explain or translate the absence of words to translate.

The proposal to add means of a means of supporting non-verbal communication with video conferencing, is proposed in order to reduce the negative results of linguistic fluency by “Dial up engagement” of both parties as proposed by Neeley (2015). This would allow participants to engage more by using more than just their voice.

5.1.1 Feasibility and Effect of Translator

A permanent translator for a team of 10 to 20 members would lead to a headcount proportion of around 5~10%. This financial impact for such overheard cannot be easily accepted economically and organisationally. Not only those it influences the organisational running costs, but it also adds work-load to other supporting operations (human resources, payroll, etc).

Therefore the option for a permanent translator would require some careful planning to get the hiring approval of management. It would thus also be important to define the metrics required to judge the effectiveness of such a translator. There is the concern that having a translator may cause a sense of delegation to communicate or a subjective feeling of improvement without actual business performance improvement (which would actually imply a decline of performance due to the additional expense).

It could be a case that Japanese company is in greater need of a translation, due to the fact that in general, based on studies in literature, Japanese companies make the least use of manuals for expanding operation to subsidiaries, and tend to operate with higher expatriate density when comparing UK, US/Canada, Japan, Sweden, Germany, Italy, Switzerland, Netherlands/Belgium, France, and Denmark/Norway (Johnston, 2005).

Since in any case, such an employee would require contextual understanding of the organisational field - automotive technology (for the reasons discussed and critical reviewed by means of priori literature), as well as the formal and informal processes of the organisation, it may be more cost effective to consider hiring someone that may conduct a concurrent role (with a reasonable work-load distribution). However the issue of contextual understanding makes this approach potentially unworkable.

For example - a team assistant that supports with purchase orders, travel planning support, and such day to day tasks, is most likely to lack the contextual understanding. If said team assistant had a higher contextual understanding, it is likely based on prior experience, which is likely to make them demotivated to take on such a role. Of course, this is only an assumption, and it might be the case that candidates with the right contextual experience (example an engineer) looking for a less direct responsibility role is available.

This form of recruitment would be more easily justifiable as it can be part of the head-count plan already allocated for team-assistants or whichever concurrent role is selected.

The other option would be to adjust this from the perspective of operational management. If communicating towards headquarters to discuss future potential business opportunities, customer requirements, market and product strategy, and so on is a distributed role - then perhaps it is feasible to shift this responsibility into a dedicated role such as one of “Business Development”. This would in part also help overcome some of those fundamental issues of

Japanese language / organisations by an indirect introduction of a “marketing” department (Kotler and Yamamoto, 2014).

The core competency of a Business Development function would be:

1. Understanding the technological needs (by means of collaboration with engineers, sales-engineers and sales).
2. Understanding the market needs from a regulatory and economic needs (through collaboration with sales-engineers and sales)
3. Product and business plan making (with the collaboration of all core functions)
4. Japanese and Non-Japanese language (as well as related culture) proficiency.

Such a new function will likely incur a higher cost than that of a translator, but it has the benefit of not being a pure additional cost to perform the same activities (since the translator would probably have to join several meetings in conjunction with the usually expected members). Instead, this function make take over the responsibility assumed on other resources. This is to say, that each function can focus on its core role using its core competencies - for example engineers need not focus on “how to get their ideas directly understood by headquarters” but rather focus on conceptualising and generating the evidence for their technical solutions.

Identifying candidates that are motivated to increase their skill to take on this sort of development is also likely to improve in employee retention and employee satisfaction as it supports some of the principles of Deming (quoted by Beckford, 1998):

- *Principle 13 - Institute a vigorous education and self-improvement programme.*
- *Principle 14 - Put everyone in the company to work to accomplish the transformation.*

Such a new position would give an opportunity for education and self-improvement, and by means of this function, gain better engagement by means of utilising the “business development” function to listen, process and communicate the determination of the European subsidiary.

While this research did not study the percentage of time consumed in communication difficulties, this solution would achieve a breakeven point even if we assume the organisation is consuming 10% of its time to overcome the issues.

