

University of Liverpool Doctor of Business Administration

**DEVELOPING GLOBAL LEADERSHIP COMPETENCIES IN JAPANESE
MULTINATIONAL MANUFACTURING COMPANIES (JMMC)**

AN ACTION RESEARCH INQUIRY

**Thesis submitted in accordance with the requirements of the University of Liverpool for
the degree of Doctor of Business Administration**

By

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Abstract

DEVELOPING GLOBAL LEADERSHIP COMPETENCIES IN JAPANESE MULTINATIONAL MANUFACTURING COMPANIES (JMMC)

Tony Satoshi Namigai

I conducted this research to understand the viability of creating a consulting service for Japanese multinational manufacturing companies to help them develop their global leadership competencies. The context is the need for Japanese multinational companies, especially the manufacturing companies, to regain lost competitiveness. I used a qualitative research method using action research and action learning. A global leadership competency development framework was built based on academic models (Mendenhall and Bird, 2013; Kim and McLean, 2015) selected from a literature review. I adapted the models using data collected from three action research cycles of planning, acting, observing and reflecting involving research participants, the literature and the my practical experience. The three cycles were: 1) literature review and interviews of representatives from three Japanese multinational manufacturing companies (JMMC), 2) facilitation of a learning set with one of the three JMMCs on its leadership development, and 3) discussion with a human resource expert panel on global leadership models and content. Based on the literature review and research participants from three JMMCs I found that there were not many Japanese multinational companies with a leadership development program that was global in terms of consistency and inclusiveness. This initial research showed that a company's global leadership competency development program is likely to be effective only when it is aligned to the company's unique strategy, culture and values. The research also suggested that competencies need to reflect job specific requirements to be practical. I created a global leadership development framework by using these findings. The research result suggests that global leadership competency development services for JMMCs could be a viable consulting business with a combination of assessment tools to consult on identifying required competencies and a structure to guide the development of a program that can define required content. This could also lead into program delivery business including content development. The implication for my practice is that the global leadership development framework can guide the development of assessment tools needed to provide consulting and delivery services of developing global leadership competencies for JMMCs.

Word count (46,152 excluding references):

Declaration of Own Work

I declare that this thesis has been composed solely by me and that it has not been submitted, in whole or in part, in any previous application for a degree. Except where it states otherwise by reference or acknowledgment, the work presented is entirely my own.



Tony Satoshi Namigai

22 September, 2018

Date

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Chapter 1 Introduction

1.1 Introduction

The primary objective of my research is to understand the viability of creating a consulting service for Japanese multinational manufacturing companies (JMMCs) to help develop their global leadership competencies.

1.2 Motivation

I am a Japanese national, born and raised in Kobe, Japan. Throughout my 38-year career in various industries, of which 35 years were outside of Japan, I have continued to be associated and involved with Japanese companies and businesses. In the first 26 years of my career, I worked for leading Japanese and the U.S. multinational companies in various leadership positions. My first job was with a Thai-Japanese joint venture manufacturing company in Thailand affiliated with two leading Japanese multinational companies. Throughout my career, how Japanese multinational companies evolved and how they positioned themselves for the future have been of great professional and personal interest. In 2007, I left a corporate job and found my own company (Namigai & Co.) in Geneva, Switzerland, as an independent management consultant and trainer. Since then, I have been trying, albeit with limited success, to develop a management training and consulting business for Japanese multinational companies (JMCs) in the area of leadership development. In July 2016, I joined Kinetic Consulting (hereafter 'Kinetic'), a small management consulting company based in Geneva, Switzerland as an employee. The company specializes in strategy and leadership consulting with a small capability development service which helps clients implement their strategies. In Kinetic, I was mainly responsible for strengthening the capability development business. The capability business follows the same steps as a consulting business, starting with the client's situational assessment, developing a tailored solution to develop required competencies, and successfully implementing the strategy. Kinetic's clients had so far been all western multinationals, and therefore, I intended my research to help develop Japanese clients for Kinetic. In April 1st, 2018, I resigned from Kinetic to become an 'associate' where I do some consulting and training work through Kinetic as an independent contractor. This meant that Kinetic became one of Namigai & Co's clients.

I have chosen a thesis topic that combines my interest in JMMCs and my work in developing Japanese business, with a focus on global leadership competency development. Creating a new service targeted to JMMCs to consult and develop global leadership competencies will

be the primary objective of this research. The reason for selecting manufacturing companies in particular, as opposed to targeting the entire JMCs is simply a matter of focus on a more complex segment, i.e. manufacturing operations, where challenges in leading people and organizations are higher. For example, the average number of employees in overseas subsidiaries of Japanese manufacturing companies was 2.5 times that of non-manufacturing companies (manufacturing 989 versus non-manufacturing 391) in 2006 (Inagami, 2008).

1.3 The decline of JMMCs

JMMCs experienced a rise and rapid decline over the past thirty years. Having started my career in 1981, I witnessed the zenith of JMCs during the 1980s followed by the steep Japanese domestic market decline triggered in 1991 by the stock market and real estate bubbles bursting, and the subsequent two decades of economic deflation and malaise. During the ‘lost’ two decades of the 1990s and the 2000s, JMCs faced not only a steep drop in their domestic market but also strong competition from companies based in emerging countries such as Korea and China (*The Economist*, 2009; Hoshi and Kashyap, 2015). The decline of JMCs continued in the 2000s when in 2005 six Japanese manufacturing companies were in the Fortune Global 30 (based on revenues) but in 2009 only two companies remained on the list, of which one was a non-manufacturing company. In contrast, three Chinese manufacturing companies and one Korean manufacturing company appeared in the 2009 Fortune Global 30 list. In the 2016 Fortune Global ranking, only one Japanese manufacturing company remained in the top 30 while there were nine Chinese companies (three manufacturing; five non-manufacturing) and one Korean manufacturing company.

1.4 How JMMCs handled the decline and their need for globalization.

The need for Japanese multinationals manufacturing companies (JMMC) to be competitive in the global stage became a matter of survival for many of them. The latest casualty was Toshiba, a venerable Japanese industrial conglomerate, which struggled for survival after an accounting scandal and failed acquisition of Westinghouse Electric (CBS, 2017). Another recent casualty was Sharp Corporation, once a leading JMMC in electronic products, which suffered substantial financial losses in recent years and was acquired by the Chinese multinational Hon Hai Precision Machinery in 2016. Among JMCs, JMMCs were forced to make a big change in their business model, changing from manufacturing 100% in Japan and exporting their products, to setting up manufacturing capacity outside of Japan in order to circumvent host governments’ import restrictions, to lower production and distribution costs

and/or to get closer to their overseas customers to maintain their competitiveness (Kobayashi, 1982; Dura and Ciurlau, 2011; Dura and Dobre-Baron, 2011; Fitzgerald and Rowley, 2015a). These pressures to increase overseas manufacturing were further exasperated by the yen's 50% appreciation against the dollar triggered by the 1985 Plaza Accord (Nakamura, 2005), however the needed change came slowly. In 2004, almost two decades after the Plaza Accord, the percentage of overseas manufacturing to total manufactured value of JMMCs was a tepid 29.9%. The percentage further increased by only 5.7% points in 2014 to 35.6% (Japanese Ministry of Economy Trade and Industry, 2009). Furthermore, many JMMCs that exported their home-grown practices overseas proved ineffective in adapting to the rapid changes brought on by increasingly competitive global markets and could not maintain their competitiveness (Black and Morrison, 2012; Fitzgerald and Rowley, 2015a, 2015b).

Given the tougher competitive landscape where JMMCs were forced to globalize their operational footprint, their ability to attract, develop and retain leadership talent globally could be expected to be one of their top priorities. Indeed, a joint Japanese government (Ministry of Economy, Trade and Industry or METI), industry, and academic group study on global human resources published in 2009 raised an alarm by pinpointing JMCs' reduced competitiveness in the global market. The study suggested that global human resource development could help them regain their competitiveness (Japanese Ministry of Economy Trade and Industry, 2009). Specifically, the study recommended that the industry, government and universities collaborate in developing core global competencies at the executive, middle management and entry levels employees in JMCs. The study also highlighted top five issues related to global human resource management based on a large-scale survey of JMMCs listed on Japanese stock exchanges: issue #1 inadequate Japanese expatriate manager training to meet a rapidly changing international business environment; issue #2 insufficient number of headquarter (HQ) employees who understand overseas subsidiaries well enough to deal with them effectively; issue #3 lack of a global human resource management (HRM) system that can identify, develop and deploy leadership talent; issue #4 insufficient overseas experience by HQ executives; issue #5 low retention of top local employees in overseas subsidiaries (Japanese Ministry of Economy Trade and Industry, 2009). The first four issues relate to Japanese employees, and require decisions at HQ to change how they manage their human resources. The fifth issue relates to dissatisfaction of non-expatriate employees in overseas subsidiaries (Bartlett and Yoshihara, 1988; Furuzawa, 2004; Nakamura, 2005). Although the results of this study imply that the problem is systemic

and global, the study concludes that the top priority in developing global human resource starts with internationalizing Japanese employees in Japan.

The conclusion that insufficient globalization is a key issue is confirmed in a number of other studies. For example, a different study on JMMCs business globalization and human resource management comes to the same conclusion as evidenced by the high reliance on Japanese expatriate managers (Sato, 2006). Sato (2006) suggests that how to globalize JMMCs' HRM will depend on how they are implementing their strategies. Specifically, the variables that need to be reflected in HRM are how their organization is structured, and how and who makes different types of decisions. In a more recent study conducted by IMD, Switzerland, 61 countries were ranked on various people talent competitiveness measures, Japan had an overall composite ranking of 26. However, ranking of some of the specific measures were shockingly low. For example, it ranked the lowest at 61 in both international experience of senior managers, and availability of competent senior managers. Additionally, Japan ranked 60 in language skills (IMD World Competitiveness Centre, 2015). The very low ranking in these three talent areas confirms that the top four issues in the 2008 survey (Japanese Ministry of Economy Trade and Industry, 2009) have not improved much and that they are still relevant issues for JMMCs today. To be fair, the gap between global leadership needs and pool of capable leaders is not unique to JMMCs, and is endemic to western multinational companies as well (Gillis, 2011; Canals, 2014). However, certain human resource practices of JMMCs are exacerbating the problem as you will see below.

As if to mirror the global talent shortage issue found in the IMD study, a Japan External Trade Organization's study (Japan External Trade Organization, 2017) showed that the number one issue for large Japanese companies (>3,000 employees) regarding their overseas business was management talent to develop the business. Additionally, 70% of the large companies stated that their talent development focus was to build global talent among their Japanese employees. Twenty percent of the same group said their focus was on hiring non-Japanese employees in Japan. The study also showed that among large companies, 73% hired foreigners in Japan, although 58% had foreigners representing less than 1% of employees.

These studies provide strong evidence that many Japanese multinational companies have not yet become sufficiently global in terms of how they staff their operations and develop their people. Specifically, it is well documented that JMCs use a strong Japanese ethnocentric human resource management practice by using a high proportion of Japanese expatriate

managers in their overseas subsidiaries leadership teams (Pascale, 1978; Negandhi, Eshghi and Yuen, 1985; Bartlett and Ghoshal, 1987; Bartlett and Yoshihara, 1988; Kopp, 1994; Rosenzweig, 1994; Yoshida, 1997; Hong, Easterby-Smith and Snell, 2006; Miah and Bird, 2007; Ando, Rhee and Park, 2008). One could argue that the high dependency on expatriate Japanese managers is related to other issues highlighted in the survey (Japanese Ministry of Economy Trade and Industry, 2009). For example, it is not difficult to surmise that Japanese expatriates occupying senior managerial positions in overseas subsidiaries decrease promotional opportunities for local employees, and hence, difficulty in retaining top local talent. Additionally, the high cost of expatriate managers has been pointed out as an issue given the tough economic climate following the burst of the asset price bubble in 1992 and increased global competition (Kopp, 1994; Nakamura, 2005; Kamazawa, 2009; Hoshi and Kashyap, 2015). Other studies also expose other issues related to Japanese expatriate managers in overseas subsidiaries. For example, the overseas subsidiaries' local employee performance management is done by Japanese expatriate managers, who typically use relatively high-context practices used in Japan. An example of 'high-context' practices is when team members are not given clear job descriptions, but the manager expects them to know their responsibilities. These practices are perceived to be unfair and non-transparent by local employees (Vo and Stanton, 2011). This points to communication problems between Japanese expatriate managers (JEMs) and local employees (Okamoto, 2010; Itakura, 2011), and a need for a cultural mediator between expatriate managers and local employees to reduce the stress caused by cultural and language problems (Okamoto and Teo, 2011, 2012). In one study comparing Japanese expatriate managers to their peers from other countries, Japanese expatriate managers showed more difficulties in dealing with and adapting their behaviours to differences in culture and new business environments (Benton *et al.*, 2015). The study attributed these difficulties to the low level of leadership and language training of Japanese expatriates compared to those of expatriates from other countries, and to the rigid Japanese consensus business culture that makes behavioural changes more difficult.

On the other hand, there is some evidence that the use of expatriate managers is justified for a smoother knowledge transfer of sophisticated manufacturing processes and product development activities to overseas subsidiaries (Oki, Amano and Nakagawa, 2011; Oki, 2013). Some studies also suggest that the use of Japanese expatriate managers could be beneficial to the performance of overseas subsidiaries (Tan and Mahoney, 2006; Peng and Beamish, 2014; Riaz, Glenn Rowe and Beamish, 2014). However, the issue remains that

despite these justifications, increased globalization of leadership resource would benefit JMMCs in the long term.

1.5 Why JMMCs have not succeeded in their move toward globalization.

We saw in the previous section that 70% of large Japanese multinational planned on developing Japanese employees for global talent. This plan requires a steady stream of young Japanese professionals.

Unfortunately, the (Japanese Ministry of Economy Trade and Industry, 2009) survey showed that younger Japanese professionals are not as attracted to overseas assignments compared to previous generations. This sentiment of younger Japanese professionals is a serious concern if JMMCs intend to continue relying on Japanese expatriate managers to lead their overseas operations. In a study conducted by The Japan Institute for Labour Policy and Training (JILPT), a quasi-government organization, 4,242 Japanese expatriate managers in 58 countries were surveyed with 1,565 valid results and found that they were concerned about issues such as education for their children, inability to maintain a career progressing network back in the HQ and various repatriation integration concerns (Inagami, 2008). These are also the same set of concerns that I have personally heard over the past ten years directly from numerous European-based Japanese expatriate managers who participated in management workshops that I facilitated, and also Japanese expatriate executives in Thailand that I came to know through my board activities there. In 2008, I had a memorable conversation with a Japanese expatriate manager based in the Netherlands who was the European Managing Director of a large JMMC. He shared with me that for the past 20 years his company has assigned him to several executive positions in the company's overseas subsidiaries around the world due to an insufficient pool of Japanese executives who were proficient in English and able to manage overseas operations effectively. He was lamenting to me the fact that he was in his mid-50s, and that basically his career is over because it was sacrificed to compensate the company's leadership talent shortage. He had missed many promotional opportunities to be one of the top executives in Japan because he was outside of Japan for such a long time.

The lack of interest among Japanese millennial professionals to work overseas has actually gotten worse in recent years. A survey conducted every three years among new employees in Japan aged between 18 and 26 shows that in a 2015 survey the percent of respondents that stated that they do not want to work overseas was 63.7%, an increase of 14.7% points from

six years ago (Sanno Noritsu University, 2015). Of the respondents who stated not wanting to work overseas 65.6% cited their weak English language aptitude as the reason. This is quite interesting in that the younger generation considers English aptitude as the reason for not desiring overseas assignments; however the low language aptitude is not unique to young generations as indicated in the IMD study (2015). A stumbling block to globalization for JMMCs could be this lack of interest of younger professionals to take overseas assignments.

Some Japanese multinationals recognized that weak English competency among their Japanese employees was a threat toward their global competitiveness, and put more emphasis on English language competency among their Japanese employees (Takai, 2015; Sasaki, 2017). For example, Rakuten, the largest e-commerce and internet company with operations worldwide declared English as the company's official language in 2012. Fast Retailing, the most successful Japanese retail company with Uniqlo as its flagship brand also declared English as its official language in 2012, as did Sharp Corporation in 2010 and Honda Motor Company in 2015 (Iwasaki, 2015). About another dozen or so Japanese multinationals also publicly announced their increased investment in promoting more short-term expatriate assignments for their young professionals to improve their English skills, and to expose them to foreign business cultures. Some of these companies have also set a minimum TOEIC (Test of English for International Communication) score, typically 760 or above where 990 is the full score, as one of the criteria for promotion to managerial positions. Additionally, several of these companies have declared their intention to adopt English as their official language in the near future (Kobayashi, 2017).

Japanese learners of English may have some learning anxieties from violating a Japanese cultural norm of not wanting to either lose face by making mistakes or stand out by having a superior command of English relative to others (Ohata, 2005). Some generational differences may be at play here but are beyond the scope of this research. Nevertheless, the lack of interest among young Japanese to work overseas and low English skills pose serious risks for JMMCs who plan to staff overseas senior managerial positions with Japanese expatriate managers.

Indeed, the Japan Institute for Labour Policy and Training (Inagami, 2008) report shows that there is an increasing trend of the number of Japanese expatriate managers who are assigned to overseas posts multiple times. The lack of interest of Japanese millennials in overseas assignments in the Sanno Institute survey (Sanno Noritsu University, 2015) also validated the

trend in the JILPT report (Inagami, 2008). Inadequate training of Japanese expatriate managers also does not support millennials' desire to go on expatriate assignments (Japanese Ministry of Economy Trade and Industry, 2009). The JILPT (Inagami, 2008) also reported that almost 50% of the respondents stated that their companies did not offer any training related to international business and management and almost 38% of the companies did not offer English language training. It is clear that JMMCs need to rethink how they develop future Japanese expatriate managers in terms of pre-assignment training. However, is the real issue as it relates to JMMCs' competitiveness in the global market much larger than the need to only enrich Japanese expatriate manager training and enlarge the pool of expatriate managers?

1.6 Globalization outside of JMMCs

Historically, truly global companies have been considered to have more regiocentric or geocentric human resource orientation where subsidiaries are managed by a mix of parent country nationals (PCN), host country nationals (HCN), third country nationals (TCN) where HCNs and TCNs are employed in higher proportions relative to PCNs, i.e. expatriate managers (Perlmutter, 1969; Perlmutter and Heenan, 1974). JMMCs' ethnocentric human resource practice of using much higher proportion of PCNs or Japanese expatriates, and correspondingly much lower HCN and TCN proportions compared to multinational corporations from the US and western European countries is also well documented (Kopp, 1994; Rosenzweig, 1994; Harzing, 2001). Although the proportion of PCNs relative to HCNs declined from the 1960s to the late 1990s, the absolute number of Japanese expatriate general managers have stayed relatively constant (Beamish and Inkpen, 1998). However, it is not clear what drove this reduction in proportion or whether the proportionate reduction has continued to this day. Kamazawa (2009) suggests that JMMCs are 10 years behind American and European multinationals in the use of HCNs and TCNs in managing overseas subsidiaries. Based on my experience, I think JMMCs may be more than 10 years behind their American and European peers. My view is based on my experience of being a TCN executive with Hewlett-Packard in the US and Europe, a TCN executive with Agilent Technologies based in Europe from 1998 through 2007 with initially regional and later global responsibilities, and from my more recent interactions with the management of numerous American, European and Japanese multinationals in Europe. Most of my peers in other US multinational companies based in Europe were HCNs or TCNs which confirms the works of Harzing (2001) and others. In contrast, senior management positions of all the JMMCs I have

been working with in Europe and Thailand in recent years are still majority Japanese PCNs.

However, there is a handful of leading Japanese multinationals that have been focusing on global talent development with some established corporate universities, in some cases outside Japan, to facilitate their leadership talent development. For example, Bridgestone, a JMMC tire manufacturer with the biggest global market share, established a human resource training college in 2002 to develop their global leadership talent pool, and also designated English as an official company language (Tsuya, 2017). The company has also recently assigned a European, and therefore, a TCN, to head its Asia-Pacific operation. Takeda Pharmaceutical Company is another example where in 2014 the company declared that the attraction and development of global talent is a key part of its mid-range growth strategy and established the Global HR Functions (Takeda Pharmaceutical Company, 2016). The company is also the leader in having very high number of non-Japanese in its executive team, and the board. Since 2015, the company's CEO has been non-Japanese, along with other key positions such as CFO, CHRO and CMSO (Chief Medical and Scientific Officer). Out of the 14 executive team members, only three are Japanese nationals. Its board comprises 14 members of which five are non-Japanese, and of these five, three are CEO, CFO and CMSO. Unfortunately, these companies are in the small minority among the large JMMCs. The Fortune global 500 (2013) study showed that the percentage of companies with a CEO who was not PCN was 13%, and members of the executive leadership team excluding the CEO, that were not PCN was 15% while the average of 62 Japanese companies in the Fortune 500 had 3% and 5% respectively (Iwasaki, 2015). Japanese companies that bring in non-Japanese CEOs fall into two categories – they either 1) have a large foreign share ownership or 2) are trying to transform the company to globalize the organization (Nakamoto, 2012).

1.7 A need to improve global leadership development for JMMCs

Various studies conducted thus far on issues related to global human resource management in Japanese multinationals focus on the extensive use of Japanese expatriate managers in overseas subsidiaries (Bartlett and Yoshihara, 1988; Kopp, 1994; Nakamura, 2005; Inagami, 2008; Kamazawa, 2009; Oki, Amano and Nakagawa, 2011), some of the issues related to Japanese expatriate managers, such as their communication skills (Harzing and Feely, 2008; Japanese Ministry of Economy Trade and Industry, 2009, 2013), and the need to develop leadership competencies of Japanese professionals as the top priority for building global human resource (Japanese Ministry of Economy Trade and Industry, 2009). These studies appear to be focusing on Japanese expatriate managers rather than looking at the broader

picture of how JMMCs should define and develop their managerial talent globally including non-Japanese employees.

This situation suggests that there are business opportunities in helping JMMCs rethink how they should develop global leaders. I have already made a case that JMMCs have lost the premier status they once enjoyed in global ranking among global multinational companies, and how the Japanese government, educational institutions and the Japanese industry articulated a need to develop global human resource to regain lost competitiveness (Japanese Ministry of Economy Trade and Industry, 2009). I would need to present a case for change in developing their leaders combined with a service to help them develop a tailored global leadership development program that is leverage the global employee base. As stated briefly earlier in this chapter (section 1.2 motivation) , my leadership development business targeted for JMMCs has not being successful. Most of the JMMCs I have talked to acknowledge that they are struggling in developing their leadership talent globally. Their motivation to develop global leadership competencies is for their leaders to navigate this increasingly volatile business, and to achieve their strategic objectives. They are interested in listening to consultants like me who offer some help in solving their challenges. However, my experience and ideas, no matter how relevant to their issues, are not sufficiently convincing for them to buy my services. At the same time, when I share with them the various studies done on how to develop global leadership talent, they say the research is too generic and does not apply to their unique situations.

1.8 Research problem

I would need to present a compelling reason to JMMCs why they need to revisit the way they are developing global leaders together with a robust developmental framework that can be tailored to their needs. So far, my sales pitch to JMMCs has been largely anecdotal and generic, lacking in specifics, relevance and authority. My sales pitch discussions typically end in my commiserating with the JMMC executives about their leadership development challenges without them seeing how I could be a part of the solution.

To remedy this problem I will use the literature to elucidate the need for a leadership development program that are not exclusive to Japanese managers and a robust scholarly leadership developmental framework that can be tailored to specific JMMC strategic context. With the literature referenced in this chapter, the case for change in the way JMMCs develop

global leaders has already been strengthened compared to my anecdotal argument for a change. I will continue in chapter 3 to search the literature to further strengthen the case for change and to find appropriate concepts and models for a flexible framework.

1.9 This thesis

My research creates a robust and flexible framework to help JMMCs define their global leadership competencies that result in an inclusive leadership development program. The primary objective of my research is to evaluate the viability of creating a consulting service for my company to develop global leadership competencies for JMMCs. This research will address the following three research questions:

1. What would a robust framework to define and develop global leadership competencies look like for JMMCs using academic concepts and my company's practical experience?
2. What is the current approach used by selected JMMCs based in Europe in developing their global leadership competencies? How do they differ from each other, from other JMMCs in the literature, from western multinationals, and from Kinetic's experience?
3. How can I apply the framework and knowledge gained from this research in creating a consulting service for JMMCs that provides a range of service, from defining to implementing their global leadership competencies?

In order to answer these questions, the thesis is structured to first describe the methodology used for this research (chapter 2), followed by literature review (chapter 3). I will describe the leadership development practices and experience of Kinetic, my experience over my career, and leading US multinational companies to establish points of compare to benchmark the literature and JMMCs (chapter 4). The first engagement with research participants was through interviews to understand their leadership development practice and get their feedback on a global leadership development model selected to develop a framework for developing a global leadership development consulting service (chapter 5). One of the research participants was then selected for a deeper engagement using action learning to gain further understanding in applying the model towards developing the framework and defining the company's global leadership development (chapter 6). A panel of human resource experts were then interviewed to get their feedback on whether the models could be useful as a service (chapter 7). My reflections throughout this thesis as a scholar-practitioner are

captured in chapter 8. A summary of this research and answers to the three research questions are in chapter 9.

Chapter 2 Methodology

2.1 Introduction

This chapter describes the research approach including research paradigm, method, and design. It will explain how the research questions will be answered. Although this chapter presents the research method in a sequential manner, the actual implementation was iterative.

The primary objective of my research is to understand the viability of creating consulting and training delivery services for JMMCs to help develop their global leadership competencies program. The service could range from a pure consulting service of assessing needs to creating a tailored development program and implementing the program. There were five steps in achieving the objective. The first step was to understand how global leadership competencies are developed in JMMCs, identify differences in the approach among JMMCs, and how the approaches compare to the common practice of leading western multinational companies. This step was accomplished largely through a literature review with additional insight from my previous employer, Kinetic Consulting, and my experience as an independent management consultant. The second step was to select a scholarly global leadership development model from the literature that could be a starting point in building a framework I could use to create a tailored global leadership development program. The tailoring would be done through simple assessment questions. The third step was to share the model and assessment questions with representatives of three JMMCs participating in this research. The fourth step, which was not originally anticipated, was creating a learning set to learn collaboratively with one of the three JMMCs to explore how a revised model can be applied in the company. This step emerged after the first action research cycle as a necessary step and became the second research cycle. The fifth step and final research cycle was to discuss the results with a human resource expert panel to get their feedback on the applicability of the revised model as a service and to create a framework based on their comments.

2.2 Research Approach

2.2.1 Research Paradigm

Leadership competencies need to be aligned to the organization's strategy, and therefore, the appropriate set of competencies depends on the roles and functions defined for the leaders to perform in order to accomplish their strategic goals (Canals, 2014). Required competencies

could be quite different from company to company depending on the nature of the industry, business scale and type of strategy employed. For example, a set of competencies appropriate for leading a small enterprise in a heavy industry serving only a local market is likely to be different from leading a large multinational company in a financial services industry with global market coverage. Typically, the human resource department is tasked by the chief executive officer to coordinate inputs from various line executives to determine the set of leadership competencies required for the company to achieve its strategic objectives and also recommend how the competencies can be developed (Alldredge and Nilan, 2000; Van Dongen, 2014). Therefore, leadership competencies of an organization can be considered to be defined through the interactions between line and human resource executives based on that organization's unique strategy.

In this research I apply the social constructionism paradigm which reflects the ontology of relativism, where there are many 'truths', and epistemology of constructionism, that encourages collection of multiple perspectives from diverse individuals (Easterby-Smith, Thorpe and Jackson, 2012). My reasoning for choosing this approach is that the research data are obtained from multiple groups with multiple perspectives on which and how an appropriate set of for global leadership competencies are determined and developed. Through my social interactions with the diverse group of research participants the required knowledge will emerge through these interactions. Therefore, knowledge of identifying and building appropriate leadership competencies will emerge and be refined over multiple of data generation and analysis cycles from these social interactions by the researcher (Walker, 2015).

2.2.2 Research Approach

Action research (AR) was used for my research. This research approach was aligned to my research paradigm as it is an inquiry process that involves both researcher and research participants where behavioural knowledge and organizational knowledge are combined to solve real organizational problems (Saunders, Lewis and Thornhill, 2016; Coghlan and Brannick, 2010; Holian and Coghlan, 2013). I intended my research process to be a collaborative problem-solving relationship between researcher and research participants, which aimed at both solving a problem that the participants encountered in developing global leadership competency and solving Namigai & Co.'s problem of not having a viable consulting service to help JMMCs develop global leadership. When AR is viewed from

Namigai & Co., there is no group of people that work collaboratively over emergent and iterative cycles of diagnosing, planning action, taking action and evaluating action to solve organizational issues you would expect in normal AR (Saunders, Lewis and Thornhill, 2016). Rather, in this research, AR takes the shape of a hub and spokes where I am the hub and there are six spokes of research participants, the three JMMCs (chapter 5) and the three HR experts forming the HR expert panel (chapter 7). The iterative cycles are done by myself which reflects the limitation that Namigai & Co., is a one-person organization. Another limitation is that this research will not directly help the participants solve their problems in developing global leadership competency but indirectly through sharing the research outcomes.

However, within this AR I have incorporated action learning (AL) with one of the participating JMMCs (chapter 6). In this AL, there is a group of people going through the iterative cycles to address the needs of both the researcher and the participants. Although AL emphasizes individual learning (Zuber-Skerritt and Perry, 2002), I intend this AL to generate organizational learning on developing global leadership competency for both Namigai & Co. and the participating JMMC.

2.2.3 Research Design

When action research is applied in the context of graduate research, it has two interacting action research projects (Zuber-Skerritt and Perry, 2002). The two projects are thesis action research and core action research as shown in figure 1.

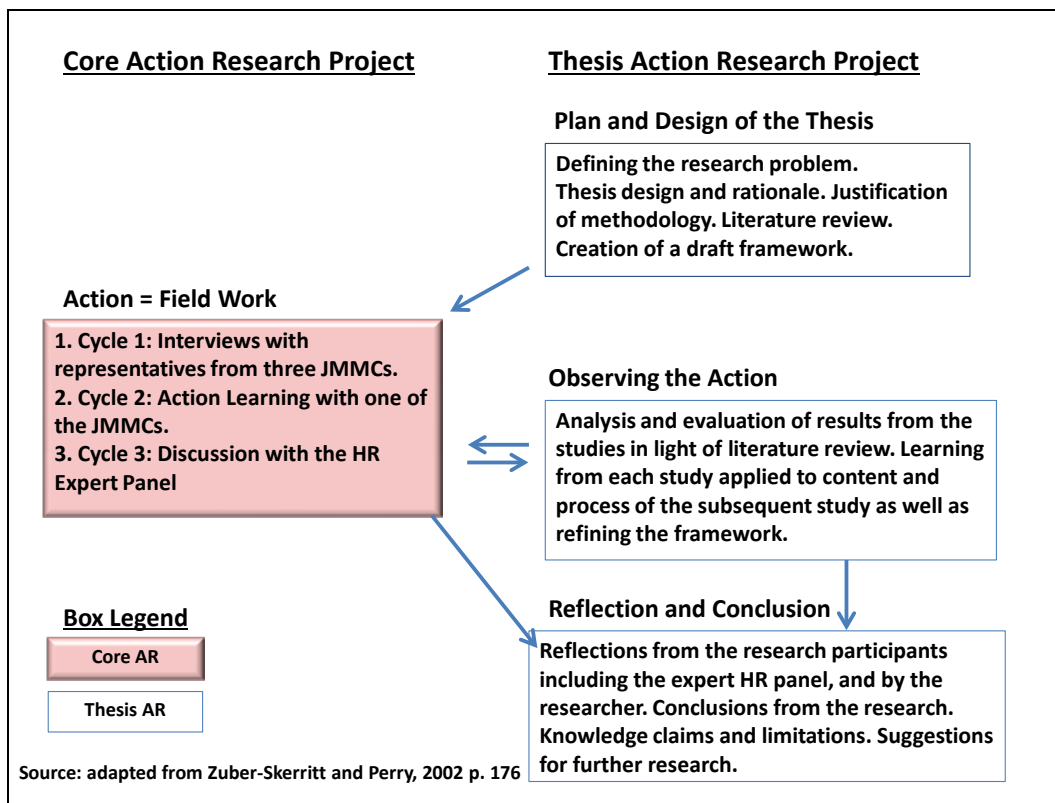


Figure 1. Action research methods used in this study (red/grey indicates core action research, blue/clear indicates thesis action research)

The thesis action research gives an overall structure to the research starting with defining the research problem, performing a literature review and defining methodology. In my research, the thesis action research described the function of the hub of a hub and spokes mentioned earlier and it also provided a framework that was used as a basis for initial engagement with research participants in the first cycle. The framework comprised the selected global leadership development model and a set of questions designed to tailor the model to JMMC's needs.

My core action research ended up having three cycles (figure 2). The purpose of cycle 1 was to establish a foundation for creating a global leadership development framework through understanding the nature of global leadership from different perspectives such as its definition, what are the tasks and competencies involved and how they are currently applied in practice. It was a combination of thesis and core action research activities. Cycles 1A and 1B served as a diagnostic phase of the first cycle and they were thesis action research activities. Cycle 1A used literature review of scholarly and reliable articles to provide data on concepts, models current application and future needs of global leadership development. Cycle 1B provided practical application data from Kinetic and my career experience. Cycle

1C and 1D were also thesis action research activities in identifying a global leadership development model and analyzing generated results, respectively (Saunders, Lewis and Thornhill, 2016). Interviews of the three participating JMMCs in chapter 5 became the core action for cycle 1. A summary of my learning from cycle 1 is presented at the end of chapter 5.

Reflecting on cycle 1 and refining the model became the trigger and diagnostic phases of cycle 2. The purpose of cycle 2 was to apply the learning from cycle 1 to improve the model towards developing a framework. I chose action learning as a method to improve the model with one of the three participating JMMCs and assess the validity of data from cycle 1 (Saunders, Lewis and Thornhill, 2016). Action learning also provided an opportunity to address the challenged faced by the JMMC in developing global leadership. Designing action learning and selecting a JMMC was the action planning phase of cycle 2 (chapter 6 section 6.2). Conducting the four action learning sets was the action of the cycle followed by evaluation after each learning set.

Overall evaluation of the cycle 2 became a diagnostic input of the framework shared with the HR expert panel in cycle 3 Cycle 3 was intended to generate additional validation of the framework from human resource function perspective. Selection process of the panellists was the planning phase (chapter 7 section 7.2.1 and 7.2.2) and interviews were the action phase of the cycle. Evaluation of output from all three cycles formed the basis of my conclusion in chapter 9.

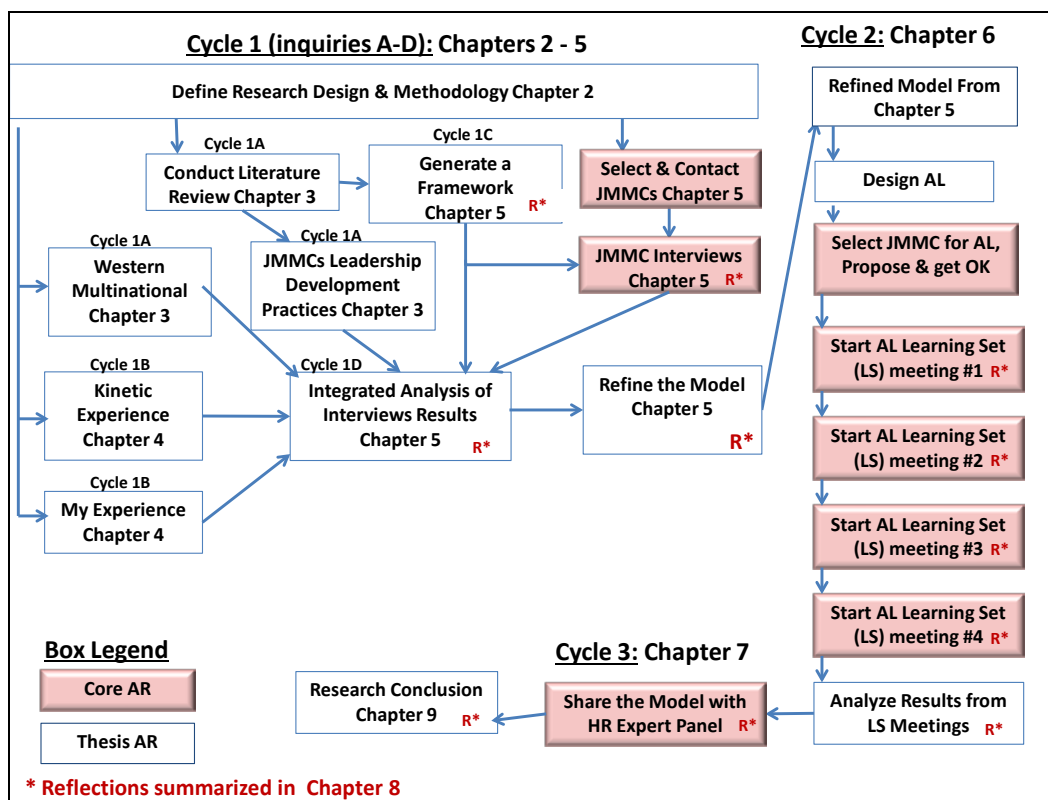


Figure 2. Three cycles (data generation and analysis) used in this research (red/grey indicates core action research, blue/clear indicates thesis action research)

2.2.4 Answering the Research Questions

This section provides an overview of how data from the three cycles were used in answering the three research questions presented in chapter 1. Each cycle addressed different research questions using different methods and sources of data. Each chapter from chapters 3 to 7 described the methods used to generate data. The flow of logic in this thesis was to first establish a scholarly foundation of global leadership concepts and models (chapter 3). This was followed by understanding global leadership development practices by western and Japanese multinational companies (chapters 3 and 4). A global leadership development model was chosen and presented to research participants in chapters 5, 6 and 7 for feedback to develop and refine the model into a framework. The final framework and answers to the research questions are discussed and presented in chapter 9.

The first research question was answered using data and analysis from all three cycles. A literature review on global leadership development models in Chapter 3 provided a model for a framework to help JMMCs define and develop a tailored global leadership development program. Literature review also provided empirical data on western and Japanese

multinationals leadership development practices. Combined with the data from research participants, sufficient data were generated to create a robust framework that answered the first research question of ‘what’ the framework should look like.

The second research question was answered by comparing leadership development data from the research participants with those of their western and Japanese peers. These data were generated in cycles 1 and 2. The answer to the second research question was intended to provide insight in creating a robust developmental framework addressed in the first question.

The third research question was answered by consolidating learning from all three cycles, similar to the first question but adding reflection to understand the ‘how’ to create a viable consulting business. However, a definitive answer to the third question on how I can apply the framework cannot be finalized without actually engaging with JMMCs in selling the service together with an assessment tool that needs to be developed.

2.2.5 Qualitative Methods

2.2.5.1 Data collection methods cycles 1, 2 and 3.

This thesis used a qualitative study method, and a qualitative study can use different approaches in collecting data such as narrative research, phenomenology, grounded theory, ethnography and case study approaches (Creswell, 2013). I did not choose a method from these but I used the interview as the main data collection method as suggested by Creswell (2013). There are three types of interview distinguished by the level of structure the interview had (Easterby-Smith, Thorpe and Jackson, 2012). The three types were 1) highly structured, typically used for market research interviews, 2) semi-structured, typically used for guided open interview, and 3) unstructured, typically used for ethnography. I chose the semi-structured approach as there were specific topics I needed to get data on, but at the same time, I wanted to have the freedom to probe depending on the response. The method also uses interview time more efficiently compared to unstructured interview and allows deeper probing compared to structured interview (Gill *et al.*, 2008; Rabionet, 2011).

When interviewing research participants I needed to be aware of the challenges involved such as interviewer biases interviewee self-censorship to toe the company position, and power relations between the interviewer and the interviewee (Draper and Swift, 2011; Easterby-Smith, Thorpe and Jackson, 2012; Creswell, 2013). As a novice scholarly researcher with no

experience in semi-structured interviewing in the scholarly research context, I needed to pay extra attention to these challenges. My challenge here was not to bring in my interview bias of offering solutions coming from my management consulting and management education work I have been doing for the past 10 years. Here the caution was that I should not impose my opinion or view on the interviewees which practically meant repeating the cycle of asking a probing question, listen carefully to the response and confirm my understanding.

In cycle 1, I interviewed three JMMCs (A, B and C) where the objective was to develop a sufficient understanding of each company's global leadership development efforts, issues, challenges, and their use of Japanese expatriate managers. The questions were asked during the interviews and I took down notes on either my laptop or a notepad. Interviews with Japanese nationals were conducted in Japanese but the notes as well as quotes were translated in English during the interviews

Interview questions needed to generate relevant data about the participants' current leadership program, the program's geographic differences, the dependency on Japanese expatriate managers, any people issues in overseas subsidiaries, and their comment on the global leadership competencies framework I selected from literature. In terms of the process, I was taking notes while interviewing which created a problem of needing to split my attention between the two activities. To mitigate this, I read my notes within hours of the interviews to reflect on whether I had captured all the important points and if they were consistent. I would follow-up with the interviewees by email for any missing information or to clarify any inconsistencies in the data I collected. I considered voice taping all the interviews but decided not to do that because I would need to ask permission from the interviewees and this could put them on guard and not as open to sharing information. The interview schedule, questions and how they were designed are discussed in chapter 5.

In cycle 2, I used the semi-structured interview method for two Japanese executives of JMMC C to obtain their view as Japanese on developing global leadership competencies. Cycle 2 also had learning set discussions where I played the role of facilitator instead of interviewer and I facilitated the learning set discussions. The learning set through facilitated discussions was intended to go in depth of JMMC C's leadership development and to address any issues the company Preparation for the two interviews and the learning set are discussed in chapter 6.

In cycle 3 the semi-structured interview method was used for the expert HR panellists. The objective was to obtain their view on the results from cycle 1 and cycle 2 after explaining the purpose of this research and the proposed global leadership development framework. Compared to cycle 1, HR panellists interviews had fewer questions and were less structured. The interview process and questions are described in chapter 7.

2.2.5.2 Data sources

Diverse data sources were used, as shown in figure 3, to gather multiple perspectives on developing global leadership competencies. The sources provided descriptive data in line with the qualitative research approach. Descriptions of eight different data sources are presented in the list below.

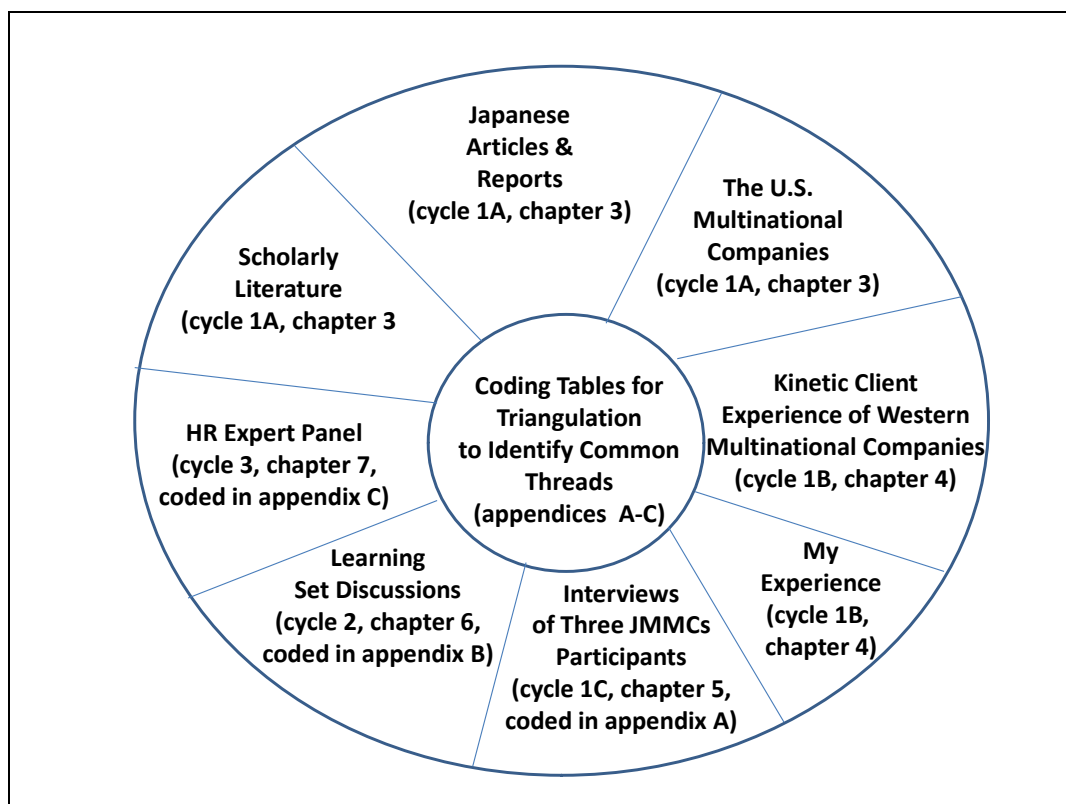


Figure 3. Data sources and location in this thesis

The data sources descriptions and locations:

1. Scholarly literature searched using University of Liverpool online library, Google scholar and Google Japan search engine (to search Japanese literature) using combinations of key words such as global leadership competencies, Japanese

multinationals, expatriate managers, global human resource management. Google search on leadership development practices of four leading US multinational companies. (chapter 3)

2. Japanese articles and reports focused on human resource management of Japanese multinational companies obtained from websites of Japanese labour ministry, Japanese universities, Japanese trade associations, JMMCs and Japanese research organizations. (chapter 3)
3. Leading US multinational companies (chapter 3)
4. Kinetic's client case studies (chapter 4)
5. My experience in leadership development (chapter 4)
6. Interviews from the three selected JMMCs based in Europe (chapter 5)
7. Learning set discussions with one of the three JMMCs. (chapter 6)
8. Discussions with the HR expert panel (chapter 7)

An important point to mention here is that I added data sources 2, 3, 4, 5, 7 and 8 at different points in time after data source 6, interviews from the three selected JMMCs, activities were completed. The initial trigger to add more data sources was insufficient data collected from the interviews. Subsequent triggers were made to add more perspectives for better analysis in formulating the framework.

2.2.5.3 Data coding and analysis

My initial data analysis plan was a simple comparison of data from JMMC interviews and scholarly articles to generate insights in building a framework. After interviews and facilitated discussions, I would review the data for completeness and consistency as briefly mentioned in section 2.2.5.1 above. After data were reviewed and verified, they became refined data as shown in figure 4. The refined data were intended to help generate insight in creating the development framework.

However, as the research went on and the data volume expanded, I realized I needed a more systematic way to analyze the refined data. To develop as a scholar-practitioner, the insider action researcher needs to demonstrate how multiple data sources were accessed in a systematic manner to identify emerging themes, make observations and draw conclusions (Coghlan and Brannick, 2010). Therefore, the refined data from interviews and discussions with research participants (chapters 5, 6 and 7) were coded using in-vivo coding with an

inductive-deductive approach to identify emergent themes (Thomas, 2006; Smith and Frith, 2011). The refined data were coded at two levels. At the first level, the inductive approach was used by reading interviewee remarks looking for emerging topics based on key words and focus of the remarks. At the second level, the emerging topics from the first level were mapped by using a deductive approach into the 14 themes that emerged from the literature review. These themes were incorporated in the global leadership development framework in the final chapter. Coding tables for chapters 5, 6 and 7 are posted in appendices A, B and C.

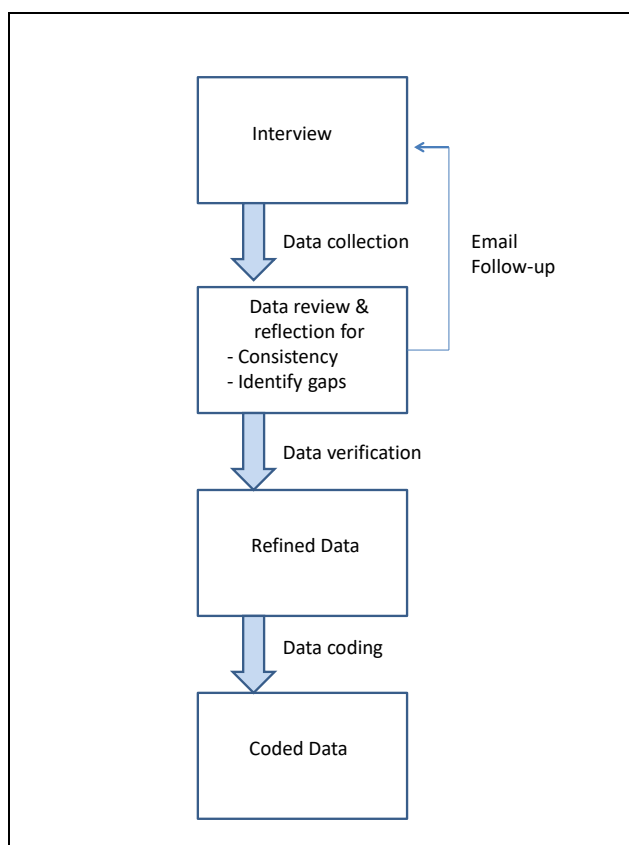


Figure 4. Cycle 1 interview data collection and initial analysis

These diverse data sources allowed analysis through the triangulation method that increased richness and enhanced the validity of this research (Saunders, Lewis and Thornhill, 2016). This analysis method was also aligned to my research paradigm as there were many different realities of the how and the what of global leadership competency development (Easterby-Smith, Thorpe and Jackson, 2012).