Freeing up at least 10% of the man-hours of the core team, would allow the team to achieve 10% more operational man-hours output and thus this output can offset the cost of the additional dedicated head-count for the new function. This would also have the added benefit that more focus can be made by the new business development function to develop competencies and activities that are perhaps normally ignored. Since the business development role would have a communication role, they can also focus on considering and tracking a Power-Interest matrix of related stakeholders to improve communication (Wickham and Wilcock, 2012) and execution beyond language issues.

This new role would also give the organisation a chance at achieving a better time to market if it is assumed that the current failed communication and time-consuming reports and business trips all lead to delays. It is known that delays to time to market, diminish sales revenue and profit due to higher development costs as shown in figure 29 (Johnston, Brandon-Jones and Slack, 2013).

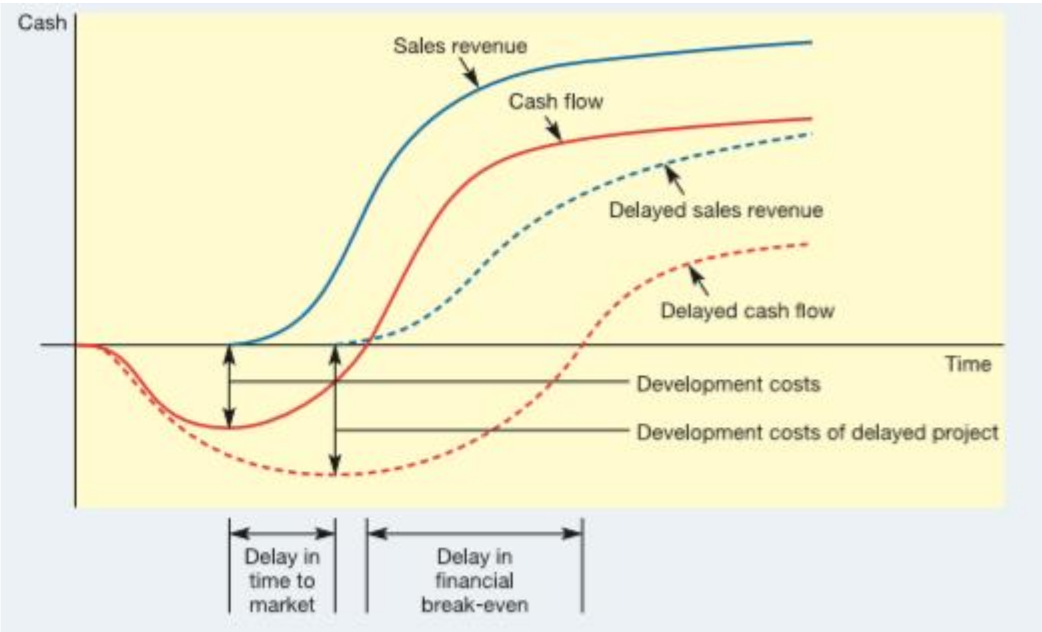


Figure 19 - Delay in time to market (Johnston, Brandon-Jones and Slack, 2013)

The negative effects of delays in time to market can also be visualised or conceptualised via the Growth-Share Matrix of the Boston Consulting Group developed (Kiechel, 2010). This is especially important for the automotive powertrain supplier industry since technology is sourced at discrete development timing. This is due to the fact that most automakers will consider and source new components for new powertrain developments in time for a regulatory update, and make minor technological updates in between regulation revisions. It thus follows that most automotive manufacturers will start and finish development in a similar time-period as each other, and not having the right product to offer during that small sourcing window, may leave suppliers out of phase by a whole cycle.

5.1.2 Feasibility and Effect of Video Communication

Video communication is a proposal that can be implemented irrespective of the decisions to pursue the translator or business development solutions. Even if the major communication issues were to be overcome by a dedicated function as discussed earlier, it is nevertheless likely that working level employees will need to have some discussions with their regional counterparts for the purposes of design review or consultation. Such video systems not only benefit from potentially cutting down on travel time and costs, but is also able to improve the quality and effectiveness of communication (Orubeondo, 2001).

The costs of this countermeasure are relatively low, since in practice it need no more than a 20~60 Euro webcam (as found on Amazon, 2019) per member or meeting room (so a worst case maximum of 1200 Euro for a 20 member team in each location). Such costs would be classified as an expense rather than an asset and would most often fit within the scope of authority of the budget holder. The only consultation or approval that would be necessary is to ensure compliance with security and privacy related issues.