When different data sources are compared for the same topic, a theme or insight can emerge. For example, in figure 5 by triangulating three different sources on expatriate assignment, a theme emerged of how expatriate assignment can be used in developing global leadership

competencies. In figure 5, scholarly literature indicated that historically JMMCs, in contrast to their western peers, used home national expatriates more as a control mechanism. On the other hand, Japanese articles and reports showed that more recently leading JMMCs used expatriate assignments to develop global leadership competencies. Interviews with JMMCs research participants also confirmed that expatriate assignment was used for developing leadership competencies albeit mostly for Japanese employees. When I triangulated these three sources of information, a theme emerged that expatriate assignment can be used as a development tool for both Japanese and non-Japanese employees.

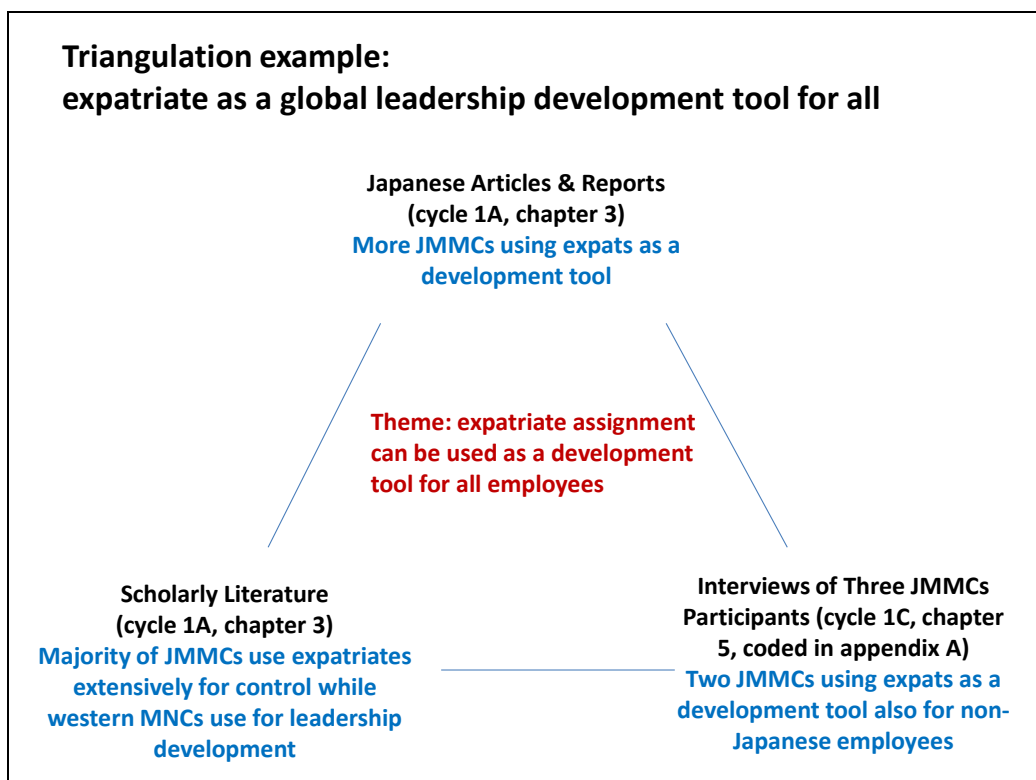


Figure 5. Triangulation analysis example

2.2.5.3 My research journal

My journal was an unstructured chronological journal of my reflection on events such as interviews, literature review, thesis writing and discussions with my academic supervisor. It also captured my general reflections on my research and its progress. My key reflections can be summarized in a quote from “Doing AR is a constant exercise in humility.” (Greenwood and Levin, 2007, p.99), and this view for me extends to the whole of scholarly research where I find myself frequently frustrated by my shortcomings. Some of these ongoing reflections were also captured in my bi-weekly meeting summaries with my primary supervisor. These

reflections are elaborated in chapter 8, and were key triggers in refining the research in both method and thesis writing.

2.3 Research Quality

Reliability and validity are usual quality criteria for research. Research reliability is replication of research design and consistency in the research output. Validity is using the right measures, accuracy of analysis and to what extent the output is generalizable.

Qualitative research quality measurement poses some challenges as it is based on interpretive assumptions where reality or output is socially constructed (Saunders, Lewis and Thornhill, 2016). In qualitative research reliability is also dependability of data that requires clear documentation which enables others to understand and evaluate the data. Validity in qualitative research is credibility and transferability where credibility is correct representation of research participants' realities and transferability is for others to evaluate transferability to other setting.

Ensuring reliability or dependability is a challenge for this research as I am the only researcher with no other resource to check consistency during research. To mitigate that I documented all the changes I made during the research so that others could follow the emerging focus and consistency in coding the data and analysis. Research design and data analysis were described in detail with diagrams for clarity and replicability.

To ensure validity or credibility, I frequently paraphrased back to research participants what I heard from them to confirm my understanding. Action learning (chapter 6) allowed additional opportunity to validate data with the action learning set participants. Dependability and credibility of secondary data were ensured by sourcing data from scholarly literature, reputable academic and research institutions and government agencies as mentioned in the previous section.

2.4 Research Ethics

I obtained an approval for my application for ethical approval from the University of Liverpool's DBA Ethics Committee on 20 June, 2016. The University's research ethic application form highlighted various points that need to be considered and adhered to for an ethical research. For example, the attention needed to ensure research participants are protected from any harm. The research information sheet provided to potential research

participants and the participant informed consent form provided needed transparency about the research and protection for the participant. Research ethics consideration is valid in all phases of the research process (Creswell, 2013; Saunders, Lewis and Thornhill, 2016). Beyond transparency and informed consent from the research participants, confidentiality of their identity and information provided needed to be protected. The research information sheet included a statement that research participants do not have any obligation and can withdraw at any time. Additionally, if they decided to withdraw, the data they contributed up to that point would be used as long as they are anonymized. If not, they could request the data to be destroyed. In this research, all the data collected were coded not by individual and company names but by a generic designator such as JMMC A, participant 1 and job title, e.g. HR Director. Fortunately, my relationship with the research participants was at arm's length where I did not have undue influence over their willingness to participate in the research.

2.5 Chapter Conclusion

This chapter outlined in sufficient detail why qualitative research method was appropriate for my thesis. It also described how the qualitative research method was going to be applied in answering the three research questions and to achieve the research objective. The critical decision I made in the methodology after starting the research was to add action learning as the second cycle of core action research. This was the fourth step mentioned in the introduction of this chapter and it was added when after completing the interviews I realized that I did not have sufficient data to move forward.

In the next chapter I will start cycle 1A of the first action research cycle to establish a scholarly foundation of global leadership competencies through literature review. The data generated will be compared and key concepts and models will be identified.

Chapter 3 Cycle 1A Literature Review

3.1 Introduction

This literature review intends to define the theories and concepts related to global leadership competencies. Although this chapter is arranged in eight sections where the second through seventh sections are organized by topic, they are not sequential but rather iterative. This is because multiple cycles of literature reviews were done going deeper on certain topics or exploring new topics triggered by learning and reflection from various activities such as new articles, preparing for the JMMC interviews, analyzing interview data and preparing for the action research learning set, and on-going comments from my two academic supervisors.

The literature review was guided by the concepts informed by the three research questions mentioned in chapter 1, section 1.8. The concepts that were explored in the literature review (chapter 3) were:

1. Leadership tasks
2. Leadership competencies
3. Expatriate experience
4. Global leadership
5. Intercultural competency
6. Interpersonal knowledge and skills

The University of Liverpool (UoL) e-Library was used as the primary data source for academic literature. As the UoL e-library search engine did not have access to many articles written in Japanese, I used the Google search engine in Japanese, and searched websites of prominent Japanese universities. I also searched for studies done by Japanese government agencies and Japanese NGOs focused on the areas of human capital development.

These concepts were then compared and analyzed across three categories of 1) JMMCs in general, 2) representatives of the three JMMCs participating in this research, and 3) western multinational companies. The data sources were peer-reviewed academic journals, business publications, interviews of representatives from the three JMMCs, an HR expert panel, Kinetic's client case studies, and my personal experience.

I will first define generic leadership tasks and competencies required to accomplish the tasks. Generic leadership is explored before focusing on global leadership to establish a baseline. Next I will discuss the rationale of using expatriate managers for JMMCs in managing their overseas operations. The topic of global leadership is then explored starting with the definition and looking at some of the recent global leadership development models. Leadership development practices of leading US and Japanese multinationals will also be considered and compared with each other as well as with the global leadership development in the literature. The following section focuses on global leadership by first looking at expatriate assignment which is a popular tool that multinationals use to develop global leadership competencies. Global leadership is considered to be a more recent field of study compared to other fields of leadership study such as strategic leadership, and is rapidly expanding beyond the initial focus on expatriates (Mendenhall *et al.*, 2008; Dorfman *et al.*, 2012). In the final section, the global leadership concept and its evolution is discussed, with an emphasis on searching for a global leadership competency model that could be used to create a framework. Four dimensions suggested in one of the global leadership development models that I chose to use for a framework (Kim and McLean, 2015) are discussed. The four dimensions are 1) intercultural competency, 2) interpersonal knowledge and skills, 3) global business knowledge and skills, and 4) global organizational knowledge and skills. The sixth section will briefly describe leadership development practises of four leading US multinational companies. The seventh section will discuss the state of global leadership development in JMMCs and other leading Japanese multinational companies. The last section summarizes the chapter by discussing how the learning can be applied to my training business and how the three research questions (see chapter 1, section 8) can be addressed.

3.2 Leadership Tasks

In a broad organizational context, an organization needs appropriate competencies to achieve its strategic objectives. At the micro level, specific competencies are needed for employees to do their specific tasks on a daily basis, and to collectively contribute towards achieving the objectives. Therefore, it is reasonable to expect that different tasks require different competencies. In defining leadership tasks, I should clarify what they are in relation to management tasks because the two terms are often used interchangeably yet their conceptual difference is not clear (Nienaber, 2010). Kotter (1990) argues that leadership is about coping with change through direction setting and motivating employees, while management is about coping with complexity through organizing and controlling. He suggests that they are two

distinctive yet complementary systems of action. On the other hand, Nienaber (2010) concludes through a literature review of 80 studies on leadership and management that the two are inextricably interwoven. Nienaber searched literature on management and leadership from 2004 to 2009 in databases such as ProQuest, EBSCOHost, Emerald and SABINET. 80 works were selected from these sources and studied. The result was that 25 management tasks and 20 leadership tasks were identified (Nienaber, 2010, table 1, pp. 666-667). Interestingly, all 20 leadership tasks were already included in 20 of the 25 management tasks. The five tasks unique to management were more operational control tasks such as performance and information management. The distinction between the two could be that management copes with complexity while leadership copes with change (Kotter, 1990). Similarly, while managers seek order and control, leaders tolerate ambiguity (Zaleznik, 1992). Global leaders are change agents and effect significant positive change in organizations (Osland, chapter 2 in Mendenhall *et al.*, 2008) A more recent and a diverging view suggests that everyone is a leader and leadership is a competence that everyone in an organization should have and develop (Bajer, 2009). Although I do not see these diverging views as necessarily conflicting with each other, for the purpose of this research, I interpret management as front-line, operational positions with short-term orientation, and leadership as more senior level positions in the organization with more strategic and long-term orientation.

Indeed, in my experience as an executive in multinational companies, a talent development consultant, and a management trainer, I have seen most organizations distinguish leadership from management by differentiating strategic from operational tasks. At the same time, all organizations I have worked with viewed that all managerial positions have a different mix of strategic and operational tasks depending on the job scope and level. The idea being that the higher the job scope, the higher the ratio of more strategic tasks relative to operational tasks.

If I accept Nienaber's (2010) view that leadership and management are essentially the same concept, and that they can be differentiated by the varying degree of strategic versus operational tasks of the position, are 'global' leadership tasks any different from leadership tasks? Caligiuri (2006, p. 220) identified ten tasks that are unique to global leaders as follows:

1. Work with colleagues from other countries
2. Interact with external clients from other countries
3. Interact with internal clients from other countries

4. May need to speak in a language other than their mother tongue at work
5. Supervise employees who are of different nationalities
6. Develop a strategic business plan on a worldwide basis for their unit
7. Manage a budget on a worldwide basis for their unit
8. Negotiate in other countries or with people from other countries
9. Manage foreign suppliers or vendors
10. Manage risk on a worldwide basis for their unit

These ten global leadership tasks are also sub-tasks of Nienaber's (2010) 20 leadership tasks. However, Caligiuri's 10 global leadership tasks listed above have two distinguishing factors not found in Nienaber's 20 leadership tasks. The two distinguishing factors are multinational and multicultural factors in dealing with colleagues, clients, suppliers, and other stakeholders. Therefore, from this I conclude that these two factors distinguish global from non-global leadership tasks.

This diversity and complexity is increasingly seeping into the domestic work environment confronting domestic leaders where employees are required to learn how to work and communicate cross-culturally (Jokinen, 2005). I will further explore in the following sections whether the increased complexity brought on by globalization stemming from having to deal with multiple countries and cultures is the key distinguishing factors of global leadership.

3.3 Leadership Competencies

A search of scholarly journals in the University of Liverpool's e-Library with "leadership competency" yields 15,282 articles, and 2,968 articles with "leadership competency model". This implies a high interest in understanding and creating competent leaders. Not surprisingly, there is diversity in what the competencies and the model should be. As an example, in table 1, I have listed three articles that provided different sets of leadership competencies.

Table 1. Different sets of leadership competencies found in three articles

Authors and Year	Article Title	Competencies
Bartram, 2005	The Great Eight Competencies: A Criterion-Centric Approach to Validation	1) leading/deciding; 2) supporting/cooperating; 3) interacting/presenting; 4) analyzing/interpreting; 5) creating/conceptualizing; 6) organizing/executing; 7) adapting/coping; 8)

		enterprising/performing
Yoon <i>et al.</i> , 2010	Leadership Competency Inventory: A Systematic Process of Developing and Validating a Leadership Competency Scale	32 competencies researched and categorized under four factors: 1) supervisory/managerial (12 competencies), 2) organizational/leadership (9 competencies), 3) personal mastery (7 competencies) and 4) resource leadership (4 competencies).
Feser, Mayol and Srinivasan, 2015	Decoding leadership: What really matters	20 leadership behaviours researched and determined that four key leadership behaviours result in high performance: 1) be supportive, 2) operate with strong results orientation, 3) seek different perspectives and 4) solve problems effectively

Each article had different objectives in articulating leadership competencies. Bartram (2005) suggested that I focus on workplace behaviours that lead to job performance. Yoon *et al.* (2010) validated 32 competencies in the Penn State leadership competency inventory using an exploratory factor statistical analysis on a sample of 323 managers, which yielded the four factors found in the centre row of table 1. Feser, Mayol and Srinivasan (2015) identified from their study of 81 diverse organizations that four key leadership behaviours resulted in high leadership performance.

On the surface, the three articles suggest different sets of leadership competencies, reflecting the diversity of views as seen in the number of articles written on this topic. However, as these articles have attempted to do, different leadership competencies can be grouped into several competency topics. For example, there is another competency grouping of ‘thought’ leadership, ‘results’ leadership, ‘people’ leadership and ‘self/personal’ leadership (Hazucha, Sloan and Storfer, 2012; Sloan *et al.*, 2015). Another grouping is a four-cluster grouping of vision and goal setting, interpersonal skills, self-knowledge, and technical competence, which can be further broken down into 23 competencies or skills (Thach and Thompson, 2007). Do these groupings of leadership competencies imply that there is only one set of needed leadership competencies?

It is reasonable that necessary leadership competencies can be different from situation to situation, from organization to organization. The required competencies should be selected to achieve the organization’s strategic objectives (Zenger, Ulrich and Smallwood, 2000; Abel,

Ray and Roi, 2013; Canals, 2014), and should be based on the functions and roles that global leaders need to perform (Steven Terrell and Rosenbusch, 2013; Canals, 2014), influenced by organizational culture and context (Cummings *et al.*, 2008; Canals, 2014), and by based on organizational design (Dive, 2005). As each organization has a unique set of strategy, culture, and organizational design, it is reasonable to conclude that the set of competencies needed for each organization is unique.

These are suggested variables that need to be incorporated to develop a set of appropriate global leadership competencies tailored to the need of each multinational company. A typical multinational company would have a global talent management program responsible for building and maintaining a strong talent pipeline, arguably one of the biggest challenges facing companies globally. A multiyear collaborative research project found that there are six principles towards effective global talent management: 1) alignment with strategy, 2) internal consistency, 3) cultural embeddedness, 4) management involvement, 5) balance of global and local needs and 6) employer branding through differentiation (Stahl *et al.*, 2012). These principles could be useful in my global leadership competencies development service, specifically for consulting on client's global leadership development program. The variables in the previous paragraph would become relevant for the competencies development service. Strategy and cultural alignment are in both global leadership competencies and global talent management program suggesting the importance of these two variables for both micro and macro levels.

Given that each organization requires a different set of leadership competencies aligned to its unique strategy and context, the competencies development services will needs a means to assess and define the competencies. The competencies can be categorized into three domains of 1) personality traits, 2) knowledge and skills and 3) behaviours with corresponding developmental methods such as increasing self-awareness, didactic training, experiential training and immersion (Cumberland *et al.*, 2016). Assessment questions should follow appropriate data-collection methods, fulfil psychometric requirements, tested in work environment, tested in different cultures and easy to use (Bucker and Poutsma, 2010). There are many assessment instruments that measure global personality, knowledge and skills (Cumberland *et al.*, 2016). However, these are assessment tools for individuals that measure specific competencies. I have not found a tool that assess and define global leadership competencies at the enterprise level.

How does globalization impact leadership competencies? Are the additional complexities imposed on the tasks of global leaders by having multiple countries and cultures as suggested by Caligiuri (2006), also applicable for the competencies needed to complete the tasks? I will first understand the expatriate assignment in the next section where leadership competency is tested in an international, if not global, environment. Then I will understand what the literature has to say about global leadership competencies in section 3.5.2.

3.4 Expatriate Experience

Expatriates have been used by multinational companies as a primary tool for exerting control over and coordination of their expanding foreign subsidiaries (Tan and Mahoney, 2006). As such, the concept of the expatriate manager is not unique to JMMCs, although as stated in the introduction; JMMCs depend more heavily on their expatriate managers in comparison to their American and European peers in managing overseas subsidiaries. I will first attempt to understand expatriate management from a generic application perspective. I will then analyze why JMMCs rely heavily on the use of expatriate managers. Finally, I will consider how expatriate assignments are linked to global leadership competency development.

Tan and Mahoney (2006) suggest that the decision of multinationals to deploy expatriate managers is determined based on their subsidiary governance decision, where they have a choice between expatriate managers or local managers. These two choices are important managerial resources and the resource-based theory would suggest that a firm will deploy the best resources available to maximize its economic benefit (Tan and Mahoney, 2006). The governance consideration favours expatriate deployment when multinationals need strong control over and coordination of overseas subsidiaries from headquarters. This may come especially during the early years of an overseas subsidiary's life cycle especially when they are heavily dependent on headquarters for resources and decision guidance. This early life cycle phase is important to set a growth trajectory into the future and a drastic reduction of the expatriate management resource could cause operational disruptions (Riaz, Glenn Rowe and Beamish, 2014). A high level of expatriate deployment can also be seen when overseas subsidiaries are engaged in sophisticated functions such as research and development (Oki, 2013).

The governance decision is not the only reason Multinational Companies (MNCs) use expatriate managers. However, for MNCs how to manage or ‘govern’ foreign subsidiaries is a key factor in deciding whether to fill managerial positions in foreign subsidiaries with local managers or expatriate managers. When reasons for using expatriate managers were surveyed among German, British, American and Japanese MNCs, the number one reason was to set up a new operation (Tungli and Peiperl, 2009). The other reasons were 2) to fill a skill gap, 3) to develop international management skills, 4) to train and orient local staff, and 5) to control the operation. The top reason varied by the MNC’s country of origin. For German MNCs the top reason was to develop international management skills. For American MNCs, the top reason was to fill a skill gap. For both British and Japanese MNCs the top reason was to set up a new operation. Although not in the top five of all MNCs, the need to coordinate with headquarters was a top reason for Japanese MNCs and was a tie for second place with the need to fill a skill gap. This was followed by the need to control the operation as the next most frequent reason for Japanese MNCs. The fact that coordination with headquarters and operational control were in the top five reasons for Japanese MNCs to use expatriate management explains why Japanese MNCs continue to maintain a higher level of expatriate management beyond the start-up phase in comparison to western MNCs.

In the same study done by Tungli and Peiperl (2009), the origin of expatriates was compared across the four MNC countries of origin. The results confirmed once again the heavy reliance of Japanese MNCs on their own nationals at 99% followed by 79% for German MNCs, 67% for US MNCs, and 56% for the UK MNCs. Another interesting dataset was the percentage of third-country nationals as expatriates, which showed Japanese MNCs at a very low 0.5% while the MNCs of other countries ranged from 12% for German MNCs to a high of 37% for UK MNCs. Regarding non-parent country nationals working in headquarters Japanese MNCs again came in the lowest at 0.8% while others ranged from 7% for UK MNCs and up to 9% for US MNCs.

The heavy use of home country expatriate managers by JMMCs in comparison to western MNCs was touched on in the introduction (chapter 1.6). Historically, Japanese multinationals had a substantially higher use of Japanese expatriates for top management positions in overseas subsidiaries, lower use of locals and very few third-country nations (table 2). Even when the top manager was a local, usually there was a Japanese expatriate executive with an ‘advisor’ title who essentially ran the local operation (Nakamura, 2005). Tungli and Peiperl

(2009) gave additional insight into why JMMCs used expatriate managers more heavily in comparison to western MNCs. The main reason for JMMCs was control of foreign subsidiaries, and an interesting comparison is to German MNCs who also used a relatively high % of German nationals as expatriates but their main reason for using expatriates was to develop international management skills.

Table 2. Nationality of top managers in overseas operations (Kopp, 1994, p. 586)

Headquarters Country	% Home Country Nationals	% Local Nationals	% Third-Country Nationals
Japan	74%	26%	0.2%
Europe	48%	44%	8%
US	31%	49%	18%

In my experience working with JMMCs, I have often heard of minimizing operational disruptions as the argument used by JMMC executives to justify the continued high deployment level of Japanese expatriate manager even when the necessity to perpetuate the use of a high level of expatriate managers was no longer apparent. Another justification I often hear was that the local management talent was not mature enough to take over from the expatriate managers. These two reasons seemed to be closely interrelated in that the rice-paper ceiling (Kopp, 2000) created by the extensive use of Japanese expatriate managers at top management positions of foreign subsidiaries created a retention issue of top local talent. On the other hand, deploying expatriate managers can carry risks such as not completing their assignments, stunted local employee career growth, and whether they are really effective in creating additional value that justifies their higher costs (Harvey and Moeller, 2009).

In terms of the impact of expatriate management on global leadership competency development, some companies deploy expatriate managers to provide practical, experiential learning to develop their cultural intelligence as future global leaders (Crowne, 2008; Ng, Dyne and Ang, 2009; Steven Terrell and Rosenbusch, 2013). A large survey of western multinational expatriate managers found that they considered their international assignments as the most important experience that developed their global leadership competencies (Vloeberghs and Macfarlane, 2007). Developing global leadership competencies, including cultural intelligence, is one of the reasons to deploy expatriate managers, but this raises an interesting question. If expatriate assignment can develop global leadership competencies,

why have JMMCs, with their heavy use of Japanese expatriate management, not developed far more capable global leaders compared to their peers from western countries?

Unfortunately, the outcome for JMMCs from their heavy use of expatriate is the opposite. JMMCs have not developed many capable global leaders. Rather, Japanese expatriate managers are not perceived as an interculturally savvy group of expatriate managers as seen from various studies highlighting their communication issues with local employees and consistent with my own experience frequently witnessing such issues in the overseas subsidiaries of JMMCs (Okamoto, 2010; Itakura, 2011; Okamoto and Teo, 2011; Vo and Stanton, 2011; IMD World Competitiveness Centre, 2015).

So far, I have been discussing how expatriate assignments could build intercultural competency for global leaders. In reality, the ability of expatriate managers to culturally adjust to foreign environments can impact expatriate assignment success (Harrison and Shaffer, 2005). The importance of cultural adjustment competency is not only to adapt to foreign environments but also to effectively interact with the nationals of the host country (Bird *et al.*, 2010). The need for expatriate managers to possess a certain level of cultural adjustment competency has increased over the past few decades from the “detached expatriate” manager of the 1960s to the 1980s to the “engaged expatriate” manager from after the 1980s, reflecting increased globalization (Bird and Mendenhall, 2015). I will discuss this intercultural competency further in the global leadership section of this chapter (chapter 3, section 5).