The biggest challenge is likely to be convincing the need of the headquarters' members to agree to implement such a change. Thus it might be worth introducing the idea to headquarters as part of trial by means of an existing project. Performing a survey on communication efficiency similar to the ones conducted in this research, before starting the trial and after a reasonable trial period would help evaluate the effectiveness. If the results showed improvement, those same results may then be used as motivating evidence to roll-out the solution across wider parts of the organisation. To ensure reliable results, it would probably be necessary to trial this change over a period of six to twelve months, since team members on both sides of the globe are both likely to need time to adapt and exploit these methods.

However, the fact that such features for video-conferencing are already built into modern collaboration tools such as WebEx (Cisco, 2019), G-Suite (Google, 2019) and Office 365 with Skype for Business (Microsoft, 2019) means that software is readily available for various platforms, mobile or computer. Making use of such latest technological practice is not only justifiable by means of the problems unearthed by this research but also from the view-point of a process technology (Johnston, Brandon-Jones and Slack, 2013) and if allowing the organisation to deliver the same customer value for a lower relative cost from being late to market, it would ensure the organisation operates at the productivity frontier (Porter, 2011).

5.2 Countermeasures to Headquarters Knows Best Syndrome

For the issue that Head office is unresponsive to requests, sales leads, or opportunities from the periphery, it may be worth considering how to establish a strong and lasting link between the two regions. One such method may be to assign a senior member in the subsidiary with strong Japanese language and cultural understanding, or having a permanent or continuously replaced expatriate in headquarters to focus on responding to those requests or leads. This seems achievable from the fact that organisation seems open to bi-directional expatriation already.

With regards to the wide gap between the compositions of the top team/board, a long-term succession planning may be necessary by the subsidiary to identify talent which may succeed to penetrate upwards to the homogenous top team/board. This might require beyond business as usual efforts in order to motivate that team/board to be ready for it in due time.

For the headquarters visits being focused on headquarters needs, it might be even more beneficial to make demands on headquarters more frequently, to minimise the desire of headquarters to find their own reasons to visit. Of course, considering the travel costs associated with intercontinental flight and the lost hours in travelling, this might cause its own issues in terms of economic performance metrics.

This area has been studied by Bouquet, Barsoux and Levy (2014) and again by Bouquet, Birkinshaw and Barsoux (2015). The countermeasures proposed earlier above require in-depth consideration beyond just language challenges, and are therefore deemed to be a significant effort worthy of a separate study. However if the business development concept introduced in section 5.1, where to be successful, this may be a long-term path to establish credibility and a strong 2-way link to headquarters which may allow for a reliable path to penetrate the organisation at the top and/or shifting in some instances the headquarters' role from that of a parent to that of a consultant or coach as recommended by Bouquet, Barsoux and Levy (2014). Considering the results found that non-Japanese staff experience different levels of difficulties to say "no" between regional counterparts and those from headquarters, the business development department may ease this matter, since this responsibility may be centralised by the business development function. This means for most matters, employees would have to reject requests to a person or team located in the same region. This is of benefit to non-Japanese speaking staff and an indifference to the Japanese-speaking staff.

5.3 Culture Differences

The results could not conclude definitely if the differences are a result of culture differences, there is a hint that cultural differences has an effect. The signs of this are in the differences to responses such as how inconvenienced the group feels by planning visits from headquarters. It may well be that the difference of opinion is down to the cultural differences of team-work orientation.

There was the notion that Japanese human resource management practices are not transferrable without Japanese culture, however there are studies that show this might not be entirely true. One such study by Ichniowski and Shaw (1999) focused on differences in work practices and quality of steel making companies in Japan and the US. The results showed that Japanese production lines were about 5% more productive than US lines not employing the Japanese human resource management, but found that US lines that did employ it, were of near identical performance of Japanese lines. According to the work of Ichniowski and Shaw (1999) they conclude that the differences of performance are thus attributed to the HR practices rather than the culture. It is not possible to assert that the results would be replicable to a European non-production organisation. Also in the study of Ichniowski and Shaw, the organisations studied, were not subsidiaries of each other. This research also did not check the HR practices, however it may be worth determining in future studies if adopting Japanese HR practices in a European subsidiary could elevate performance.