Edstrom and Galbraith (1977) point out that in addition to the management development of expatriate managers, expatriate deployment also contributes to the subsidiaries’ organizational development. Harzing (2001) conducted an empirical study showing that expatriates play roles that fall into one of the following control mechanisms: 1) as ‘bears’ which serve as the control function of headquarters; 2) as ‘bumble-bees’ which transfer organizational culture and knowledge; 3) as ‘spiders’ which weave informal communication networks. The study showed that different subsidiary situations call for a specific role or a different combination of roles, and suggests that expatriate deployment should be viewed as a strategic tool for control and coordination. What is relevant about Harzing’s study (2001) in relation to Edstrom and Galbraith’s study (1977) and to this research is that it articulates specific expatriate roles that develop subsidiaries organizationally; in particular, the role of

bumble-bees as the knowledge and cultural transfer agent to local employees, and spiders as the collective network that facilitates company communication. These roles further strengthen the use of expatriate managers as a training mechanism that builds knowledge of both the expatriates themselves and the local employees they interact with. The benefit of increasing organizational competencies through openness in intercultural personality characteristics of expatriates was seen in a study of 306 Japanese expatriates post-repatriation (Furuya *et al.*, 2009).

In summary, using expatriate managers to fill vacant positions, especially at the executive level, is expected to be a viable option for JMMCs going forward. As a way to develop global leadership competency, its definition is expanding to include short-term assignments, international business travelling, rotational assignments and international commuter assignments (Collings, Scullion and Morley, 2007; Iwasaki, 2015; Sanno Noritsu University, 2017). This implies that the international re-location characteristic of expatriate assignment to develop global leadership competency will probably decrease. Certainly, experiences accumulated over the past few decades from deploying expatriate managers in terms of their work, cultural adjustment and growth have formed a foundation on which global leadership can be understood (Bird and Mendenhall, 2015). As most jobs are becoming more global, and therefore, can provide a similar experience as jobs that require physical relocation, expatriate manager assignments as a leadership development method is expected to evolve (Collings, Scullion and Morley, 2007; Bird and Mendenhall, 2015). In what form or at what managerial level expatriate manager assignments should be used will depend on the company's individual needs.

3.5 Global Leadership

3.5.1 Definition of Global Leadership

The term 'global leadership' can be described in many ways such as how to become a global leader, defined as a set of skills, or as a role one plays or as a mindset. I will discuss how to become a global leader in section 3.5.2.1 as intercultural competency is a key element. Global leadership can be clearly distinguished from domestic or generic leadership by both the macro and micro contextual perspectives that incorporate differences in cognitive complexity, emotional resilience, cultural intelligence, and motivational processes (Mathews, 2016). Certainly, global business brings more complexity than domestic business, and requires more complexity in relationship management, business management, and physical

presence management across the multiple locations required by the job. Global leadership can be described as both a state and a process where the state is about the question of how individuals fulfil various global roles and responsibilities and the process is about defining the specific requirements and characteristics of the person fulfilling the process (Mendenhall *et al.*, 2012). Global leadership can also be defined as a combination of a state and a process, as these are both competencies that influence the thinking, attitudes, and behaviours of groups of people globally to achieve common goals (Bird *et al.*, 2010).

After reflecting on the comments and questions received during the interviews conducted with the three JMMCs participating in cycle 1, I felt the need to more clearly define the ‘global leadership’ concept used in my thesis. This awareness arose because the term ‘global leadership’ has different meanings to different people. This diversity in definition became even more apparent with a deeper literature review to clarify the definition, as I also encountered a diversity of definitions in the literature on what ‘global’ means. The lack of a common definition of the term ‘global’ can potentially hamper the global leadership field’s conceptual and empirical progress (Mendenhall *et al.*, 2012). Not surprisingly, other industry practitioners I have talked to all had slightly different understandings of what the term meant to them. I needed to establish a definition of global leadership that could guide me in creating a global leadership competency development framework by reviewing which factors are discussed as comprising global leadership in the literature.

In defining global leadership competencies, I also need to consider the contextual elements of societal and organizational norms, values and beliefs of the people, and therefore, acknowledging that a desired leadership style could be different from country to country (Hoppe, 2007; Canals, 2014). These social and organizational contextual factors, in addition to the specific competencies or business acumen required by the job, can make the global leadership tool more robust. The business acumen requirements of global leadership can be defined by the types of leadership roles linked to their objectives such as to achieve strategic global efficiency, to achieve market responsiveness, to achieve global learning or to integrate the business globally and develop talent (Bartlett and Ghoshal, 1992). More recently, in 2011, Bartlett stated in an interview that global leadership still needs to achieve either scale efficiency, local responsiveness or leverage learning and expertise globally, however the ability to develop and diffuse innovation has become increasingly important (Hanna, 2011). Bartlett further commented that we now operate in a global environment, and

therefore, the term 'global manager' is a misnomer because every manager now operates in a more global environment. If I follow this logic that all managers operate in a more global environment, differentiating requirements and qualifications for jobs that have different geographical responsibilities may become unnecessary. This premise suggests that companies do not necessarily need to distinguish the skills required for domestic versus international roles and also suggests that I need to define basic skills in dealing with a global environment and to make a distinction in the degree or level of global skills needed for even more global jobs.

I therefore chose to define global leadership as senior management roles in multinational companies that require specific competency sets to achieve organizational goals. Defining global leadership as a role is in line with my research objective to develop global leadership competencies for people in global leadership roles. The implication to my global leadership competencies framework is that the framework needs to articulate the competencies required for specific global positions. The framework should also indicate how to create a program to develop these required competencies.

3.5.2 Global Leadership Competency Model

We saw in section 3.3 competencies for generic leadership and the importance of defining competencies aligned to company's strategy, values and organizational design. Global competencies have been described as a combination of personal traits, behaviours, skills, values, and knowledge (Jokinen, 2005). The competencies should be aligned to the global strategy which defines the organization's geographic footprint needs, how many and what types of global jobs are needed, and what types of interactions are needed among various stakeholders. Jokinen (2005) suggests that there are three main categories of global competencies:

1. The core of global leadership competencies - self-awareness, engagement in personal transformation and inquisitiveness
2. Desired mental characteristics of global leaders: optimism, self-regulation, social judgment skills, empathy, motivation to work in an international environment, cognitive skills, acceptance of complexity and its contradictions
3. The behavioural level of global leadership competencies - ability to perform concrete actions and produce visible results.

The key skills are – social skills (Emotional Intelligence, person to person), network management skills (organizational level and partnership), and knowledge (technical, job-related, knowledge of people, culture). It is interesting that this categorization puts a lot of emphasis on soft skills, while technical knowledge is not as emphasized.

A study conducted on global leadership development trends (Abel, Ray and Roi, 2013) suggested that there was a disconnect between what organizations desired in their leaders’ competencies and the capabilities that programs were developing today (table 3). Of the top five competencies, leading change, retaining and developing talent, and learning agility and creativity were identified as needed competencies that were missing from the current leadership development program. In a global leadership research that surveyed 13,124 leaders of multinational companies, only 37% of them rated the quality of their organization’s leadership development programs as high or very high quality (Sinar *et al.*, 2015).

Table 3. Global leadership development trends, extract from (Abel, Ray and Roi, 2013, p.11)

Ranking most important now	Developed in leadership programs	Most important over the next 5 years
Leading Change	Collaboration	Leading Change
Retaining and developing talent	Collaboration	Global thinking/ mind-set
Global thinking/ mind-set	Global thinking/ mind-set	Retaining and developing talent
Collaboration	Self-awareness	Learning agility
Integrity	Influence	Creativity

There is another global leadership competency model developed by Kim and McLean (2015) that integrates both the multi-cultural and business competencies view while distinguishing traits from skills. It has four dimensions: intercultural, interpersonal, global business and global organization, and has three levels: core traits, personal character and ability (shown in table 4). This model appeared to me as the most comprehensible yet practical framework I had come across, and therefore, I decided to use it in this research to engage with the research participants in cycle 1C in chapter 5.

Table 4. The integrative model for global leadership competency (Kim and McLean, 2015, p. 250)

Global Leadership Competency		Dimensions			
		Intercultural	Interpersonal	Global Business	Global Organizational
Levels	Core Traits	Personality traits including motivation and the Big Five temperaments			
	Personal Character	Self-concept, attitudes, values, and global perspectives/mindsets			
	Ability	Intercultural knowledge and skills	Interpersonal knowledge and skills	Global business knowledge and skills	Global organizational knowledge and skills

The theoretical foundations used in this integrative model are the competency theory of Spencer and Spencer (1993) as adopted by Kim and McLean (2015), and the Structure of an Effective Global Leadership Competency Tool as suggested by Morrison (2000). The competency theory (Spencer and Spencer, 1993) distinguished competency into three levels of traits and motives, attitudes, and knowledge and skills. Kim and Mclean adapted the three levels into core traits, personal character and ability. The structure from Morrison (2000) allowed the competencies to be categorized into multiple dimensions and bring clarity to knowledge and skills that needed to be built at each dimension.

The Kim and McLean model was attractive because of a rigorous method applied in generating their model. They used an integrative literature review method which was described as “a form of research that reviews, critiques, and synthesizes representative literature on a topic in an integrated way such that new frameworks and perspectives on the topic are generated” (Kim and McLean, 2015 p. 238). Their literature review was comprehensive and relevant by focusing on peer-reviewed scholarly journals, unpublished doctoral dissertations and refereed conference papers on global company context that were published between January 2000 and September 2014. The four competency dimensions were generated from clustering all the global leadership competencies they found in their review. This review was far more rigorous and comprehensive compared to my literature review, except, perhaps, my search of Japanese-language-only scholarly journals.

Based on this scholarly global leadership competency development model, I will focus in this research on how this model can be used by JMMCs to define their global leadership

development training needs. This is also relevant to, and in line with my management education business because I provide a service of building leadership competencies through assessing, designing and delivering various training curriculums. A more recent global leadership development study also identified similar areas of competency components such as personality traits and dispositions, knowledge and skills, and behaviour and with appropriate development methods for each (Cumberland *et al.*, 2016). Although personality traits and dispositions will not be incorporated into my framework, Cumberland's (2016) recommendation of using didactic, experiential and immersion methods in developing knowledge, skills and behaviours can be easily incorporated in a training program for my clients. In the remaining sections, I will discuss the four global leadership competency dimensions in the Kim and McLean (2015) model focused on the ability level, to explore how they might lend themselves to training programs to acquire these competencies.

3.5.2.1 Intercultural Competency

Intercultural dimension incorporates the ability of leaders to culturally adapt, control and integrate (Caligiuri, 2013). This dimension has been briefly touched on in every section in this chapter up to now. However, it will be expanded on in this section further because I consider this competency to be a key element in developing global leadership competencies. Intercultural competencies ranked as the three lowest competency areas among the top 12 leadership skills found in a study based on inputs from 13,123 leaders, including 1,528 global human resource executives, from 2,031 organizations worldwide (Sinar *et al.*, 2015). The three intercultural competencies were 1) leading across countries and cultures, 2) intercultural communication within an international business environment, and 3) integrating oneself into an intercultural or foreign environment. The research recommended that multinational companies change developmental focus to emphasize global leadership development skills to manage inter-cultural challenges.

There are four suggested developmental areas to become a global leader: multicultural management, managing paradox, being authentic, and appreciation of individuality (Holt and Seki, 2012; Seki and Holt, 2012). In this developmental model, multicultural management is an obvious area suggested by many others, but the other three are less so. Managing paradox in this model speaks to dealing with paradoxes in five categories: 1) performance: strategic versus operational, 2) relationships: results versus relationships, 3) culture: global versus local, 4) agility: consistency versus versatility, and 5) orientation: humility versus confidence.

Except for the culture dimension, I do not see the other dimensions to be particularly different between global and domestic leadership. Being authentic as a leader also seems important regardless of global or domestic leadership, but the authors suggest leader authenticity is especially important in the intercultural communication context especially in high-context cultures where people pay more attention to how leaders communicate than to the explicit verbal message. In the individuality area, the authors are mainly making a distinction between national and cultural stereotype versus individual uniqueness. It appears that the four areas can be summed up in multicultural management.

Bird and Mendenhall (2015) chronicle the emergence of cross-cultural management study shortly after World War II, almost simultaneous to the emergence of the fields of management and organizational behaviour. There are two prominent comparative studies of national cultures conducted by Hofstede, and the GLOBE (Global Leadership and Organizational Behaviour Effectiveness) project. Hofstede's seminal work was based on two attitude surveys administered to over 100,000 IBM employees worldwide in the late 1960s. His work identified four (later adding a fifth) national culture dimensions (Hofstede, 1993). The five dimensions were 1) power distance, 2) individualism versus collectivism, 3) uncertainty avoidance, 4) masculinity versus femininity, and 5) long-term orientation. However, Hofstede's study was primarily focused on national cultures, and not on culture required for effective leaders.

Later, the GLOBE project a 10-year multi-phased study conducted in the 1990s, compared national cultures and leadership effectiveness. The study's premise was that effective leadership is contextual in that it is embedded in societal and organizational norms, values, and behaviour, or in other words, culture. The first two phases of the GLOBE study were built on previous scholarly work on culture including Hofstede's work, and tried to identify leadership attributes critical to effective leadership. In these phases 17,500 middle level managers from almost 1,000 companies were surveyed from 62 societal cultures, resulting in the creation of 21 primary leadership dimensions which are grouped into six leadership styles (House *et al.*, 2002). The dimensions were then surveyed across the 62 cultures for their relevance in each culture. The six leadership styles formed the basis to define leadership expectations of different cultures. They were: 1) charismatic and value-based style, 2) team-oriented style, 3) participative style, 4) humane style, 5) autonomous style, and 6) self-protective style. In the third phase of the GLOBE study, the relationships between the six

leadership styles and CEO behaviours and CEO effectiveness were studied. The objective of this study was to understand how a society's culture influenced expected leadership behaviour if leadership success depended on a CEO matching his or her leadership style to the societal leadership expectations, and if there were leadership styles that were globally effective across cultures. The study interviewed over 1,000 CEOs and over 5,000 of their direct reports in 24 countries. The results were that societal culture did not have a direct effect on CEO behaviour, that a CEO's behaviour has a direct effect on CEO effectiveness when aligned to leadership styles expected in the country and that charismatic, value-based and team-oriented styles are globally effective (Dorfman *et al.*, 2012).

Despite the widespread use of these two comparative study models by businesses, management educators, researchers, and practitioners there have been some criticisms of their validity. McSweeney (2002) argues that Hofstede's results are not based on a valid definition of national culture, and the calculation method used for the dimensions does not represent the national culture. Brewer and Venaik (Brewer and Venaik, 2014; Venaik and Brewer, 2016) argue that both models have flaws in drawing national cultures from individual level data, and the national level culture scales do not correlate to those of the individual and organization levels, and thus, create a measurement ecological fallacy.

This caution was partly addressed in phase 3 of the GLOBE study of CEOs, where the results showed that there was no correlation between national culture and CEO behaviour, but there was a correlation between individual ideal leadership style, CEO behaviour, and CEO effectiveness (Foundation, 2015). In my judgment, in developing global leadership competencies, knowledge about cultural values and behaviours is a necessary foundational element but that this information alone will not be sufficient in building intercultural competency. Earley and Peterson (2004) suggest using the cultural intelligence (CQ) concept for the intercultural training of global leaders. The CQ concept has metacognitive, motivational and behavioural components. These components represent knowledge, desire, and ability respectively, and when combined result in intercultural competency. Earley and Peterson (2004) suggest first assessing leaders in these three areas as each leader would have different development needs. CQ is a stronger predictor of global leadership effectiveness compared to two other common intelligence quotients – general intelligence (IQ) and emotional intelligence (EQ) (Rockstuhl *et al.*, 2011).

Inceoglu and Bartram (2012) argue that multiculturalism should not be a separate field in global leadership competency. At the same time, there is some evidence from a study of about 300 JEMs (Japanese Expatriate Manager) that higher levels of intercultural personality traits before an assignment has a positive correlation to subsequent global management competency acquisition (Furuya *et al.*, 2009). Inceoglu and Bartram (2012) also add that multicultural competencies should not be separated from generic leadership competencies that are relevant across all situations. Bird and Mendenhall (2015) suggest that studying global leadership competencies should not be ‘one-size-fits-all’ but should be adaptive to a wide range of cultural and business work contexts encountered in the global business. Having high competency in business acumen does not guarantee intercultural success in global leadership positions without the leader applying a reflection process called ‘mindfulness’ that when applied with appropriate cultural knowledge results in appropriate leader behaviours (Tuleja, 2014). The challenge in incorporating intercultural competency in training seems to be how to integrate this competency with other competencies tailored to specific global job requirements.

3.5.2.2 Interpersonal Knowledge and Skills

The interpersonal dimension incorporated skills such as communication, collaboration, team working, empathy, motivating others, and conflict management (Jain, Pareek and Hukla, 2004; Boyd *et al.*, 2011; Hazucha, Sloan and Storfer, 2012; Canals, 2014). I would also add intrapersonal skills such as critical and strategic thinking (Boyd *et al.*, 2011; Canals, 2014), which I think enhance interpersonal skills. For global leaders, high intercultural competencies (CQ) are required in addition to high verbal and mathematical intelligence (IQ), emotional intelligence (EQ), organizational cultural intelligence, and skills to motivate others (Alon and Higgins, 2005). Relationship skill can be an ability to inspire, motivate others, manage conflicts, negotiate, and empower others in a multicultural environment (Bird *et al.*, 2010). This leads me to define interpersonal or relationship skills for this study as the foundational skill in building a global leadership training program that enables the combined influence of CQ, EQ, and IQ competencies.

3.5.2.3 Global Business Knowledge and Skills

The competencies in global business knowledge and skills are in the area of business acumen such as strategy formulation, international finance, marketing, and industry-specific knowledge and skills. This area also include abilities such as balancing global and local

tensions, delivering results that balance between the short-term and the long-term in an ambiguous and complex environment, building and maintaining relationships spanning multiple boundaries, and knowing customers intimately (Bingham, Felin and Black, 2000; Adler, Brody and Osland, 2001; Jain, Pareek and Hukla, 2004; Mendenhall and Bird, 2013; Steven Terrell and Rosenbusch, 2013). This area is what is commonly labelled as business acumen in management training with the added global business complexity of boundary spanning.

3.5.2.4 Global Organizational Knowledge and Skills

The competencies required in global business knowledge and skills enable global leaders to design organizational structures, processes, and systems which appropriately distribute the organization's limited resources in order to capture the defined business opportunities (Kim and McLean, 2015). This also include the ability to build teams and to manage changes (Mendenhall, 2011). The global organization dimension incorporates abilities such as managing external stakeholders, proactively managing change, creating learning systems and managing cross-cultural ethical issues (Adler, Brody and Osland, 2001; Mendenhall, 2011).

3.5.2.5 Implications for Building a Training Program

Kim and McLean (2015) suggested that practitioners use their integrative framework to build their own global leadership competency tool. As a practitioner, the suggestion to adapt their integrative framework to build an adaptable global leadership competency tool was another reason for me to choose their model to define an appropriate training program. Kim and McLean further suggest that their model can be used for several future directions of empirical research. For example, the relationships among core traits, character, ability, and leadership effectiveness can be analyzed in the context of motivational theory. The analysis should be a longitudinal study and try to distinguish which of the four dimensions have more impact on leadership performance considering moderating effect from the type of organization, industry, and country (Kim and McLean, 2015). This suggested analysis is interesting but would require a lot of resources and would be complicated for companies to conduct. Determining the relationship between traits and character and leadership effectiveness is especially problematic because traits and character are relatively immutable. This is clearly out of the scope of my research, and my training business.

Ability level can be used to identify the specific competencies required for different roles, and can be reflected in a global leadership development program. Training interventions could use short-term methods such as assessments, workshops, and coaching to longer duration methods such as on-the-job training of expatriate assignments and assignments in global project teams (Gillis, 2011). Furthermore, didactic or short-term training development methods may be effective in developing not only knowledge and skills but also potentially the personality traits and dispositions that are required in particular leadership position (Cumberland *et al.*, 2016). My adaptation of the model's intercultural dimension will also include foreign language skills, specifically English language skills, given its critical role in establishing good communication and the low aptitude level of many Japanese employees.

Bartlett argued in an interview (Hanna, 2011) that we all operate in a global environment. It is reasonable to consider that all managers are working in an increasingly global environment but that all jobs do not require the same set of skills and competencies to be successful. It is also reasonable to consider that jobs that involve interactions with multi-country stakeholders, and issues are more challenging than jobs that deal with single country stakeholders. For example, jobs dealing with multiple set of regulatory authorities, multiple tax, legal, and accounting standards, and multi-currencies are far more complicated jobs than those that deal with a single set of authorities and standards (Mathews, 2016). Additionally, the more complex cultural contexts of global jobs cannot be ignored as seen in the GLOBE study results, where effective leadership attributes are different from country to country (House *et al.*, 2002). Mendenhall and Bird (2013) offer a global leadership development approach that integrates these views by differentiating global from domestic leadership by using degree of complexity and boundary spanning (figure 6).

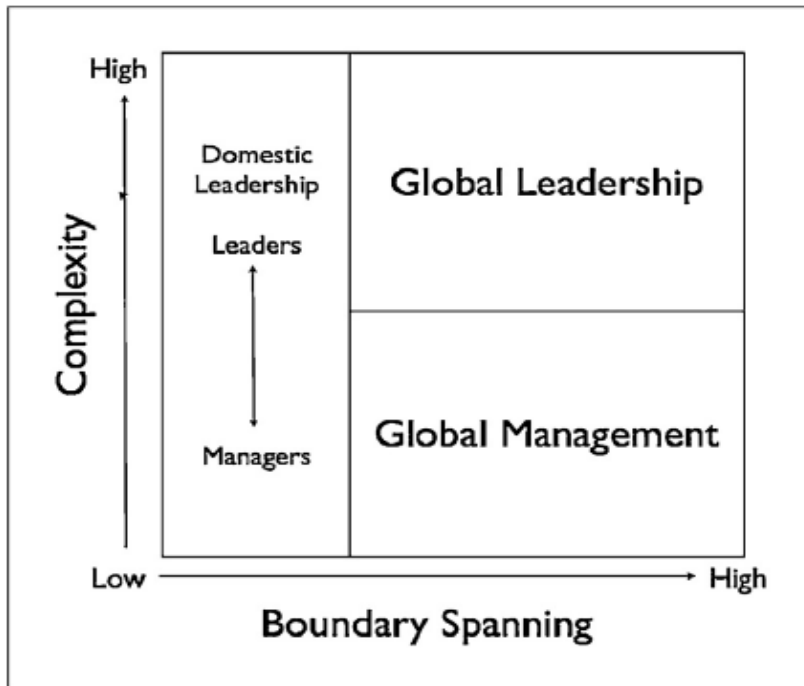


Figure 6. Dimensions of global versus domestic leadership (Mendenhall and Bird 2013, p. 170)

According to Mendenhall and Bird, the complexity dimension comprises multiplicity in dealing with more and more diverse stakeholders, an interdependency of stakeholders in cross-border mergers and alliances, an ambiguity from information overload, and a general state of flux created by the confluence of multiplicity, interdependence and ambiguity. The boundary spanning dimension comprises a flow of strategic and tactical information exchange through different types of channels by human networks and the degree of physical presence required by managers in moving across geographical, cultural and national boundaries. This depiction of a global environment certainly resonates with my experience. In building a global leadership development program, an important consideration is who controls the program. The who is between corporate and region, and the program should also be defined by audience into senior, middle and first level managers. An effective global leadership development program needs to find the right balance of corporate versus regional control (Sinar *et al.*, 2015). Sinar, et al. conducted a study where 13,124 leaders were surveyed with 80% of them based in non-western countries, found that the best balance was when senior-level leadership development program was corporate controlled while middle-level and first-level leadership development were jointly controlled by corporate and local. This was what was practiced in JMMC A and other leading JMMCs. The study also found

that best mix of leadership development training methods with sustained behavioural impact was 52% on-the-job learning, 27% learning from others, and 21% traditional training.

3.6 Leading US Multinational Leadership Development Practices

There are a number of leading US multinational manufacturing companies other than IBM known for best in class leadership development programs. These companies' leadership development practices are captured below. I will briefly describe the leadership development practices of General Electric, Procter and Gamble, IBM and 3M, companies that are frequently ranked as the top of annual surveys of the world's best companies for leadership conducted by Forbes, Fortune, Hay Group, and Chief Executive Magazine (Fortune Magazine, 2011; Adams, 2012; Hay Group, 2014; Whyllly, 2016).

1. General Electric (GE) (Wild, 2016; Krishnamoorthy, 2017)

GE has a leadership development program for multiple job levels. At the executive level, the company has three programs. Program 1: Manager Development course, program 2: Business Management course, and program 3: Executive Development course. These three courses are each three-week-long courses and offered only at Crotonville. The content of these courses has standard content but they are revised periodically by the GE learning and development global team. There is a certain amount of regional freedom in modifying the delivery method of the course content aligned with regional cultural differences.

2. Procter and Gamble (P&G) (Vault, 2008; Crockett and McDonald, 2011; Zulfiqar *et al.*, 2015)

The company's leadership model is based on five Es: Envision – create the future; Engage – build relationships and collaboration; Energize – inspire others; Enable – build capability; Execute – deliver outstanding results. Another factor that distinguishes P&G from other multinationals is that its leaders are expected to develop talent by also running training workshops. This practice is in line with the company philosophy of promoting from within as opposed to hiring talent from the outside. The company uses a 70:20:10 model of training where 70% of learning is done through on the job experience, 20% from relationships with others, and 10% from other training material. Action learning is also used to augment the on the job component.