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Appendix I - Questionnaire A

Note: Questions 1 & 2 are preliminary questions, therefore the questions 3 to 26 correspond to questions 1 to 24 in the main text of this research.

Working Efficiency

As part of a research project, it is desired to collect data to help understand, and later resolve challenges that may occur between headquarters and regional offices. The research might help understand if language issues amplify the challenges and if more strategic countermeasures are needed.

- The research will be completed within December 2019.
-The research will be shared with University academia and company management.
- Individual names will not be collected or shared.
- Individuals are free to decline participating or to withdraw once participation has started, which will limit the value of the research's reliability.
- They are a number of initial optional questions that may make it possible to identify the individual. It is not the research intention to do so, however if you have concerns about answering those questions, you may skip them.

*Required

Questionnaire Structure

Most of the questions will follow a Likert-scale:
Strongly disagree / Disagree / Neutral / Agree / Strongly agree

There is also an additional choice:
I don't know

In case you:
- Do no want to answer due to whatever reason
- Cannot answer because you have no experience to make the judgement
Then, please choose "I don't know", however, whenever possible, please select a choice between Strongly disagree to Strong agree.

1. **Do you willingly accept to participate in this research** *
Mark only one oval.

◯ Yes
◯ No

2. **Are you a Native Japanese or Non-Japanese speaker?**
Mark only one oval.

◯ Native Japanese speaker
◯ Non-Japanese speaker
◯ Prefer not to say

Main Questionnaire

3. **Your organisation does not have a large power gap between higher and lower ranked members of the organisation within the same office/country.** *
Mark only one oval.

- Strongly disgree
- Disagree
- Neutral
- Agree
- Strongly agree
- Don't know

4. **You follow a flexible process within legal constraints in order to deliver what the customer is expecting.** *
Mark only one oval.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Don't know

5. **You prioritize the company's processes over fulfilling customer expectations, even if the customer's expectation is reasonable and the industry norm.** *
Mark only one oval.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Don't know

6. **You prefer to give your customers clear statements such as "yes, we are able to meet this requirement" rather than "we need to confirm later".** *
Mark only one oval.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Don't know

7. **When a supplier tells you "Yes, we probably can do that" you think it means that there is more than 70% probability of succeeding it.** *
Mark only one oval.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Don't know

8. **When a supplier tells you "Yes, we probably can do that" you think it means that there is more than 80% probability of succeeding it.** *
Mark only one oval.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Don't know

9. **When a supplier tells you "Yes, we probably can do that" you think it means that there is more than 90% probability of succeeding it.** *
Mark only one oval.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Don't know

10. **When asking a question to a customer or supplier, if they do not answer immediately (within a couple of seconds) you assume that their hesitation suggests they are unsure.** *
Mark only one oval.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Don't know

11. **You work in a company that is not located in a hot-market from a business (sales/profit) view-point.** *
Mark only one oval.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Don't know

12. **You work in a company that is not located in a hot-market from a technology view-point.** *
Mark only one oval.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Don't know

13. **You get attention from headquarters because you are in a hot-market.** *
Mark only one oval.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Don't know

14. **The level of attention you get from headquarters by means of follow-ups, e-mails, phone-calls or visitors, feels excessive.** *
Mark only one oval.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Don't know

15. **When visitors come from headquarters, you dedicate a large proportion of time planning their visit and travel itinerary.** *

Mark only one oval.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Don't know

16. **You recognize very well what headquarters' management expects of you after they request something to you in a meeting or e-mail.** *

Mark only one oval.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Don't know

17. **Headquarter does not require frequent reports and updates on a project situation.** *

Mark only one oval.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Don't know

18. **Headquarter asks you to make simpler reports because it is tedious to read your reports.** *

Mark only one oval.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Don't know

19. **If you had to report to someone who was fluent in the language you choose to communicate in, then you would not spend as much time to prepare your report compared to preparing it for someone who is not fluent in your communication language.** *

Mark only one oval.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Don't know

20. **You think that headquarters still has too limited exposure to your region to completely understand the situation.** *