3. IBM (Mohammed, 2009; IBM, 2010; Siegel, 2010; White and Rosamilia, 2010; O'Reilly, 2014; Bartomioli, 2015; Herrmann International, 2017)

The company launched the Globally Integrated Enterprise initiative in 2008 in order to be successful in its worldwide business agenda. The initiative emphasized collaboration among its 400,000 employees across 170 countries, and included cross-cultural awareness in employee training at all levels with an increased competency level for not only leaders with global responsibilities but also for employees supporting such leaders. The company also deployed an innovative virtual real-time cultural learning initiative called the Second Life Learning Intervention which is a facilitated action learning program where about 10 IBM managers of different nationalities are selected from different countries. The learning set goes through several one-hour learning sessions to work on exercises to develop their cultural intelligence.

4. 3M (Alldredge and Nilan, 2000; Alldredge, Johnson and Stoltzfus, 2003; 3M, 2016)

The company has been defining executive-level global competencies since the late 1990s with twelve competencies that are separated into three levels: three 'Fundamental', four 'Essential', and five 'Visionary' competencies. The higher you go in the executive levels, the more you are required to have higher-level competencies. The competency model includes identifying job specific competencies and the key job experience required for each position. It is noteworthy that almost 20 years ago the company had started to include awareness of global markets, capabilities, resources, and multicultural environments as some of the key competencies. Additionally, since the early 2000s their accelerated leadership development program has been using action learning as a core leaning platform.

The leadership development programs of western multinational companies discussed in this section had three common characteristics of being global in program scope, aligned to strategy and aligned to company values. However, IBM was the only company that labelled its program as 'global' and incorporated intercultural skills. Local adaptation of the program was done in some of the companies. This meets many of the best practices in talent development of leading multinational companies: job rotation and international transfers,

alignment with strategy, consistency across subsidiaries, alignment with organizational culture, and balance of global and local needs (Stahl *et al.*, 2007, 2012).

3.7 State of Global Leadership Development in JMMCs

In the introductory chapter of this thesis (chapter 1) I made a point that extant studies on the global human resource management practice of Japanese multinational companies had identified an over-reliance on the use of Japanese expatriate managers. The typical remedies suggested were the localization of management in overseas subsidiaries to ease the need for Japanese expatriate managers, and the increase of internationalization of Japanese headquarters staff and executives. Localization of management alone, without increased internationalization of Japanese headquarters staff, may not be effective. When both are done concurrently, increased internationalization of Japanese headquarters could bring three benefits: 1) increase the pool of qualified Japanese expatriate managers, 2) enable more localized managers in overseas subsidiaries, and 3) decrease the need for Japanese expatriate managers (Nakamura, 2005). Additionally, global HR systems and policies could be considered as an enabler to facilitate more systematic and efficient implementation of increasing localization of management globally and internationalization of the headquarters.

However, not many scholarly articles recommend Japanese multinationals to adopt global human resource management systems and policies in order to develop global leaders despite very few JMMCs are employing them (Furuzawa, 2004; Nakamura, 2005; Sato, 2006; Black and Morrison, 2012; Waldenbergur, 2016). The adoption could be a matter of time as the need for developing global leaders is increasing as you will see below. However, there are number of barriers that needs to be overcome, such as institutionalized Japanese in-house career orientation, lack of inpatriation assignments to Japan, Japan market and Japanese employees focused headquarters and perceived insufficient benefits from additional costs involved (Black and Morrison, 2012; Matsuoka and Aoshima, 2013; Waldenbergur, 2016).

In the introduction chapter 1 I briefly shared that Bridgestone and Takeda Pharmaceutical were notable leaders in global leadership development. Looking deeper, Bridgestone created a Global Executive Committee in 2014 comprised of 13 top executives who meet about five times a year as the top management body (Tsuya, 2016). Eight of the members were Japanese and the remaining five were non-Japanese – four Americans and one Argentine. The company adopted English as the official company language and key global meetings such as

global executive committee meetings were conducted in English (Tsuya, 2017). In order to increase a talent pool of non-Japanese managers, Bridgestone created Global Development Class (GDC) where 10 high potential employees are selected to go through a year-long program. GDC was created in 2005, and the talent pool is now 143 people strong representing 19 nationalities (Tsuya, 2016).

Takeda Pharmaceutical, another exception mentioned in chapter 1, also created a comprehensive global leadership program as seen in figure 7 (next page). The program had four components: 1) President's Forum, 2) Leadership Program, 3) Global Induction Forum, and 4) Accelerator Program. The President's Forum was created in 2015 to nurture high potentials using personal interactions with the company's executive management team. The Leadership Program was created in 2016 to focus on building both internal and external perspectives of the business. The Global Induction Forum was created in 2015 as induction training for newly hired senior leaders. The Accelerator Program was created in 2016 to promote the international cross-functional development of high potential employees. These programs were based on global core competencies to achieve Takeda's vision and long term strategy. The company expected these programs to create synergy value by taking advantage of the company's diverse talent base of experience, backgrounds, nationalities, and culture (Takeda Pharmaceutical Company, 2016). It is noteworthy that the Global Induction Forum is targeted for mid-career, a practice not common for large Japanese companies who tend to promote from within.

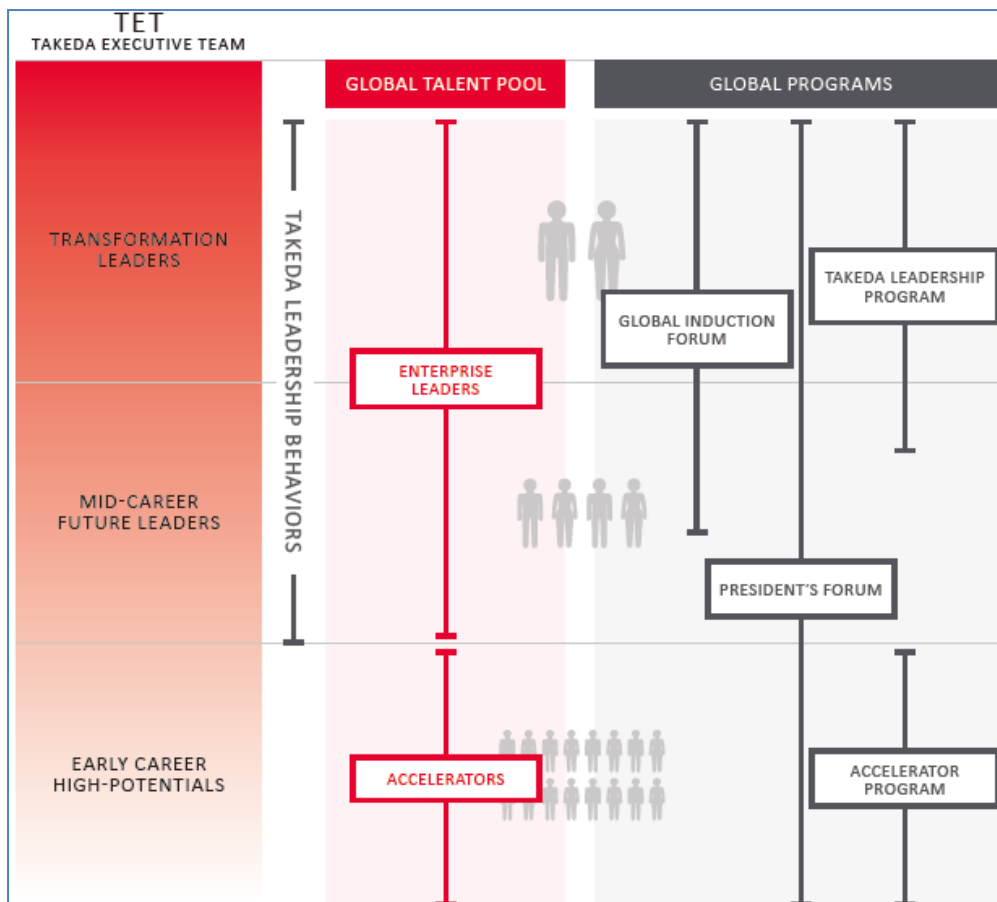


Figure 7. Takeda Talent Development (extract from Takeda Corporate Profile 2017)

The rest of this section discusses the current state of global leadership development in JMMCs and future direction outlined by the Japanese government, industry associations and universities. The data sources were publicly available reports and company websites using Google Japanese search engine. In 2012 Recruit, a Japanese HR research company interviewed 13 Chief Human Resource Officers (CHRO) of major JMMCs on the topic of HR scenarios in 2020 (Recruit Works Institute, 2012). These interviews showed that the state of global leadership development for these top JMMCs varied widely. Of the 13 JMMCs, only two had what could be considered a global leadership development program with a global human resource management database. Five out of 13 had no global leadership development program, and the remaining six had some leadership development program involving non-Japanese employees in different regions. One CHRO was not convinced that global talent management was necessary. Rather, the CHRO stated that improving the business expertise or acumen needed in key markets was more important for employees.

The joint study done by the Ministry of Economy, Trade and Industry, industry, and universities on global HR referred to in chapter 1 (Japanese Ministry of Economy Trade and Industry, 2009) suggested that any global human resource development requirement should be company specific, reflecting each company's unique strategy and business model. However, the study pointed to three areas where Japan was particularly weak compared to other countries in developing global human resources: 1) English language skills, 2) tertiary-level study abroad experience, and 3) international experience of senior managers at headquarters. The need for English language skills being one of the three fundamental competencies is reasonable, and I have stated in chapter 1 section 1.5 that some leading Japanese multinationals have adopted English as their official company language.

The second competency of study abroad appears to cultivate the intercultural competency of young Japanese students (Japanese Ministry of Education Culture Sports Science and Technology, 2012). The Ministry of Economy, Trade and Industry found that "...roughly 70 percent of Japanese companies with operations outside of Japan say they are finding it difficult to secure globally minded talent." (METI, 2009, p. 9). The number of Japanese studying abroad at the tertiary level peaked in 2004 at almost 83,000 (Japanese Ministry of Education Culture Sports Science and Technology, 2012), and has been on a downward trend since then to about 60,000 in 2012 (Japanese Ministry of Internal Affairs and Communications, 2017). In 2013, the Ministry launched an initiative to double the number to 120,000 by 2020 by providing scholarships to study abroad. It will take a long time to judge if this initiative makes any impact on increasing the pool of globally minded Japanese professionals. An interim report published in 2017 actually showed a decrease to 53,000 Japanese studying abroad in 2014 (Japanese Ministry of Internal Affairs and Communications, 2017).

The third weakness of international experience among Japanese senior managers was also confirmed by a 2015 survey on global human resource conducted by Keidanren, a powerful Japanese business federation (Japan Business Federation, 2015). In this survey, the top three issues raised were, in order, 1) global human resource development in at headquarters was not keeping pace with global business, 2) insufficient senior managers (Japanese) who can operate effectively in the global stage, and 3) difficulty in securing management talent in foreign subsidiaries (Japan Business Federation, 2015, p.6).

Keidanren (Japan Business Federation, 2014) also conducted case studies of 15 leading Japanese multinationals to investigate the state of their methods to develop global managers and leaders, using Sanno Institute (2012) survey results as a back drop (Federation, 2014 p.2). The study made a recommendation based on combined best practices of the case study companies. The 15 companies were Asahi Group Holdings, Astellas Pharma, Canon Corporation, Sumitomo Chemical, Teijin Ltd, Tokyo Marine Insurance, Toyota Motor Company, Nissan Motor Company, Japan Tobacco, Nippon Express, NEC, Japan Hewlett-Packard, Hitachi, Marubeni, and LIXIL. It was surprising that Keidanren included Japan Hewlett-Packard, the company's Japanese subsidiary where I worked from 1991 to 1993 as an expatriate manager, as one of the companies of this study. I wondered what the reasons were for Keidanren to choose a US multinational company subsidiary in this study as there was no explanation for this inclusion or reference to the company as a benchmark of developing global leaders. Not surprisingly, Japan Hewlett Packard had the most globalized HR and talent management policies and systems among the 15 companies. The Keidanren study described Japan's current economic state of decreasing domestic demand driven by the demographic trend of ageing and low birth rate. This economic situation forced Japanese companies to seek growth outside of Japan. Companies expanding overseas were facing a shortage of management and leadership talent to manage their overseas subsidiaries.

At the same time, many Japanese managers that were sent as expatriate managers of these subsidiaries were struggling to deal with the increased responsibilities and job complexities in their overseas posts (Sanno Noritsu University, 2011). The Keidanren study summarized that many Japanese multinationals were aware of the need to have global managers who can lead their global businesses effectively. They understood that having global talent development policies and programs were needed to make this happen. However, they were not quite sure on how, and to what extent, they needed to create and run such policies and programs that were relevant to their business situation. The current issues identified by many of these companies were that they were not developing leadership talent who were ready to work globally, and that they lacked their organizational 'readiness' to develop the needed talent. In my mind this last point of readiness was a loaded word which could touch on many things such as global human resource policy, HR systems, organizational culture, and the top management's commitment and expectation to find and develop their leadership talent. Based on their understanding of what the 15 selected leading Japanese multinational do to develop global leaders, the Keidanren study (2014) recommended four actions for Japanese

companies to take in order to grow global talent. For each action, the study highlighted two to three actual examples from the 15 companies studied as described below.

Action #1: create a human resource strategy aligned to the organization's global strategy. Within the HR strategy, ideal global manager and leader competency profiles need to be articulated. The ideal competency profile needs to be broken down into fundamental competencies and operational competencies. The fundamental competencies needed could be language skills in English or another local language, skills in dealing effectively with a diversity of situations such as cultures, religions, traditions, and skills to effectively manage the personal stress created from managing this diversity. The study stated that these competencies were fundamental for global leaders to be more effective in operational competencies such as information acquisition, analysis, issue resolution, communication, and managing and developing team members. The study suggested considering three roles of overseas managers when defining the ideal profile. The first role was the 'pull' role that manages key local employees, and provides decisive leadership for success. This role is critical for situations where Japanese expatriate managers (JEMs) take leading roles in running the operation. The second role was the 'developer' role of JEMs to be able to transfer their business knowledge to local employees. The third role was the 'integrator' role that can create operational synergies demonstrating corporate values and principles, and act as a bridge between headquarters and overseas subsidiaries. It is interesting to note that despite the study being framed as global manager and leader development, the ethnocentric bias towards JEMs was quite clear. Examples given for the first action of articulating competencies were from Asahi Group Holdings and Marubeni Corporation. Asahi Group Holdings articulated required global competencies in the areas of business expertise, multi-cultural skills, and communication skills, to be discussed more fully later in this section. Marubeni Corporation's mid-term HR strategy articulated developing multi-cultural skills, ability to handle diverse perspectives, and communicating constructively for mutual understanding.

Action #2: quantify how many JEMs will be needed in the next 5-10 years, aligned to the global strategy, and to take into consideration how the localization of management in overseas subsidiaries was expected to progress, including the balance between local employees and JEMs. Succession planning and a global HR database that provides

talent visibility were also recommended. Examples given were Sumitomo Chemical, Nissan Motors, and Hitachi Ltd. In 2011 Sumitomo Chemical created a global talent database of first level managers and above with their job history and current responsibilities. This has been useful especially for leadership succession planning. Nissan Motors created a database of high-potential employees at different management levels, and the database was reviewed by the company's top management monthly for the purpose of succession planning. Hitachi established two global HR databases, one for all employees with basic information, and another database with talent development information of first level managers and above.

Action #3: integrate the output of the first two actions to determine how to acquire the talent defined in action one, and the quantity defined in action two. Hence the need to create talent acquisition and development programs that were balanced between development, which mixes on-the-job (OJT) and off-the-job training, and external talent acquisition (figure 8, next page). How a company chooses to balance between internal development versus external acquisition could have a big impact on what type of service the company could be purchasing. For example, if the company chooses to acquire the talent through internal development, it could choose OJT or off-the-job training. If off-the-job training is selected then a consulting and training services from Kinetic might be required. On the other hand, if the company chooses to acquire the talent externally, a head-hunting service might be required.

Action #4: establish a global HR policy aligned to the company's global strategy. The policy needed to encourage diversity and localization of management through global talent mapping and a common job grading system worldwide. Sumitomo Chemical has a global HR evaluation policy for identified core employees who have a memorandum of understanding with the company's top management regarding their reward and promotion. LIXIL Group Corporation, a building material manufacturer, established a global job grading system in 2013 to facilitate their strategy of inorganic global growth through mergers and acquisition strategy (Federation, 2014, pp. 12 and 70).

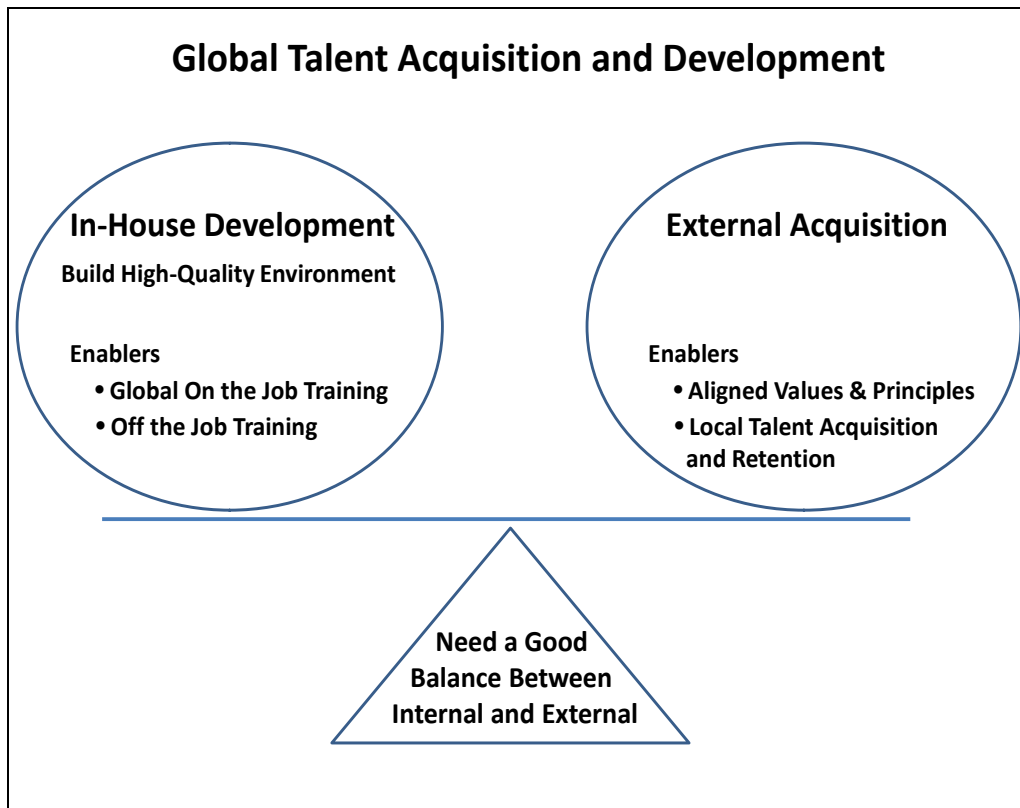


Figure 8. Creating a balanced global talent acquisition and development program, Keidanren (2014) (translated by the author from Japanese)

In the study each of the 15 case studies was summarized in three to four pages. However, the summaries were not consistent in terms of their content structure which indicated the absence of a defined set of questions used in all case studies. Apparently, the case study companies were free to share their focus areas in developing global talent. Therefore, I created table 5 (next page) to tabulate how many of the 14 (excluding Japan Hewlett Packard Co.) case study companies implemented different global leadership development practices.

My overall impression of this study (Japan Business Federation, 2014) was that these leading Japanese multinationals were putting more and genuine effort into developing global leadership talent that integrated both Japanese and non-Japanese employees. Despite the effort by many of these companies to integrate non-Japanese employees into their programs, a focus on Japanese employees was still evident. For example, they continued to rely on Japanese expatriate assignments, had leadership development programs tailored for Japanese employees, and had a dearth of non-Japanese expatriate assignments.

Table 5. Different global leadership development practices implemented by 14 case study Japanese companies. Extracted from (Japan Business Federation, 2014)

Practice Areas	#	Companies
Global Executives, Middle Level Managers and/or First Level Managers Training Program with a Mix of Japanese and Non-Japanese	8	Astellas, Canon, Sumitomo, Teijin, Tokyo Marine, Toyota, Nissan, NEC
Global Executive and/or Middle Manager Program for Non-Japanese	2	Canon, Tokyo Marine
Regional Leadership Development Program	7	Astellas, Sumitomo, Teijin, Toyota, Nippon Express, Hitachi, Marubeni
Leadership Development Program Focused on Japanese Employees	9	Astellas, Asahi, Canon, Tokyo Marine, Nippon Express, Nissan, NEC, Marubeni, JT, LIXIL
Use of Japanese Expatriates for Different purposes: Manage Subsidiaries, Operational Knowledge Transfer, Short-term OJTs, and Short-term External Training	14	Astellas, Sumitomo, Teijin, Asahi, Canon, Tokyo Marine, Nissan, Toyota, JT, Nippon Express, Marubeni, Hitachi, NEC, LIXIL
Inpatriate Program (non-Japanese Expatriates in Japanese HQ)	1	Toyota, Marubeni
Focus on Localization of Top Management	4	Tokyo Marine, Sumitomo, LIXIL, Toyota, JT
Global Talent Database of Manager and Above Level	5	Sumitomo, Hitachi, Teijin, Nissan, LIXIL

In a more recent survey by Sanno Noritsu University (2017) on the state of next generation and global leadership development among Japanese companies with employees greater than 300 people (345 respondents), the majority of the companies' development efforts were focused on their Japanese employees with a trend of investing more on first level managers and individual contributors while decreasing investment on middle level managers. Companies where headquarters was involved in the talent development of overseas subsidiaries local employees were in the minority, suggesting there was more regional autonomy. However, 40% of the responding companies stated that they do not have a talent development program for local employees. The most popular training topic was developing leadership at 73%, with functional or technical training, (e.g. marketing, finance) coming in second at 61%. The top three issues in expatriate assignments were 1) inadequate pre-assignment training at 58%, 2) insufficient number of competent employees who can be successful during assignment at 49%, and 3) low interest among employees wanting to go on expatriate assignments at 42%.

A notable example was the Asahi Group’s model that described how the company defined global leadership competencies (figure 9). Although the model was for Japanese employees, and not for the global employee base, it touched on the areas that were defined in Kim and McLean’s (2015) model. They were intercultural, communication or relationship, and business domain areas. The model suggested that the global leadership competencies were found where all three areas intersected (centre of the Venn diagram, figure 9). I thought this model could be used in structuring a global leadership development program. The centre of the model (the intersecting area) combined all three competency areas, and therefore, increased the complexity which simulated a global environment. I also thought that highlighting the importance of stress management, resilience and positive attitude was appropriate for global leaders who face a lot of volatility and uncertainty.

The top five competencies needed for expatriates and the percentage of companies providing such training are shown in figure 10. It is interesting to see big gaps for all competencies except for English skills, yet English is arguable the key enabler for other competencies.