Mark only one oval.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Don't know

21. **Headquarter does not make assertive decisions based on their limited understanding of the region.** *

Mark only one oval.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Don't know

22. **You are not able to reject requests from headquarters even if they are unreasonable or not feasible.** *

Mark only one oval.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Don't know

23. **You are able to say “No” to your local colleagues (colleagues in the same office or region).** *

Mark only one oval.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Don't know

24. **You are able to say “No” to your colleagues located in headquarters.** *

Mark only one oval.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Don't know

25. **You often get feedback from headquarters to understand what you did wrong.** *

Mark only one oval.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Don't know

26. **You often get feedback from headquarters that helps you understand clearly what you have to do to improve.** *

Mark only one oval.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree
- Don't know

Appendix II - Questionnaire B

"Headquarters knows best"

As part of a research project, it is desired to collect data to help understand, and later resolve challenges that may occur between headquarters and regional offices. The research might help understand if language issues amplify the challenges and if more strategic countermeasures are needed.

Bouquet, Birkinshaw and Barsoux (2015) published a study about challenges that occur between headquarters and subsidiary offices. They developed a diagnostic questionnaire to identify if a given organisation has a higher predisposition to the discovered issues or not.

The research will repeat this short questionnaire in order to determine if there is any relationship or not between the issues found between headquarter-subsidiary relationships and issues potentially caused by Japanese-to-Non-Japanese language.

- The research will be completed within December 2019.
-The research will be shared with University academia and company management.
- Individual names will not be collected or shared.
- Individuals are free to decline participating or to withdraw once participation has started, which will limit the value of the research's reliability.

1. **Head office shows a strong bias to investments closer to home.**
   Mark only one oval.
   - ◯ Yes
   - ◯ No
   - ◯ I don't know

2. **Head office is unresponsive to requests, sales leads, or opportunities from the periphery.**
   Mark only one oval.
   - ◯ Yes
   - ◯ No
   - ◯ I don't know

3. **There is a wide gap between the composition of the top team/board and the global reach of the group (for example, there is no one from outside the home continent).**
   Mark only one oval.
   - ◯ Yes
   - ◯ No
   - ◯ I don't know

4. **Top talents from the fringe subsidiaries are unlikely to be promoted beyond their regions.**
   Mark only one oval.
   - ◯ Yes
   - ◯ No
   - ◯ I don't know

5. **Novel practices and innovations from the periphery are assumed to have local relevance only.**
Mark only one oval.
- Yes
- No
- I don't know

6. **The flow of visits and secondments is exclusively from HQ to subsidiary.**
Mark only one oval.
- Yes
- No
- I don't know

7. **The subsidiaries on the periphery daren't push back on HQ directives.**
Mark only one oval.
- Yes
- No
- I don't know

8. **Visits from HQ are more about HQ demands than subsidiary needs.**
Mark only one oval.
- Yes
- No
- I don't know

9. **The subsidiaries have little contact with each other that is not mediated by HQ.**
Mark only one oval.
- Yes
- No
- I don't know

10. **There are few third-country nationals as subsidiary heads.**
Mark only one oval.
- Yes
- No
- I don't know

11. **Core subsidiaries have little awareness of what is going on in non-core subsidiaries.**
Mark only one oval.
- Yes
- No
- I don't know

12. **There is no regular contact with colleagues in other subsidiaries.**
Mark only one oval.

- Yes
- No
- I don't know

13. **It is rare to solicit advice from executives outside the home continent.**
Mark only one oval.

- Yes
- No
- I don't know

14. **Other global companies do a better job of accessing local know-how.**
Mark only one oval.

- Yes
- No
- I don't know

15. **The company finds it difficult to compete with local recruiters in emerging markets.**
Mark only one oval.

- Yes
- No
- I don't know

16. **The company lacks influence with local regulators and government officials.**
Mark only one oval.