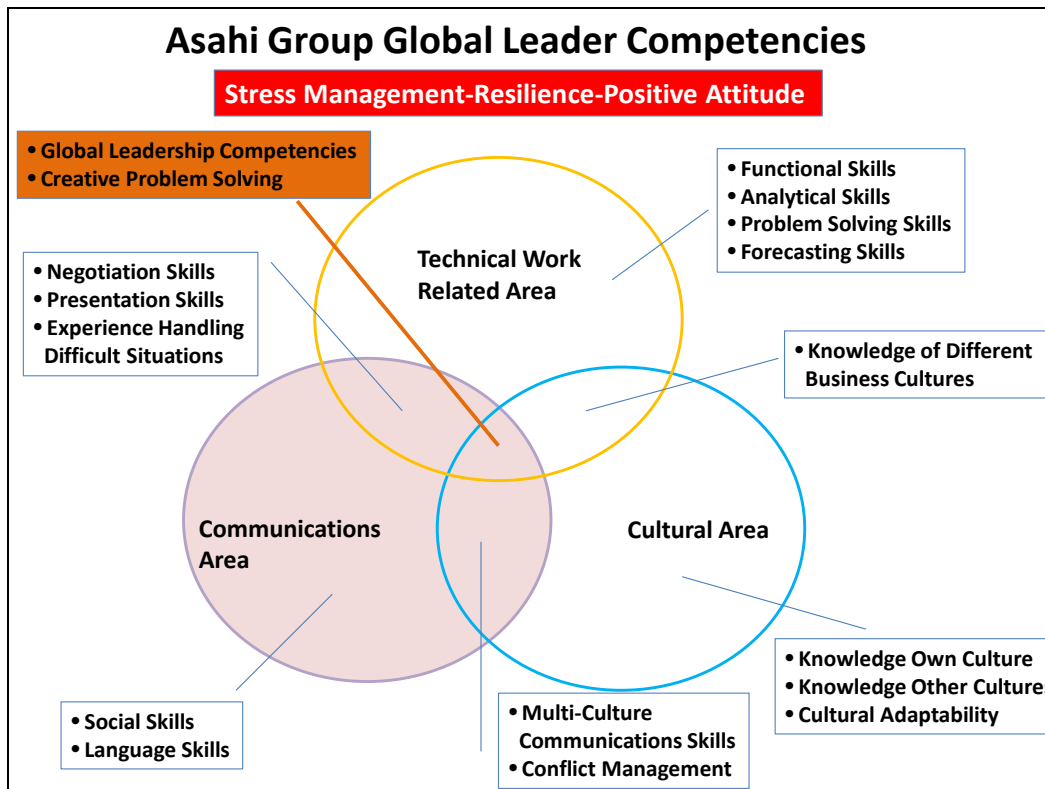


Figure 9. Asahi Group global leadership competencies (Japan Business Federation, 2014, translated by the author from Japanese)

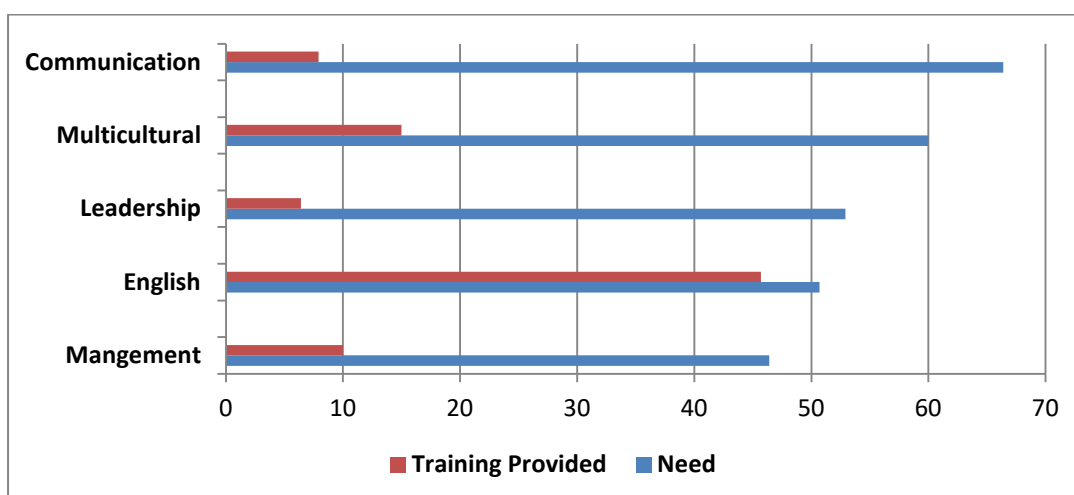


Figure 10. Top five competencies important for Japanese expatriate assignment and pre-assignment training provided by selected companies (extract from Sanno Noritsu University, 2017)

A trend among large companies with employees greater than 3,000 people was for the development program to be based on a selection process rather than being open with an annual leadership training budget of US\$ 4,000 per employee. For smaller size companies this budget was 30% to 50% less. Among a subset of these 3,000+ employee companies where there were more than five major overseas operations and overseas revenues accounting for 50% or higher of the total revenues (23 companies), there was a trend of installing global HR management systems. In this subset group, roughly half of them were putting more emphasis on English language and overseas experience earlier in the career to develop global leaders. For example, 39% of this subset group was already including foreign language skills and overseas experience, e.g. study abroad, as criteria for new hires with another 9% planning to include them in the future. 49% of this group had minimum English language test scores as a criterion for promotion evaluation with another 22% planning this. However, there was a trend of emphasizing multicultural training more than English language training for expatriate assignees. 52% of them already had a program to send young Japanese employees overseas for short term OJT, with another 9% planning to introduce it.

3.8 Summary.

The literature of leadership competencies is rich with different, sometimes even opposing, perspectives on the same topic under study. As seen in this literature review the seemingly simple concepts of global leadership and leadership competencies have different

interpretations. There are different conclusions as seen in studies about what impact expatriate manager deployment can have on foreign subsidiary performance. For example, there is a study that found that a higher expatriate deployment at the start of international subsidiaries, and a slower reduction of JEMs over time had a higher correlation to subsidiary growth (Riaz, Glenn Rowe and Beamish, 2014). JEM deployment was needed for technology transfer to overseas subsidiaries to increase competitiveness (Oki, Amano and Nakagawa, 2011). High expatriate usage is a barrier that prevents Japanese companies from performing internationally (Bartlett and Yoshihara, 1988). Yet another study showed better overseas subsidiary performance associated with fewer Japanese expatriate managers (Beamish and Inkpen, 1998). An important theme emerged among JMMC practitioners that more and more expatriate assignments are used as a training mechanism instead of a control mechanism.

Based on this review, I define global leadership competency as a set of competencies that should be different from role to role. Which set of global leadership competencies is needed depends on the role's level of difficulty and the complexity of the tasks required. I briefly stated in the introduction of chapter 2 that my literature review was iterative. In the initial literature review I identified a number of themes to be incorporated in a suitable framework. As the research progressed and I analyzed the themes relative to the data generated in each cycle, I needed to return to the literature many times to gain a deeper understanding of the scholarly view of the emergent themes. These iterations are captured in table 6 alongside the action research cycle that initiated the subsequent review. Appendix D shows the main literature sources for these themes. Specifically from this cycle 1A, I was able to identify themes 1 through 8 as potential building blocks I could use for a global leadership development framework. Other potential building blocks are regional adaptation of global leadership development program as I pointed out in the case of General Electric (Wild, 2016; Krishnamoorthy, 2017), internationalization of Japanese headquarters (Nakamura, 2005; Matsuoka and Aoshima, 2013; Waldenbergur, 2016), and English language skills (Japanese Ministry of Economy Trade and Industry, 2009; Japan Business Federation, 2014; Tsuya, 2017).

Many leading JMMCs appear to recognize the importance of developing global leadership competencies. There certainly is a strong awareness by industry, the government, and academia that competitive global human resource in general, and global leaders in particular are a must to be competitive in the global market. However, based on this review, it appears

that most of the JMMCs are not developing leaders globally but rather regionally, and many of them are focused on developing the leadership competencies of Japanese employees in Japan. This poses a huge challenge to “Japan Inc.” however, this is also a great opportunity for my objective to create consulting services for JMMCs to help them build their global leadership competencies. To that end, I selected an integrative model of global leadership development (Kim and McLean, 2015) as a basis to create my leadership development framework.

Table 6. Themes that emerged as the research progressed

	Global Leadership Theme	Cycle that Triggered Literature Search
1	Leadership competencies	1A scholarly literature
2	interpersonal knowledge and skills	1A scholarly literature
3	global business knowledge and skills	1A scholarly literature
4	global organization knowledge and skills	1A scholarly literature
5	expatriate assignments	1A scholarly literature, Japanese articles and reports
6	on-the-job training	1A Japanese articles and reports
7	external training	1A scholarly literature
8	classroom training	1A scholarly literature, Japanese articles and reports
9	role specific global leadership requirement	1A scholarly literature, 1C three JMMC interviews
10	specific leadership tasks	1A scholarly literature, 1C three JMMC interviews, 2, learning set discussions
11	global business complexity	1C three JMMC interviews
12	boundary spanning	1C three JMMC interviews
13	intercultural competency	1C three JMMC interviews
14	global HR systems and policies	1C human resource expert panel

Three insights were generated in this chapter in addressing the research problem stated in chapter 1. First, global leadership competency development in JMMCs is not simply internationalizing the Japanese headquarters and localization of management in order to reduce dependence on Japanese expatriate managers. The complexity of implementing organizational strategy globally goes beyond just these two factors. Other factors such as diverse culture, legal systems and required geographical footprint need to be considered (Mendenhall and Bird, 2013). Additionally, diverse culture is not only about diverse national cultures but more importantly about organizational culture with some common leadership

styles that are universally effective (Dorfman et al., 2012). Second, global leadership competencies required are company specific based on what the leading US and Japanese multinationals are practicing described in sections 3.6 and 3.7 in this chapter. Third, expatriate assignment has an important role to play in development global leaders as discussed in section 3.4 in this chapter.

The next chapter will discuss the global leadership development practices of Kinetic consulting, the company I have been closely working with for the past few years, and my experience as a basis of comparison to this chapter (cycle 1c) and subsequent cycles 2 and 3.

Chapter 4 Cycle 1B Leadership Development Experience

4.1 Introduction:

This chapter describes leadership development practices and experience of Kinetic and my personal experience. The information from this chapter will be compared to the data from the literature review (chapter 3) and data from the three studies in chapters 5, 6 and 7 to answer the three research questions in chapter 9.

4.2 Methodology

In describing Kinetic's experience, I used Kinetic's client case studies as the source. Kinetic's case studies are simple two-page description of client engagement highlighting the challenge the client faced, what action was taken with the help from Kinetic, the result and the client quote complementing Kinetic's work. There were few dozen case studies and I chose ten cases related to leadership development. My leadership development experience primarily references the leadership development workshops and events I conducted as an independent consultant and trainer working through the Belgian management training company.

4.3 Recent Leadership Development Practice

4.3.1 Kinetic's Experience in Leadership Development

Kinetic provides a wide range of services from strategy consulting on the upstream end of the spectrum to employee capability building on the downstream end of the spectrum. It is called the "Vision to Action for Results" model. In the upstream, we compete against big-name consulting companies such as McKinsey and Company and Boston Consulting Group while in the downstream of employee capability building we compete against a multitude of training companies. There are two common threads across the services spectrum that make this company rather unique and, therefore, competitive. The first thread is the continuity from the formulation to the implementation of organizational strategies. Most of the big-name consulting companies in their strategy consulting do not go beyond strategy assessment and formulation. In other words, they do not help clients implement their strategies. We help clients implement their strategies through building required leadership competencies and behaviours in their leaders through tailored training. The second thread is that the consultants providing services across the spectrum are experienced industry practitioners. The consultants have, on average, 25 years of experience in blue chip multinational companies

where they successfully led regional or global functions or business units. This is Kinetic’s differentiator compared to larger and more established consulting and training companies which their associates do not have a deep practitioner experience in multinational companies. Our strategy consulting work usually leads to the client requesting downstream employee competency building work as a part of the strategy implementation. In contrast, client work that starts with the downstream competency building work normally does not lead to strategy consulting work.

Kinetic provides a service of running a leadership academy for clients. The academy offers leadership development training from people at the tertiary level through to the corporate board level (figure 11). In the academy curriculum, there are different leadership focus areas depending on the leadership level. At L-1, the first line manager level, the focus is on team effectiveness. At L-2, the middle level manager level, the focus is on the skills to translate organizational strategy into Objectives, Goals, Strategic choices, and Measures (the OGSM model). At L-3, the senior executive level, the focus is on change management.

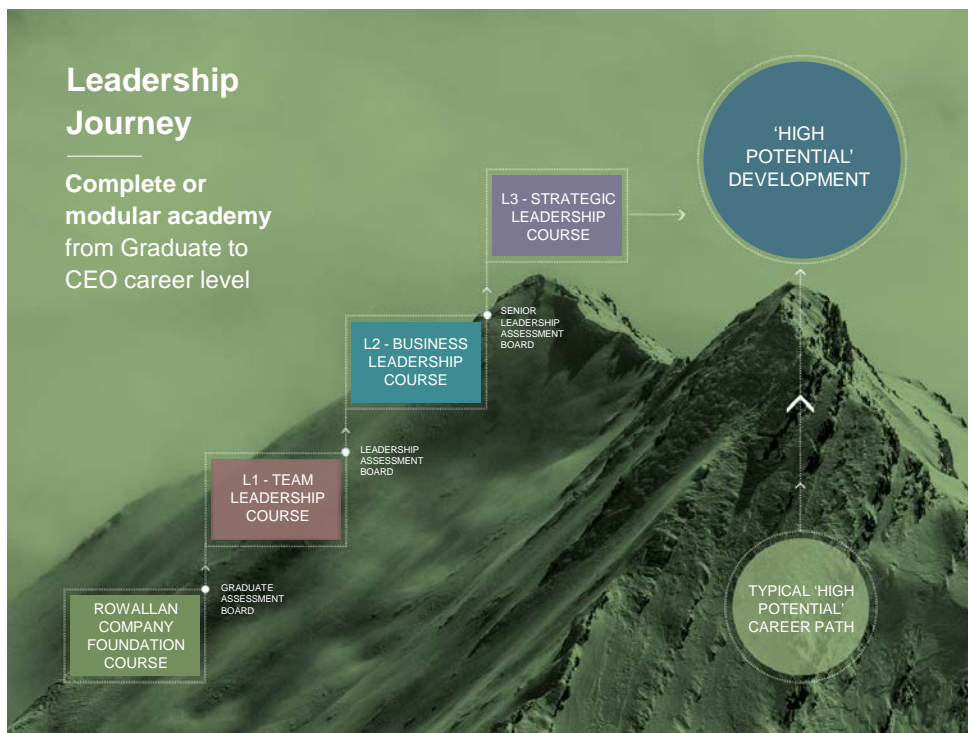


Figure 31. Kinetic Leadership Academy

The leadership academy has three assessments – the first assessment before L-1; the second assessment between L-1 and L-2; and the third assessment between L-2 and L-3. The same

three competency areas are assessed at each assessment level. These competency areas are 1) strategic agility, 2) learning agility, and 3) emotional agility. In strategic agility, areas such as analytical skills, results orientation, creating a vision, resilience, flexibility, dealing with complexity and innovativeness are assessed. In learning agility, areas such as level of curiosity, risk taking and learning from mistakes are assessed. In emotional agility, areas such as self-knowledge, emotional management, communication and influencing skills are assessed. Of course the skill and maturity levels expected at these three assessment levels are different.

If L1 through L3 can be seen as a normal career progression resembling an escalator, the leadership academy also provides a high potential development path resembling an elevator. The three agility areas used for the three assessments of the escalator program is the primary screening tool to select high potential candidates.

Below are brief descriptions of some of our client work on leadership competency development:

1. Client work #1: a major multinational bank required leadership training which promoted a new set of behaviours and decision-making competencies aligned to its new strategy.
2. Client work #2: a major American multinational food company required leadership training to develop a new set of behaviours aligned to its strategy.
3. Client work #3: a major European multinational fashion retail company required training for its leaders to change their behaviours aligned to its new five-year strategy.
4. Client work #4: a major American multinational food company required training to develop a more entrepreneurial behaviour throughout its leadership levels to implement its new corporate values.
5. Client work #5: a major European industrial company required competency training for their top 200 leaders to align them to the new set of leadership behaviours aligned to its new corporate strategy.
6. Client work #6: a privately-held British merchant bank required training to deploy a new set of leadership competencies aligned to its new corporate strategy.
7. Client work #7: a European multinational retailer required a training program for the top three levels of the company leaders on a new competency model based on the new strategy.

8. Client work #8: a major European energy company required training to develop a new set of behavioural competencies for its global leadership team in bringing its new vision and strategy to life.
9. Client work #9: a major European food and drink multinational company required training on building competencies for high performing leadership teams to deliver its strategic objectives.
10. Client work #10: a major European fragrance and flavour multinational company required a leadership development training program for three levels of leadership to embed desired behavioural changes aligned to its new five-year strategy.

In all the leadership competency development work that Kinetic has done so far, the competencies defined by our clients were all firmly aligned to their strategy and company values, and had a heavy behavioural change component. There was no client who neither described their leadership development program as 'global' nor made a distinction between global and non-global. However, since all the clients were multinational companies, the leaders that were trained came from multiple countries around the world with their responsibilities ranging from country, regional to global organizations. Several clients had a broader description of leaders that also included people not in managerial positions, which would not meet the definition of global leadership role established in this thesis. In almost all cases, we were hired to create customized training programs to enable their new strategy. Intercultural competency was not included in any of the training but adaptability and change management were included in all.

When engaging with potential clients, the company normally meets with the executives that requested an intervention to get a detailed brief of their needs. The company's experience has been the executives who request interventions are the line executives and HR executives supporting the line executives. A proposal is then written based on the brief and presented to the client. If the proposal is accepted, the company conducts a situational assessment that could be a combination of interviews and surveys. The assessment information helps in the design of a consulting or a training intervention (modelled in figure 12, next page). In the assessment phase for a training intervention, the company also checks that the learning objectives from the training program are aligned to the client's strategic objectives.

A consulting intervention in the areas of leadership development could help develop global policies and/or designing a comprehensive leadership academy (figure 11). In the ideal case, these works in policy and design lead to Kinetic delivering the training programs.

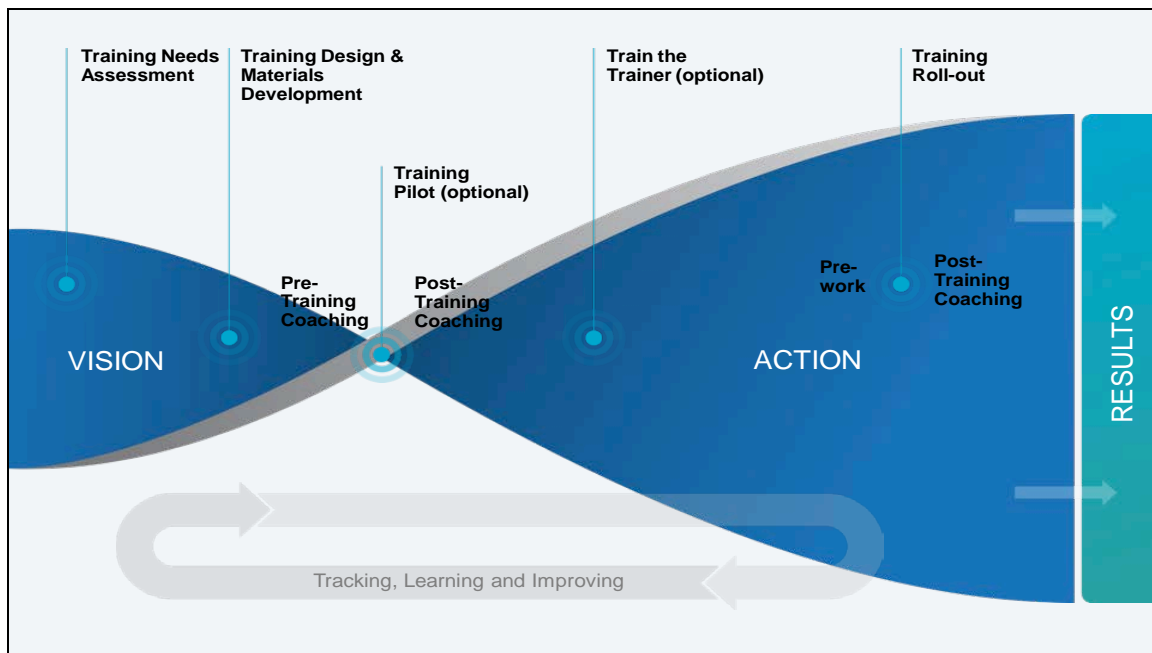


Figure 42. Kinetic training model (adapted from Kinetic Vision into Action model)

In all cases the programs have a finite duration, meaning they have a clear end to the program, usually one to three years after the program launch. Having a finite duration is consistent with my experience as an independent leadership development consultant. This, however, does not mean that all companies do not have an on-going leadership competency development program. Most of the companies that I delivered training to over the past 11 years had both on-going leadership training program open to all leaders, and limited duration, invitation-only training programs for more senior leaders.

4.3.2 My Personal Experience in Leadership Development

My leadership development experience as a consultant and a trainer began when I started facilitating leadership development workshops as a senior associate for a management training company based in Brussels at the end of 2007. This training company became Namigai & Co.'s first client and I started delivering management workshops for the training company as its contracted senior associate. My experience in leadership development prior to that was as an executive responsible for regional and global organizations for Hewlett-Packard Company and Agilent Technologies, both US multinational companies. In both companies leadership development was based on leadership behaviours grounded in the

company values set by the same founders, Bill Hewlett and David Packard. Leadership development was designed to build competencies that allowed leaders to deliver to the company's strategic objectives.

With the Belgian management training company, I started facilitating the company's leadership workshop using existing teaching material. I also facilitated a number of other topics such as team management, conflict management, negotiation, and finance for non-finance managers. After a few months I was asked to update some of the teaching materials, and also to create new workshops such as Leading International and Remote Teams. The workshop participants were typically first level to middle level managers of European, American and Middle Eastern multinational companies. I was also involved in selling tailored training interventions for the training company. The process typically involved reading a brief from the company's sales team, talking to potential clients to get a tighter brief and writing a proposal. As this company focused on training, unlike Kinetic, the situational assessment step was not done.

In 2008, my interest in leadership development for Japanese multinationals led me to convince the training company to host a half-day executive round table meeting for Japanese expatriate managers based in Europe. A total of 11 Japanese top executives based in Europe from companies such as Sony, Pioneer, Hitachi and Dentsu. attended. Many common issues were shared by the executives:

1. difficulties managing local employees
2. low level of management localization,
3. difficulties in attracting and retaining good local talent
4. insufficient number of competent Japanese expatriate managers (JEMs)
5. Japan headquarters not understanding the complexity of international business
6. poor English skills of JEMs that hamper good communication with local employees

An executive commented that his company was far less internationalized compared to Sony which had a reputation of being the most internationalized Japanese company. However, the Sony executive stated

... it is an honour to be considered the most international Japanese company but in reality the company is far less internationalized than outside people think...

(Marketing Director, Europe, Sony Corporation).

Essentially, the executive depicted a company that was actually struggling to become global in terms of both operation and people management.

In 2010, I convinced the company to offer a management training workshop for JEMs in Europe. I created a two-day workshop covering topics such as leadership, strategy, coaching, team motivation, dealing with different cultures, and delivered the workshop in Japanese. During the workshop I focused on cross-cultural issues such as low context versus high context, and the importance of clarity in vision and developing organizational culture. The workshops were offered in major European cities such as Dusseldorf, Paris, and London where there were many Japanese multinational companies. The workshop typically attracted senior JEMs who were responsible for country or regional organizations. I received consistently positive feedback from the participants that this type of workshop is needed for Japanese managers because of their skills gap in the areas of leadership soft skills and articulating an effective organizational culture appropriate for the increasingly globalized world. Later that year I was invited to speak on talent management in Europe at a Japanese business seminar in Brussels jointly hosted by the Japanese Association and Japan External Trade Organization. The seminar was attended by 25 middle-to-executive level JEMs representing 17 leading Japanese companies. In my presentation I emphasized the importance of global talent development in becoming a competitive global organization. I explained that in my experience there are three stages of talent evolution in becoming a truly global company. The first stage was sending parent company nationals (PCNs) to overseas subsidiaries during international market expansion. The second stage was localization of management by home country nationals (HCNs) in overseas subsidiaries. The third and most mature stage was where the company starts deploying third country nationals (TCNs) to key management positions globally. The question and answer session following my presentation was robust, and many came up to me after the session appreciating what they heard.

In 2011, again through the training company I had an opportunity to work with a leading heavy industry JMMC, whose European regional headquarter was based in London, to develop and deliver a first level JEM management workshop. Surprisingly most of these JEMs did not have any people management experience in Japan. Therefore, these newly-minted managers really struggled in their jobs not only because this was their first people manager job but also because the subordinates were non-Japanese, and they were working in a foreign country for the first time. When compared with western multinational companies in

sections 4.2.1, Japanese multinationals I have worked with were less sophisticated. This difference was in line with what you saw in chapters 1 and 3.

Through the Belgian training company, I also delivered leadership development workshops for non-Japanese multinationals. The workshops were either public workshops where employees from different companies attended or company specific workshops where the company outsourced its training to an external training company. For example, I delivered tailored leadership development workshops for a large Hungarian oil company, and a large diversified manufacturing company in Saudi Arabia. For public workshops the participants were recommended by their HR department to take an external leadership development workshop from a list of pre-selected training providers. For company specific workshops, I worked with the company's HR department to create a tailored leadership workshop aligned with their strategy that ran for two to three years. This latter case is the same as Kinetic's experience which I already stated in the previous section (chapter 4, section 4.2.1).

4.4 Summary

The leadership development practices and experience described in this chapter was primarily from Kinetic and focused on western multinational companies except some of my experience with JMMCs. The common thread across these leading western multinational was a consistent leadership development program and policies that were deployed globally, usually with some regional adaptation and, interestingly, not labelled as 'global'. The key common characteristic of their leadership competency was that it was aligned to their strategy and values. Leadership competencies aligned to strategy and values could be a building block for the leadership framework. Another potential building block is Kinetic's training model's (figure 12) 'train the trainer' approach where Kinetic trains selected client employees as trainers of the training material when a large scale training deployment is required in a short period of time such that Kinetic's delivery capacity is constrained.

In contrast to the western multinationals, most of the JMMCs I had experience with did not have a leadership development program or a leadership development policy that had high consistency across geographies. Additionally, my experience indicated that there was a gap in leadership competencies of Japanese leaders in the areas of soft skills. In the next chapter I will look into how three JMMCs are developing global leadership competencies and if the

leadership development model I have chosen in chapter 3 could be useful in creating a leadership development framework.