- Yes
- No
- I don't know

Appendix III - Questionnaire A Results

Question #	Question	Participant answers													
Consent	Do you willingly accept to participate in this research	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
0	Are you a Native Japanese or Non-Japanese speaker?	Prefer not to say	Non-Japanese speaker	Non-Japanese speaker	Non-Japanese speaker	Non-Japanese speaker	Native Japanese speaker	Non-Japanese speaker	Non-Japanese speaker	Native Japanese speaker	Non-Japanese speaker	Non-Japanese speaker	Non-Japanese speaker	Non-Japanese speaker	Non-Japanese speaker
1	Your organisation does not have a large power gap between higher and lower ranked members of the organisation within the same office/country.	Agree		Agree	Disagree	Agree	Agree	Disagree	Agree	Agree	Disagree	Disagree	Disagree	Disagree	Agree
2	You follow a flexible process within legal constraints in order to deliver what the customer is expecting.	Neutral	Strongly agree	Neutral	Strongly agree	Agree	Agree	Disagree	Agree	Agree	Strongly disagree	Neutral	Agree	Strongly agree	Strongly agree
3	You prioritize the company's processes over fulfilling customer expectations, even if the customer's expectation is reasonable and the industry norm.	Neutral	Strongly agree	Disagree	Strongly agree	Agree	Strongly disagree	Agree	Disagree	Agree	Neutral	Strongly agree	Disagree	Agree	Neutral
4	You prefer to give your customers clear statements such as "yes, we are able to meet this requirement" rather than "we need to confirm later".	Agree	Strongly agree	Agree	Strongly disagree	Disagree	Strongly agree	Strongly agree	Agree	Agree	Strongly agree	Strongly agree	Strongly agree	Strongly agree	Strongly agree
5	When a supplier tells you "Yes, we probably can do that" you think it means that there is more than 70% probability of succeeding it.	Agree	Agree	Agree	Strongly agree	Disagree	Disagree	Agree	Strongly agree	Agree	Agree	Agree	Strongly agree	Disagree	Neutral
6	When a supplier tells you "Yes, we probably can do that" you think it means that there is more than 80% probability of succeeding it.	Agree	Agree	Neutral	Strongly agree	Disagree	Disagree	Agree	Agree	Neutral	Neutral	Neutral	Agree	Disagree	Disagree
7	When a supplier tells you "Yes, we probably can do that" you think it means that there is more than 90% probability of succeeding it.	Disagree	Neutral	Neutral	Agree	Agree	Disagree	Neutral	Neutral	Disagree	Disagree	Disagree	Neutral	Disagree	Strongly disagree
8	When asking a question to a customer or supplier, if they do not answer immediately (within a couple of seconds) you assume that their hesitation suggests they are unsure.	Disagree	Agree	Strongly disagree	Strongly agree	Agree	Agree	Strongly disagree	Strongly disagree	Agree	Neutral	Disagree	Neutral	Disagree	Disagree
9	You work in a company that is not located in a hot-market from a business (sales/profit) view-point.	Disagree	Agree	Disagree	Strongly agree	Strongly disagree	Agree	Strongly disagree	Agree	Neutral	Disagree	Strongly agree	Strongly agree	Agree	Neutral
10	You work in a company that is not located in a hot-market from a technology view-point.	Disagree	Agree	Disagree	Strongly disagree	Strongly disagree	Disagree	Strongly disagree	Agree	Disagree	Disagree	Disagree	Strongly disagree	Disagree	Disagree
11	You get attention from headquarters because you are in a hot-market.	Agree	Strongly disagree	Disagree	Strongly disagree	Disagree	Neutral	Neutral	Disagree	Neutral	Agree	Neutral	Agree	Agree	Agree
12	The level of attention you get from headquarters by means of follow-ups, e-mails, phone-calls or visitors, feels excessive.	Agree	Neutral	Neutral	Strongly disagree	Strongly disagree	Disagree	Neutral	Disagree	Neutral	Neutral	Neutral	Disagree	Disagree	Disagree
13	When visitors come from headquarters, you dedicate a large proportion of time planning their visit and travel itinerary.	Agree	Don't know	Strongly agree	Don't know	Agree	Disagree	Neutral	Don't know	Disagree	Agree	Neutral	Strongly agree	Neutral	Disagree
14	You recognize very well what headquarters' management expects of you after they request something to you in a meeting or e-mail.	Neutral	Agree	Neutral	Disagree	Disagree	Neutral	Agree	Don't know	Agree	Neutral	Neutral	Agree	Agree	Disagree
15	Headquarter does not require frequent reports and updates on a project situation.	Agree	Agree	Strongly disagree	Agree	Neutral	Agree	Disagree	Don't know	Agree	Strongly disagree	Agree	Neutral	Disagree	Disagree
16	Headquarter asks you to make simpler reports because it is tedious to read your reports.	Neutral	Neutral	Neutral	Agree	Agree	Disagree	Neutral	Don't know	Neutral	Disagree	Agree	Strongly agree	Agree	Strongly disagree
17	If you had to report to someone who was fluent in the language you choose to communicate in, then you would not spend as much time to prepare your report compared to preparing it for someone who is not fluent in your communication language.	Agree	Strongly agree	Strongly agree	Strongly agree	Agree	Disagree	Agree	Agree	Agree	Neutral	Strongly agree	Agree	Agree	Strongly agree
18	You think that headquarters still has too limited exposure to your region to completely understand the situation.	Agree	Agree	Strongly agree	Strongly agree	Strongly agree	Disagree	Agree	Don't know	Agree	Strongly agree	Agree	Strongly agree	Agree	Agree
19	Headquarter does not make assertive decisions based on their limited understanding of the region.	Agree	Agree	Agree	Strongly agree	Strongly agree	Neutral	Agree	Don't know	Neutral	Agree	Neutral	Agree	Disagree	Strongly agree