Chapter 5 Cycle 1C Interviews

5.1 Introduction

This chapter will first describe preparation for data collection, including search and selection of research participants, creating interview questions and how data are categorized and analyzed. This is followed by a discussion of the collected data with a summary. The final section will analyze and summarise the key implications for generating a global leadership development framework.

5.2 Interview Method

5.2.1 Search for Research Participants

In my experience, Japanese multinationals are very cautious about engaging in outside research for which they need to disclose internal information. Even if one found an entry point into the company, it is usually very difficult to even be considered unless you have a connection into an appropriate level person in the company or you represent an organization that has instant credibility such as Harvard Business School and The Economists. The approval process can be time consuming due to the multiple internal approvals required, especially if the research requires access to their executives. At a minimum, the senior managers of the functions involved and the company's legal departments need to review and approve the request.

With limited resources, and limited contacts within JMMCs, I was not able to plan for a large scale survey or interviews involving neither a large number of JMMCs nor a large number of people to interview per company. Almost all of the JMC contacts I had built over the years were either retired or sent out to become top executives of much smaller local subsidiaries in Japan. Therefore, I had to rely on my personal network to obtain email addresses of JMMC human resource managers. HR executives are the most suitable people to interview for this research because of their functional responsibility relevant to human resource development. However, learning and development must be at least part of his or her responsibilities to be suitable. For example, HR managers that are dedicated to payroll or compensation and benefits would not be suitable as they are not responsible for people development. For this research, an additional qualification that could be beneficial is if the HR executive has the authority and budget to buy consulting and training services related to leadership development. Interviewing people that have budget and decision authority for this service

could provide some insight that could help answer the third research question. Line or operational executives could also be suitable interviewees if they have budget and authority for development of their leaders

I contacted the Belgian training company I worked over the past ten years requesting contact details for JMMC HR managers in the company's database. Through this company, I was able to obtain contact information for senior level HR managers from five JMMCs with whom the company had done business in the past. I sent email to these contacts requesting a meeting to explain my research and to request their participation. Two replied positively and agreed to participate in the research after an introductory meeting, where I introduced the research, explained their involvement, and how their interests are protected throughout the research.

All of the HR executives were middle to senior level managers who were responsible for leadership development in their companies. The total number was five participants: three from the first JMMC and two from the second JMMC, hereafter referred as JMMC A and JMMC B respectively.

In the case of JMMC A, the three individual participants signed the consent form after the form was reviewed by the company's local legal department. The company had the regional autonomy to decide on research participation without a further approval from the Japan HQ legal and HR departments. The participants were all non-Japanese which indicated to me that the company's management localization was relatively progressive.

In the case of JMMC B, the participants were both Japanese expatriate managers. They also signed the consent form but they explained to me that they are signing the form as individuals rather than representing their company. The explanation was that in their company any research participation would require approval by the top management and the legal department back in Japan HQ. Given the scope of my research, they felt that the request would not only take a long time to get a response but it would almost certainly be rejected. However, the participants were open to share information as long as the information was verbal and did not involve giving me any company documents.

I was able to get these participants partly due to the ethics of action research, as outlined by the university, which protects the research participants by giving them the freedom to disengage from the research at any point, and to request their data not be included in the final results if they so wished. Action research is built on a voluntary partnership with research participants, a collaborative relationship that generates value to the participants (Coghlan, 2011). In my assessment, this voluntary nature of participation, and non-disclosure of their identity in the final thesis were keys to obtaining their agreement to participate without reservation in providing detailed information.

My search for participants did not end with the two JMMCs. After interviewing participants from JMMC A and B in June 2016, I realized that the data collected were not sufficient to evaluate the viability of creating a consulting service to develop global leadership competencies for JMMCs. I decided that I need to find one or two other JMMCs and to create a panel of human resource experts who can give feedback on the framework.

Several months later, through Kinetic I was able to find another JMMC, I will call it JMMC C, who was willing to engage with my research. This JMMC was not Kinetic's client but one of my colleagues had recently contacted them to find out if the company was interested in Kinetic's consulting services. I contacted JMMC C, and I made it clear that I was contacting them not to represent Kinetic, but as a doctoral student of the University of Liverpool. Although it was just one additional company, JMMC C brought diversity in that it was a mid-size company, and more international in its company structure in comparison to JMMC A and B, which were much larger in size but less international in their structure. JMMC C had moved its global headquarters from Japan to a country in Europe in 2007, a highly unusual move for a JMMC.

5.2.2 Interview Participants Selected for Cycle 1

In the end, the total number of interview participants was seven. All except one were from HR. All HR participants were responsible for leadership development. The only exception was one non-HR executive in JMMC C who was my colleague's contact. He was able to provide his experience and perspectives in leadership development as an internal customer of human resources. The breakdown of the seven participants was the following: JMMC A three from HR; JMMC B two from HR; JMMC C one from HR, and one from non-HR (table 7).

Table 7. Interview duration and interviewee profile

Company	Interview Duration	Function	Title
JMMC A	1 hour	Human Resources	General Manager Human Resources
JMMC A	1.5 hours	Human Resources	Manager, Learning and Development
JMMC A	1 hour	Human Resources	Senior Manager, Organizational and People Development
JMMC B	2 hours together	Human Resources	Senior Manager, a Japanese expatriate
JMMC B		Human Resources	Manager, a Japanese expatriate
JMMC C	2 hours together	Human Resources	Senior Director, Europe Human Resources
JMMC C		Corporate Planning	Executive Officer
	Total 7.5 hours		

5.2.3 Creating the Interview Questions

The objective of the interviews was to understand the company's current state of developing global leaders and to gain feedback on the global leadership development model that I chose (Kim and McLean, 2015, as shown in table 4). The questions were designed to collect multiple perspectives from diverse individuals. Therefore, they were mostly open questions, and if the opening question was a closed question meaning it could be answered by either 'yes' or 'no', then it would be followed by an open questions asking why.

Below are the interview questions used in the seven interviews:

1. Do you have a leadership development program? If yes please describe the program and consistency of the program across geographies.
2. If your answer to the above question is 'no', please elaborate on why and if there is any plans to create one in the future.
3. To what extent do you use Japanese expatriate managers in your overseas subsidiaries and what roles do they play?
4. Four leadership dimensions are listed below. Provide two comments on each of the four dimensions. Comment on: 1) what are key abilities within the dimension important to your company's success? 2) what is the current situation in achieving the necessary ability level among your leaders?
 1. Intercultural: For example: ability to culturally adapt, control and integrate.

2. Inter and Intra-personal: For example: communication, collaboration, team work, empathy, motivating others, conflict management, critical thinking, strategic thinking.
3. Global business: For example: balance global and local tensions, deliver short-term and long-term results in ambiguous and complex environment, build and maintain relationships spanning boundaries and know customers intimately.
4. Global organizational: For example: external stakeholder management, proactive change management, create learning systems and manage cross-cultural ethical issues.
5. If you have a structured training program associated with your leadership program, please describe the general workshop contents, target participant profile, duration and frequency.
6. Is there any particular type of internal people related issues in overseas subsidiaries, e.g. motivation, retention, communication, that you are trying to address through your leadership development program? Are they different by geography or by the nature of the subsidiary operations?
7. Do you think that if the model [Kim and McLean, 2015] is adapted through information gained through the six questions above to reflect your company's key leadership requirements that it will help improve your organization's ability to build a stronger global leadership pool? Do you think this model would be useful for typical Japanese multinationals who rely heavily on Japanese expatriate managers in their overseas subsidiaries?

The first six questions were intended to provide a situational assessment of the companies' leadership development programs, the use of Japanese expatriate managers and people issues in their overseas subsidiaries. The first two questions were designed to show if the JMMCs have a consistent leadership development program and policy across geographies. The third question addressed their reliance on Japanese expatriate managers, which was described in the literature reported in chapters 1 and 3 as heavy among JMMCs, and a source of some issues in overseas subsidiaries. The fourth question was prepared to obtain the interviewees' views on the four global leadership dimensions from the Kim and McLean model (2015) and how their firms are developing their leaders in these dimensions. The fifth question elicited the companies' leadership training program, including its content and audience. The sixth question sought information about any people-related issues in the companies' overseas

subsidiaries and allowed me to compare this to responses to the third question to see if there is any link to their use of Japanese expatriate managers. Finally, the seventh question was designed to obtain their view of whether the combination of situational assessment and the integrative model of global leadership competency (Kim and McLean, 2015) was useful for them.

5.2.4 Analyzing Data from Each JMMC

The raw interview data was categorized into four areas: 1) leadership development practice, 2) use of Japanese expatriates, 3) feedback on the Kim and McLean (2015) model dimensions as shown in table 4, and 4) people related issues experienced in overseas subsidiaries. These data were later analyzed by comparing them with the global leadership concepts, expatriate practice, other JMMCs and western multinationals described in chapters 3 and 4.

5.3 Conducting Interviews

5.3.1 Interview Results JMMC A

Overview of the company

JMMC A is the global leaders in its industry with more than 300,000 employees worldwide. It is a public company with its shares traded on New York, London, and Tokyo stock exchanges. Despite its expansive global operations, the company exemplifies the stereotypical Japanese manufacturing company in the way it operates: risk averse, conservative, emphasizes planning and work systems, treasures the company values, and expects employee loyalty.

The company's leadership development program and content:

The company has a leadership development program that is defined by Japanese headquarters, and has been deployed globally since the early 1990s. Regional headquarters had some freedom to modify the centrally developed program to reflect some regional differences. Reflecting Japanese culture, which focuses on the group rather than on the individual, the company emphasized team development more than individual development. However, in Europe, as in the US, the incorporation of regional cultural differences into competency development program resulted in the US and European programs having more emphasis on developing specialist roles rather than team roles. In the European program, developing intercultural and interpersonal skills were also added.

The regional Leadership Development Program was called the LDP 1, and the global program was called the LDP 2. The two LDP programs were depicted as a pyramid shape with the bottom two layers being LDP 1 and LDP 2 as shown in figure 13 (next page). LDP 1 was mainly on-the-job training (OJT) but also had mentorship, coaching, and class room training. Company values infused the competencies, for example, being humble was considered an important leader competency. Functional competencies were part of the program but were secondary to competencies related to company values. LDP 1 was open to all employees but required supervisor recommendations to participate. Typically, there were about 40 participants in Europe attending LDP 1 each year. The LDP 2 had 20 people in the program globally, and they were all non-Japanese. There was also a Japanese version of LDP 2, and both Japanese and non-Japanese LDP 2 programs fed into the global executive development program. The executive program had been in place for the past 25 years but it had been predominantly Japanese, perhaps reflecting the long period needed to grow non-Japanese local managers to be executive candidates. Additionally, there was a high-potential program, which used to be a global program with a mix of Japanese and non-Japanese high-potential employees. However, starting in 2014 the program participants were separated into Japanese and non-Japanese high-potentials.

In the regional program (LDP 1, figure 14), required competencies were broadly defined as functional skills for junior job levels and focus areas were also defined by job level. Competencies were clustered into five main topics 1) leadership, 2) business opportunities, 3) driving high performance, 4) managing efficient organization and 5) managing and developing people at the individual level. LDP 1 did not include strategy development but it was covered in LDP 2 and the Global Executive programs. Competency training also included soft skills topics such as a problem solving focused on the company's business practice, situational leadership training, intercultural skills, interpersonal skills, and last but not least the company values training. New supervisors went through the on-the-job development program, which included SMART (Specific, Measureable, Achievable, Relevant and Time-bound) objective setting, managing people and performance, and Hoshin Kanri, a popular Japanese policy management tool adapted from Deming's plan-do-check-act quality management model (Melander *et al.*, 2016). These competencies were aligned with two of the company's 14 principles and behaviours that underlie its managerial approach and production system.

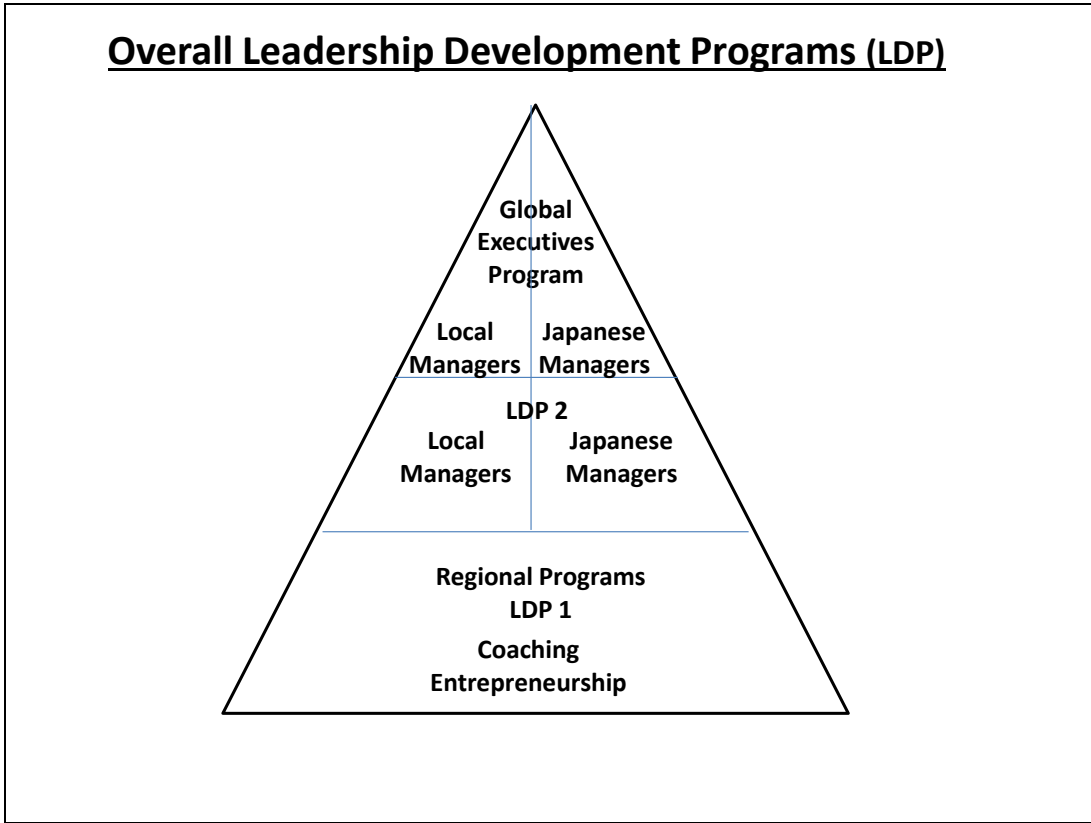


Figure 53. JMMC A Leadership Development Structure (LDP = Leadership Development Program, LDP 1 = regional, LDP 2 = global)



Figure 64. JMMC A's regional leadership development program

Living the company values and having an adequate number of service years were considered to be very important qualification criteria in selecting individuals for more senior leadership development programs. The company, while clearly successful and leading the industry, appeared to be struggling to strike a balance between regional autonomy and Japanese headquarter directives in managing the organization, including leadership development. Senior leadership programs were still separated between Japanese and non-Japanese employees. At the executive level, a recent change created a program for non-Japanese employees. As already stated, the lower level high-potential employee development program used to be a single global program with both Japanese and non-Japanese but in 2014 the program was split between Japanese and non-Japanese participants. There appears to be some barriers and resistance towards the integrated programs.

The use of Japanese expatriate managers

In the early 2000s, all executives holding a title of Vice President (VP) and above in its foreign subsidiaries were Japanese Expatriate Managers (JEMs). Up until 2014, all manager positions in overseas subsidiaries had a duplicate structure of a local manager and a JEM. Currently, most of the local VP positions were staffed by locals but some of the VP positions still had Japanese ‘coordinators’ who essentially shadowed the non-Japanese VPs. Increased localization of managerial positions in the company’s foreign subsidiaries, meaning staffing managerial positions with non-Japanese local employees, had been in place as an initiative for quite some time, but like other traditional JMMCs, changes came slowly. The localization, unfortunately, had created some confusion among local employees who understood it as a program to just reduce JEMs. The initiative also met some internal resistance from Japanese headquarter management who did not want to delegate real power to the local leaders.

More recently, in January 2015, the company launched a structural integration program to eliminate the duplicate managerial structure. Under this program, JEMs were now expected to hold real operational jobs rather than playing an oversight role for Japanese headquarters. The impetus for this initiative did not come from the desire to increase the empowerment of local management but to reduce costs. The company, like many multinationals, suffered heavily from the great recession of 2008. Due to the difficult financial situation subsequent to

the great recession, the localization initiative took on a renewed emphasis. The structural integration program was launched because of the slow progress in reducing costs under the existing localization initiative.

Feedback on Kim and McLean model dimensions

The four dimensions of the Kim and McLean model were incorporated in both LDP 1 and LDP 2. The fourth dimension of global organizational was included but this dimension was interpreted as a people related topic rather than a structural topic “The 'global organizational' in the model appears to be referring to labour cost and headcount. We don't expect our global executives to be on top of these things. Rather development of people is more important at the regional level, especially through OJT”. What was most important for this company in developing leaders was developing individual competencies in the context of team.

Therefore, leader behaviours aligned to the company culture that develops the team was deemed the most important. The Kim and McLean model was viewed as not granular enough to be really useful by the interviewees:

The model's dimensions appear to be just the headlines and we don't view our talent development programs according to these dimensions. Additionally, we don't look at the three levels presented in the model. (General Manager, Human Resources JMMC A)

People related issues in overseas subsidiaries

No particular issues other than the expatriate costs and the confusion related to management localization in answer to question 3.

Summary

JMMC A had a systematic approach to developing its leaders as seen from the structured development programs around the world. The program was defined and developed by Japanese headquarters but some regional variation was permitted for local relevancy. The use of JEMs was still extensive, but it appeared that the role had shifted somewhat from the extended control mechanism of the Japanese headquarters to on-the-job developmental roles to develop Japanese global leaders.

5.3.2 Interview Results JMMC B

Overview of the company

JMMC B is the 4th largest company in the global revenue ranking in its industry with about US\$ 20 billion in 2017 revenues. It is a publicly-traded company with 45,000 employees, including 20,000 employees in Japan. This company has three business units, but the majority of the revenues (88%) were generated by one business unit. The biggest business unit was split into domestic (Japanese) and international operations. The international operation of the biggest business unit accounted for over 60% of the business unit's revenues, and over 50% of the entire company's revenues.

The company's leadership development program and content

The company had a unique organizational and governance structure where the largest business unit's international operation, which employs 25,000 people, was based in Europe. The international headquarters had a full-function executive management team with the CEO being a non-Japanese, and there were only two Japanese expatriate executives in the 14-people executive management team. However, these two Japanese expatriates occupied two key positions and functions: a deputy CEO responsible for new products and strategy, and a senior vice president responsible for research and development. The interview primarily focused on the leadership development practice of the Japanese headquarters.

The company's international operation, which excluded China, had a leadership development program lead by the international headquarters. The program had two tracks. The first track was a managerial competencies development program for managers in low to middle levels of the organization. Functional, team management and operational skills development were the focus of this track. The second track was a leadership competencies development program for more senior managers and executives. In the leadership track, the focus was broader but focused more on the soft skills needed to lead the organization. The leadership development program was not connected to the Japanese headquarters' leadership development program. The Japanese parent headquarters gave a lot of operational autonomy to the international headquarters, and also on how the international headquarters developed its leaders. The Japanese headquarters intended to maintain the autonomy unless the strategy changed in the future. The interviewees held the leadership development program of the international operations in higher regard than the global leader development program of the Japanese headquarters.

The Japanese headquarters had a leadership development program named the “Next leaders’ Program” since 2013. Prior to that there was another leadership program from 1985 to 2012. The company identified three key leadership competencies of thinking, action orientation and leading people. The Next Leaders’ Program was created to develop ideal Japanese leaders in their early 40s who could operate globally. The company’s top management was involved in both the candidate selection and the program details. Candidate groups were defined into three age groups: group #1 below 30 years old; group #2 from 30 to 35yrs old; group #3 from 35 to 40 years old. The program was tailored to the individual. The curriculum for the first two groups included critical thinking, strategic thinking, curiosity towards new things, communication skills, and could include a 2 to 3 year foreign assignment. Being humble as a value was emphasized throughout the program but this was not necessarily tied to the management principle which focused on four stakeholders: customers, shareholders, employees, and society. The candidate selection criteria included an evaluation of candidate experience, a web-based skills assessments, a case study that lasted 2 to 3 days, and executive interviews. People in group #3 went on to a 3 to 5 year functional foreign assignments that included one year of study in a leading foreign business school. Multicultural competency was considered important but the competency level was low.

The use of Japanese expatriate managers

The international subsidiaries had 27,000 employees including 200 Japanese expatriate managers. The 200 Japanese expatriate managers could be split into two groups: 1) 90 driven by the business needs, and 2) 110 for training purposes. The business needs were those of the subsidiary and the expenses of the 90 employees were paid for by the subsidiary. The Japanese headquarters paid the expenses for the 110 expatriate managers as they were considered ‘duplicate’ resources not responsible for delivering results. The expatriate training included language and culture training. If the location was already known before the relocation, the expatriate manager usually made a number of business trips to the assigned location prior to the assignment. The headquarters of the international subsidiary had 94 Japanese expatriate managers. Other sites which had global R&D, global engineering, and manufacturing centres of expertise had 42 Japanese expatriate managers (JEM). Taiwan, Poland and Hong Kong supply chain and manufacturing had an additional 68 JEMs. Research and development had another 43 JEMs. There were 27 JEMs in marketing and sales functions, 16 in the finance function, and a few JEMs each in corporate strategy, business

development and planning and analysis. Of the 90 business need driven JEMs, two were executives, five were VPs or General Managers, 44 were Directors, and 39 were Managers.

The Japanese headquarters' management team had more than 50% overseas experience. The percentage increased to 60% at the more senior VP/General Manager levels. Some function such as manufacturing required more interactions with overseas operations, and therefore, had a higher percentage of people with overseas assignment experience.

Feedback on Kim and McLean model dimensions

For the Japanese parent company, intercultural competency was an important element but the focus in Japan was more on diversity to increase women in the workforce

Our headquarters has a lot of room for improvement in the intercultural area but frankly gender diversity is much higher priority. (Senior Manager, Human Resources, JMMC B).

They felt that diversity was more urgent issue than intercultural. Interpersonal element was important for the company in terms of exposing its Japanese employees to be able to develop relationships with foreigners. To this end, the company was hiring more foreigners in its Japanese operations. Global business competency was also important specifically in the understanding global trends and interdependencies of global business. Adaptability and flexibility were emphasized to navigate the VUCA (Volatile, Uncertain, Complex and Ambiguous) environment The interviewees thought the difference between global business and global organizational dimensions was not clear

I don't understand what 'global organizational' really means (Senior Manager, Human Resources, JMMC B).

I explained that global business dimension was technical skills while global organizational was related to designing and running a global organization which required skills such as change management and human resource development. Feedback after this explanation was that the competency dimensions needed to be more granular

Is is not clear if the model accommodates skills such as issue identification and speed in turning plans into action. These skills are important for us. (Manager, Human Resources, JMMC B).

The interviewees felt that the model could be a good starting point as it covered all the key dimensions. However, they felt that more detail of each dimension was needed to be useful.

They also felt that it was not clear to them how these dimensions could lead to actions in a program.

People related issues in overseas subsidiaries

Not known by the interviewees because they did not have operational visibility of the international headquarters. So far as they can tell, its overseas subsidiaries managed by the international headquarters were doing a good job and had minimum people related issues. The only issue they can identify was a communication issue between the Japanese parent company and the international headquarters.

Summary

JMMC B's primary focus on developing global leadership competencies was on Japanese employees. This focus was not so much driven by the concern to keep the company competitive in the global market but, instead, it appeared to be driven by the company's concern to maintain the relevance and role of Japanese headquarters. With the majority of the business and revenue growth coming from non-Japan markets, the contribution of Japanese employees and the Japanese headquarters had a potential of becoming marginalized. In this context, developing global leadership competencies could be interpreted as a self-preserving human resource strategy by the Japanese headquarters.

5.3.3 Interview Results JMMC C

Overview of the company

JMMC C is a privately-held company. It was a listed company in a Japanese stock exchange for 46 years but it delisted through a management and employee buyout 10 years ago. The company's corporate headquarters is located in Japan where the Executive Chairman and the top team is based. However, its global headquarters from legal perspective, along with the ownership of the main consumer business unit, was moved to a newly created global headquarters in a European country. The global headquarters is co-located with its European regional headquarters. Its engineering business unit is based in Singapore where the Chairman's son who is the CEO is based. Top executives based in the global headquarters are majority non-Japanese. The company is a medium size company in terms of revenues, and not a leader in its markets, but its legal structure and having its global headquarter outside of Japan is highly unusual among JMMCs.