20	You are not able to reject requests from headquarters even if they are unreasonable or not feasible.	Neutral	Disagree	Agree	Disagree	Agree	Disagree	Agree	Don't know	Neutral	Agree	Neutral	Disagree	Agree	Neutral
21	You are able to say "No" to your local colleagues (colleagues in the same office or region).	Agree	Agree	Agree	Strongly agree	Agree	Agree	Neutral	Strongly agree	Agree	Agree	Agree	Strongly agree	Agree	Strongly agree
22	You are able to say "No" to your colleagues located in headquarters.	Agree	Agree	Neutral	Agree	Agree	Agree	Disagree	Don't know	Agree	Neutral	Neutral	Agree	Agree	Neutral
23	You often get feedback from headquarters to understand what you did wrong.	Neutral	Strongly disagree	Disagree	Disagree	Disagree	Disagree	Neutral	Don't know	Agree	Agree	Disagree	Disagree	Disagree	Neutral
24	You often get feedback from headquarters that helps you understand clearly what you have to do to improve.	Neutral	Strongly disagree	Disagree	Strongly disagree	Disagree	Disagree	Agree	Don't know	Neutral	Disagree	Neutral	Neutral	Agree	Neutral

Appendix IV - Questionnaire B Results

#	Question	Participants		
1	Head office shows a strong bias to investments closer to home.	Yes	Yes	No
2	Head office is unresponsive to requests, sales leads, or opportunities from the periphery.	Yes	Yes	Yes
3	There is a wide gap between the composition of the top team/board and the global reach of the group (for example, there is no one from outside the home continent).	Yes	Yes	Yes
4	Top talents from the fringe subsidiaries are unlikely to be promoted beyond their regions.	I don't know	Yes	No
5	Novel practices and innovations from the periphery are assumed to have local relevance only.	No	No	Yes
6	The flow of visits and secondments is exclusively from HQ to subsidiary.	No	No	No
7	The subsidiaries on the periphery daren't push back on HQ directives.	I don't know	Yes	Yes
8	Visits from HQ are more about HQ demands than subsidiary needs.	Yes	Yes	Yes
9	The subsidiaries have little contact with each other that is not mediated by HQ.	Yes	No	Yes
10	There are few third-country nationals as subsidiary heads.	I don't know	Yes	Yes
11	Core subsidiaries have little awareness of what is going on in non-core subsidiaries.	Yes	I don't know	Yes
12	There is no regular contact with colleagues in other subsidiaries.	No	No	No
13	It is rare to solicit advice from executives outside the home continent.	Yes	Yes	Yes
14	Other global companies do a better job of accessing local know-how.	I don't know	Yes	Yes
15	The company finds it difficult to compete with local recruiters in emerging markets.	I don't know	Yes	Yes
16	The company lacks influence with local regulators and government officials.	Yes	Yes	Yes