The company's leadership development program and content

The company currently did not have a global leadership development program. However, it used to have a global program 10 years ago when it was outsourced to a university in the US. Today, leadership development was done on a regional basis, and there was no strong coordination across the regional programs. There was a first line leadership program on a regional basis but it was not a coordinated program, and beyond that commonality, there was not much else that was common across the regions. For example, in Japan, the program went up to the middle level management. At the middle level manager level, there was a monthly workshop on leadership and managerial improvement that ran on Saturdays. In this workshop, case studies of best practices from other companies were studied. In the US, the program had many levels. Asia only had the first line manager program, and the program was just starting. In Europe, they had in place a one week mini-MBA type workshop that covered many functional areas. The one-week workshop had been split into three face-to-face workshops of two days each with some online study in between the three workshops. The workshops also emphasized peer relationship management, and the ability to work in a VUCA (volatile, uncertain, complicated, and ambiguous) environment. The company planned to have a more consistent program globally in the near future. A non-Japanese executive in the global headquarters believed that English aptitude was a key enabler to have an effective global leadership development program for the company.

The management viewed that leadership competencies linked to corporate philosophy might be useful but recognized that aligning it completely to the philosophy had a danger of creating employees in the same mould. In their view, personality traits as selection criteria for leaders may have some merit but are currently not incorporated into the company's leadership programs. They viewed that a leadership development program should be modular with different topics and should be able to mix and match to the needs of different leaders. Additionally, the company wanted the global leadership competencies development program to include the concept of how to build trust among regional leadership, how to foster team diversity, which was one of the company's corporate values, and how to implement the company's culture.

The use of Japanese expatriate manager

The European headquarters had six JEMs out of a total 70 employees. The peak was 13 JEMs several years ago. The reduction was due to their high costs. JEMs fulfil 2 functions 1)

control the business and 2) bring know-how from Japan (e.g. Asia start-up). Expatriate positions were also used for high-potential Japanese employees and for the R&D function. Of the eight executives based in the global headquarters, only two were JEMs. Some JEMs played the role of shadow managers to the local managers. The maturity of the subsidiaries determined the number of JEMs. For example, Singapore, which was a relatively new operation had a high percentage of JEMs at 70% of total subsidiary employees.

Feedback on Kim and McLean model dimensions

The interviewees were not sure if these dimensions could be useful for them, especially the intercultural and interpersonal dimensions. For example, they believed that intercultural competency cannot be developed in pure classroom training

Cultural competency starts with self-awareness and openness to different ways of working. I am not sure if pure classroom training will be effective. (Executive Officer, Corporate Planning, JMMC C)

The main issue for them in these two dimensions was the low English language aptitude of Japanese employees and expatriates

For us, low English skills of our Japanese expatriate managers is the key issue, not the typical interpersonal skills like conflict management and empathy. (Executive Officer, Corporate Planning, JMMC C)

Without the ability to understand and communicate with each other using a common language, they felt that intercultural and interpersonal skills could not be established. Global business meant to them *customer focus* but they were not sure what *global organizational* in the model meant for their company.

People related issues in overseas subsidiaries

Communication issues between Japanese expatriate managers and local employees due to the language issue were mentioned. For example, frequently Japanese expatriate managers held meetings without inviting local employees who should be invited. The participants felt that the language barrier was the reason for the exclusion.

Summary

JMMC C was unique in that its forward-thinking Chairman created its global headquarters outside of Japan. However, they have not capitalized on this unique structure by transforming the company into a global organization. The lack of a global leadership competency

development program is a reflection of this situation. The company appeared to have a more fundamental issue in articulating a single global strategy before defining what its global leadership competencies should be.

5.4 Analysis and Implications of Cycle 1C

The three participating JMMCs did not have consistent leadership development programs that were deployed globally (summarised in table 8). JMMC A had a global program at the executive level but Japanese and non-Japanese were not integrated in the same program. This in itself was not an unusual situation when compared to the other JMMCs and western multinational companies I saw in the literature, and compared to practitioner experience.

Table 8. JMMC leadership development program comparison

	JMMC A	JMMC B	JMMC C
Global Program	√	X	X
Regional Program	√	√	√
Japanese/Non-Japanese Integrated	X	X	X
Japanese/Non-Japanese Not Integrated	√	√	√

However, there were some leading JMMCs that understood the importance of developing global leaderships and therefore, created global leadership development programs. They were Takeda, Sony and Ajinomoto. The majority of other leading JMMCs' focused their leadership development efforts on developing Japanese leaders and/or localization of management in their overseas subsidiaries as seen in chapter 3 section 3.6.

The three participating JMMCs had different approaches in developing leadership competencies. JMMC A had a Japanese headquarter led leadership development program that allowed some regional adaptations. In contrast, JMMC B had a leadership development program that can be considered the most global among the three JMMCs interviewed but it excluded Japan and China. Its leadership development program was focused on Japanese employees. The Japanese expatriate managers of JMMC B followed the Japanese headquarters led development program. JMMC C was with the least experienced among the three companies in developing a leadership development program. Its program was regionally designed and implemented, without a global program.

Of the three companies, JMMC A had the most experience in leadership development outside of Japan simply due to having more years operating outside of Japan. However, the company did not see the need for an integrated global program as seen in its recent decision to separate Japanese and non-Japanese employees in its high potential development program, and the creation of a non-Japanese executive development program rather than adding non-Japanese to the already existing Japanese executive program. This appeared to run contrary to the fact that in 2015 the company promoted the first non-Japanese to an executive vice president position and also as a member of the company board. The separation between Japanese and non-Japanese for the executive and high potential programs may reflect the company's view of the most efficient and expedient way of developing future leaders.

All three JMMCs did not apply any specific leadership competency developmental framework in creating their leadership development programs. A combination of six of the seven questions and Kim and McLean (2015) model (table 4) was not found particularly insightful or useful by the interviewees. The questions were perceived to be too broad and the model only a high-level outline of a global leadership development program. The global organizational dimension was unclear to all three JMMCs and needed clarification. The importance of company values was applied differently in the leadership development program across these companies. Company values established by the founder ran deep in JMMC A, and as stated before, the company was diligently inculcated in the 14 principles and values called "the company way" to its employees through the development programs. JMMC B's management principle was focused on serving four key stakeholders: consumers, shareholders, employees and society. This management principle appeared quite generic but I think it merely reflected that fact that this company was a former government monopoly. JMMC C was a much smaller company and family-owned. Therefore, JMMC C had a set of values and principles articulated by the founder. However, this set of values and principles was not reflected in the regional leadership development programs.

Interviews from the three participating JMMCs showed diversity in their leadership development approach. Yet, their leadership development programs did not incorporate global leadership competencies suggested by the literature such as boundary spanning, intercultural skills and interdependence management (Mendenhall and Bird, 2013) or the three soft skills areas suggested by Jokinen (2005). JMMC A incorporated some intercultural skills development and alignment with the company values but not in other areas. When

compared to western multinationals I discussed in chapter 4, clear alignment to strategy and values were not apparent in JMMC B and C.

I was also not able to obtain sufficient detail about the firms' leadership development programs. Good data on the level of Japanese expatriate managers were obtained. However, data on people issues in overseas subsidiaries were not enough to make an association with their use of the use of Japanese expatriate managers. Communication problems resulting from inadequate fluency in English language was noted by the JMMC C representatives. This confirms the importance of English language as common business language in cycle 1A.

The Kim and McLean (2015) model was not very well received by the three JMMCs. The main objection was that the model was not practical in application. The coding table (Appendix A) showed a consistent comment that the model was too broad to be practical in building a leadership development program. In my judgement, the Kim and McLean model was still a good integrative global leadership model based on the competency theory and theory of classification despite the objection. The combination of the two theories allowed focusing on specific skills that could be developed into skills through training.

However, based on the inputs, the Kim and McLean model alone would not be sufficient as a basis for creating a global leadership development framework. What I needed to do was to make the model more relevant in application. In order to do that I looked for other global leadership models that were actually used by leading multinational companies to identify elements of global leadership applied and consider incorporating them in the Kim and McLean model. I also learnt from these interviews that there was a need for assessment tools that can define specific competencies needed by an organization.

Fortunately, one of the models found during the literature review was used by a leading multinational company. The complexity and boundary spanning leadership elements described by Mendenhall and Bird (2013) in their model (see figure 6), was applied by IBM in its global leadership development program, as shown in figure 15. IBM was briefly described in chapter 4 as one of the leading US multinational in leadership development, and therefore, gave credibility to the practicality of the two elements. In its application, IBM used the two elements to distinguish different job roles in the company. The low complexity and low boundary spanning quadrant defines development needs for all employees, which is

similar to the notion that all managers operate in a more global environment (Hanna, 2011). At the same time, IBM distinguished between, albeit at a high level, the development needs of domestic and global leaders.

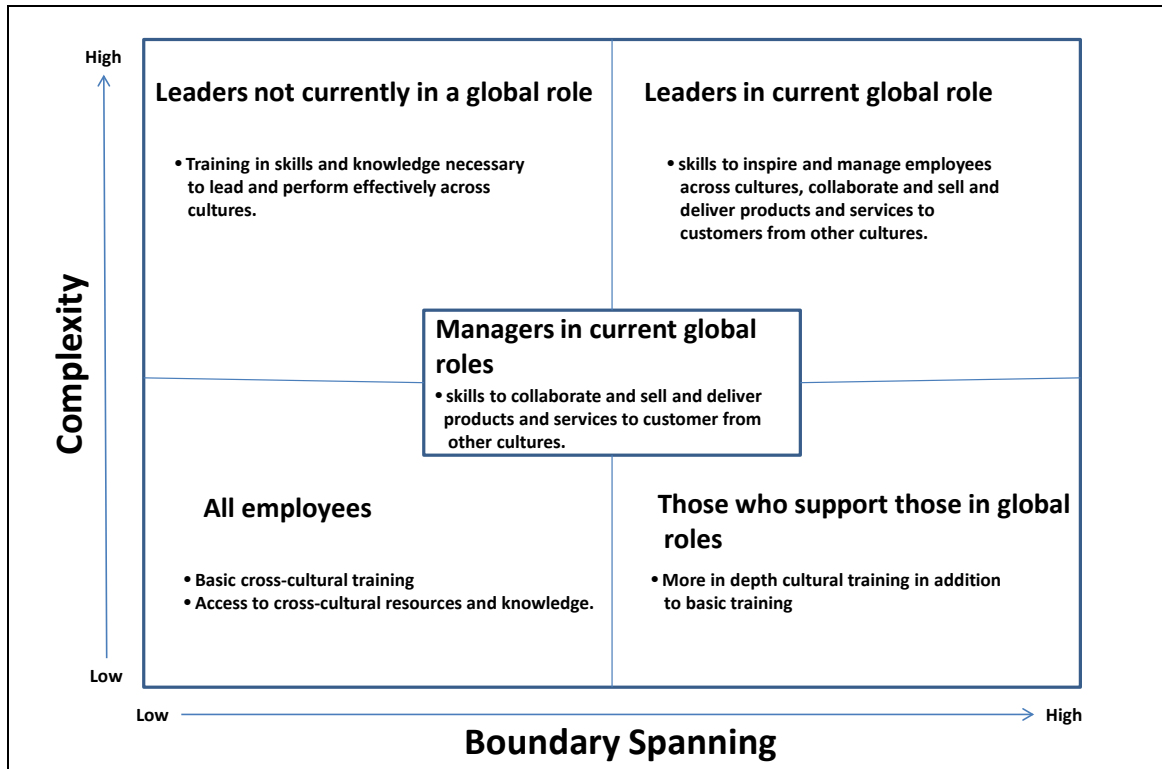


Figure 75. IBM's Globally Integrated Enterprise (GIE) initiative (Mendenhall and Bird, 2013, p. 171)

The way IBM adapted the Mendenhall and Bird (2013) model by differentiating the complexity and boundary spanning elements to distinguish the globalness of different roles in figure 15 is an interesting approach. Perhaps an adaptation like this could be considered to make the Kim and McLean (2015) model more applicable in practice. In other words, the Kim and McLean model could potentially incorporate the two models from Mendenhall and Bird (2013). The first of Mendenhall and Bird's models distinguished complexity and boundary spanning among domestic leaders, domestic managers, global leaders and global managers. The second model adapted the first model to IBM's needs, which eliminated the role distinction between domestic versus global. Therefore, a global leadership development framework can incorporate all three models to differentiate jobs by the level of complexity and boundary spanning needs (from Mendenhall and Bird's (2013) two models), and then inform the specific abilities required along the four dimensions of intercultural, interpersonal, global business and global organizational from Kim and McLean (2015). In this chapter I

found that company values were considered important by all three JMMCs, reinforcing what I saw in cycle 1B. One of the three JMMCs incorporated its values in its leadership competencies.

From this chapter (cycle 1C) a number of potential framework building blocks emerged. They were global business complexity, boundary spanning and intercultural competency (Earley and Peterson, 2004; Abdul Malek and Budhwar, 2013; Mendenhall and Bird, 2013). I also needed to explore further with JMMCs if the Kim and McLean (2015) model is a viable model with a similar modification to that done for IBM on the Mendenhall and Bird (2013) model, as shown in figure 15. Contacting other JMMCs seemed inefficient from a time standpoint. Therefore, it seemed more practical to select one of the three JMMCs and engage more in-depth through action learning. The next chapter discusses how I conducted more in-depth research with one of the three JMMCs.

Chapter 6 Data and Analysis Cycle 2 Action Learning

6.1 Introduction:

This chapter describes the action learning (AL) conducted with JMMC C. First, preparation of the AL is discussed, followed by interviews with a Japanese expatriate Executive Officer (EEO) based in the global headquarters and an HR Manager in the Japan headquarters. Next, a summary of the four learning sets is presented. The final section summarizes the learning from cycle 2.

There were two objectives of this cycle. The first was to get additional information about the company's global leadership development practices from the EEO and an HR manager based in Japan. The second objective was to use action learning to engage with a learning set to get more in-depth information of the company's leadership development program helpful in building a framework, identify issues with the company's global leadership development practice and to collaboratively find potential solutions to them.

6.2 Preparation:

In choosing one of the three JMMCs in chapter 5, the first point I considered was accessibility to suitable people who would be willing to meet regularly and could provide relevant information for the research. JMMCs A and B were large companies where it would be more difficult to get in-person access to the right people for this research. JMMC A had an additional obstacle of requiring air travel; the other two JMMCs required only short travel by car. However, the difficulty with JMMC B was that the participants were individuals rather than the company. Trying to get access to other people in JMMC B would be very difficult. Therefore, JMMC C seemed to be the most practical of the three JMMCs to approach for more in-depth research engagement. The company was not only convenient in terms of location, but small enough in terms of size and complexity to gain more comprehensive understanding of the company and global competency development.

I re-engaged with JMMC C's non-Japanese Executive Officer (EO) and Human Resource (HR) Director to see whether they would be willing to participate further in my research. I explained that I would conduct action research, which I explained was an inquiry process where applied behavioural science knowledge is integrated with existing organizational knowledge and applied to solve real organizational problems. It is a collaborative problem-

solving relationship between researchers and clients, which aims at both solving a problem and generating new knowledge. The two executives were interested in participating.

In planning for action research with JMMC C, I decided to share my learning from the literature, case studies, and my experience with the action learning set to help define the leadership competencies they needed for the company's leadership development program. The learning set would comprise of both HR and line managers with a mix of Japanese expatriate managers and local managers. It would meet four times to generate learning relevant to JMMC C.

In structuring the action learning set, I encountered difficulties in getting an agreement from JMMC C's EO and the HR Director to create an action learning set including Japanese expatriate managers. Initially, when I proposed a learning set composition with a mix of JEMs and local executives, the EO was excited about the idea to include Japanese expatriate managers. The fact that I was bilingual and bi-cultural and could bridge language and cultural gaps was attractive to him. However, after consulting with the HR Director, the EO determined that the learning set involving Japanese expatriate managers would require formal approval from Japanese HQ, which would not only take a long time but also likely face difficulties in obtaining approval.

Therefore, the EO and the HR Director suggested an alternate approach for involving Japanese expatriate managers. Their idea was for me to interview one of the Japanese expatriate manager in the global headquarters, and an HR manager in Japan. Separately, I was to facilitate an action learning set with two local executives in the global headquarters. The EO would informally ask the EEO to be interviewed for a scholarly research, and the HR Director would talk to her Japanese colleague concerning sharing the company's leadership development in Japan. Although this arrangement lacked the Japanese expatriate manager's participation and interaction with non-Japanese managers in learning set meetings, I was excited by the prospect of being able to interview a senior Japanese executive locally and an HR manager in Japan.

The EEO and an HR manager in Japan were well suited for this cycle to delve deeper into JMMC C's leadership development for three reasons. First, the data collected from JMMC C in the first cycle lacked the Japanese perspective of global leadership development. Second,

an interview with a Japanese expatriate manager could provide additional insight not available in cycle 1. Third, getting additional information provided by an HR manager in Japan could validate the cycle 1 information.

For the EEO interview a new sequence and questions were prepared:

- 1 Introduction
- 2 Explain my DBA thesis: Developing global leadership competencies in Japanese Multinational Manufacturing Companies (JMMC).
- 3 Describe your assignment, including objectives
- 4 Was there any training prior to coming on the foreign assignment?
- 5 What has been your experience in this assignment so far? What have you learned? Intercultural? Interpersonal? Global business? Global organization?
- 6 How does this assignment fit in JMMC's talent development program.

For the Japan HR Manager, after a brief introduction and explaining my DBA thesis, I planned to ask open questions to understand better the perspective towards leadership development from Japan HR perspective. Specifically, how leadership development was viewed from Japan, how it was structured in the company, difference across regions, the rationale or reason for the way it was structured and what was the plan for the future.

For the learning set, I suggested to the EO and HR Director to have one participant from HR and another participant from a non-HR function. I needed a human resource expert who understood the leadership development practices of the company and another person who could provide a perspective of being on the receiving end of the leadership development. The HR Director volunteered to join the learning set and the EO selected and contacted the Global Supply Chain Director (non-Japanese) as a non-HR participant. Subsequently, I sent the Global Supply Chain Director my thesis information sheet and asked her to sign a consent form.

The two participants and the researcher comprised the action learning set. My role in the learning set was to develop the initial program, provide discussion material and facilitate discussion in learning set meetings. The role of the other two participants was to engage in discussion by contributing JMMC C knowledge while learning about how other JMMCs and leading western multinationals develop their leaders. Then with my facilitation the learning

set attempted to collaboratively find solutions to the identified issues. Four learning set meetings were scheduled and the agenda for each learning set meetings were as follows:

1 LS Meeting 1

- Introduction to the thesis, Action Research, and the LS objectives.
- Definition of Global Leadership.
- Common issues multinational companies faced in developing global leadership competencies.
- Identify issues JMMC C was experiencing related to developing the company's global leadership competencies.
- Homework – refine further the identified issues.

2 LS Meeting 2

- Discuss the homework. The participants share how they refined the issues: for example, self-reflection and consulted with colleagues.
- How other JMMCs were developing global leadership.
- How western MNCs were developing global leadership.
- Brainstorm ideas/action to resolve identified issues in JMMC C.
- Homework – further refine potential actions to resolve the identified issues, and consider feasibility of application. An action(s) can be shared with others to test feasibility.

3 LS Meeting 3

- Discuss the homework. Participants share how they refined the actions: self-reflection, and consulted with colleagues.
- Determine if some of the actions can start to be implemented in the coming weeks.
- Homework - start implementing some of the action plans and capture learning or results.

4 LS Meeting 4

- Discuss the homework.
- Summarize overall learning and implications for global leadership development at JMMC C.

6.3 Interviews of the EEO and Japanese HR Manager to Obtain Japanese Executive Perspectives

As explained in the previous section these interviews were in lieu of including Japanese expatriate managers in the learning set. I created a different set of questions for the EEO and the Japanese HR manager. For the EEO probing his personal perspective as an expatriate about the company's leadership development. For the Japanese HR manager asking his perspective on the topic from human resource functional perspective.

Interview #1: EEO in the Global HQ in Europe

The EEO had Corporate Marketing, Research and Development, New Product Development, and Quality Assurance responsibilities for the largest business unit of the company. He has been with the company for 28 years. His first foreign assignment was from 2001-2007 in the US subsidiary focused on one of the three business units. The international operation of this business unit was created through an acquisition of an American oral care products company back in 1988. While he was in the US, he enrolled in a part-time MBA program, demonstrating that he was a curious and open person willing to learn. He has been in Europe for the past 2.5 years focusing on one of the business units. His global business boss is an American based in Chicago. He feels there is no 'rice paper ceiling' in the oral care business for non-Japanese professionals

The top executive of my business who is also my direct boss is an American.

(Executive Officer, JMMC C),

but he does not know if that is the case for other businesses in the company.

In the company, the JEMs are deployed based on business needs, and not necessarily as a duplicate control function of the localized management

We don't have that kind of extra money. (Executive Officer, JMMC C).

However, his view of no duplicate control position was not shared by the local management I had spoken to. In the office here at the global headquarters, there was a total of 70 employees of which 5 were JEMs. There were on-going efforts to further increase localization of management. The JEMs were primarily used for knowledge transfer in R&D, and sales and marketing functions. When an American company was acquired in 1988, the company's annual revenue was 60 billion yen of which the business unit he belonged to accounted for about half or 30 billion yen. The acquired company at that time was about 6 billion yen

annual revenue so the company's business unit was five times as big as the acquired company's business size. However, the majority of the business unit's business came from the Japanese domestic market. Therefore, there was a need for JEMs to transfer knowledge in R&D and manufacturing to the acquired American company to grow the non-Japanese business. On the other hand, there was also knowledge transfer going from the American company to Japan in brand marketing know-how. However, this knowledge transfer was done by JEMs learning in the US as opposed to non-Japanese expats from the acquired American company going to Japan.

In response to the question of what competencies were needed for an effective global leader, he thought that a global leader needed to have a strong curiosity, adaptability, and willingness to take risks. In his view, these competencies reflected the individual's basic traits that are conducive to global leadership competencies

We need people that take initiatives and are curious about new things. (Executive Officer, JMMC C).

Over these expatriate assignments, he learned to be more open and flexible in dealing with diverse people and situations. Knowledge of international business and how western multinationals run business gained from the MBA program he attended in the US was beneficial for him. The company had provided him with no leadership, language or cultural training since he joined it. His current expatriate assignment was based on business need and not part of a talent development program. I thought he had many competencies of a global leader. He apparently acquired them over his two foreign assignments and through the MBA program he attended of his own will.

Interview #2: Japan HR Manager

The interviewee is an HR planning manager based in the Japanese HQs. Their HQ HR has 16 people with two departments: 1) HR admin and 2) HR planning (including costing). The interviewee is the manager of the HR planning department with six people reporting to him. He has been with the company for over 20 years. He started in the sales department and for the past 10 years has been in HR planning.

The HR manager openly admitted that the company's global efforts in HR were very limited

We are still very much Japan oriented company with over 50% of the revenues coming from the Japanese domestic market. (HR Manager Japan, JMMC C).

This was not surprising given what I had already learned from the interview last November with the European HR Director. The HR manager stated that global talent development has been an important discussion topic within HR. They were increasing coordination and collaboration across regions by holding monthly video conferences between him and the regional HR Directors from Asia, Europe and the Americas. However, it was not apparent if the collaboration went beyond the monthly calls.

Since 2007, HQ had been conducting management gap analysis between Japan/Asia and Americas/Europe. An example of a topic analyzed was: how to structure a matrix organization to manage global organization better. For example, the top manager of the oral care business (the biggest of the three businesses) was based in the US while 50% of the business still came from the Japanese market.

There are also historical factors to consider- the Americas/Europe business and organization came from the acquisition of an American company in 1988, while Asia grew organically through close coordination with Japan HQ. There were many JEMs deployed from the early stage of growing the business in the region. Therefore, the approaches to talent development in Asia was different from that of the US and Europe

We basically develop talent regionally as global coordination is not a must. (HR Manager Japan, JMMC C).

Asia was more aligned to Japan and took a longer-term view towards people development while the Americas/Europe took the western view of a shorter path of acquiring from outside rather than developing internal talent resources. For example, the company had no inpatriate to Japan from the Americas or Europe while there was one inpatriate from Singapore on a three-month assignment. All top management in Asia subsidiaries were JEMs, and therefore, they had the same talent development philosophy of promoting from within. However, because there were many JEMs, there was a motivation problem among the locals due to a perceived 'rice paper' ceiling. The Americas and Europe did not send junior employees to Japan for training to develop them for more senior positions in the future. In the HR manager's view American and European organizations have more western system of hiring already qualified and experienced people from the local market, and therefore, not much emphasis on talent development.

As part of developing more global Japanese leaders the company was promoting foreign assignments for younger Japanese people aged between 26 and 30. The company's view was that young employees needed to first have sufficient experience in order to understand the business. Then interested people would be able to apply for overseas assignment.

They go through a selection process and if chosen, they set objectives of what they intended to learn from an overseas assignment" (HR Manager Japan, JMMC C).

The assignment period could range from 1 to 2 years.

Separately, leadership assessment was done for the first line managers in Japan. It was a rigorous 2 day assessment including a written exam, and was a mini-MBA type workshop including in-basket exercises and other assessments. Middle level Japanese managers in marketing and R&D functions were usually sent on foreign assignments for several years. There was no pre-assignment training such as language and intercultural training for expatriate managers.

There were some differences across businesses. For example, the safety and environment business had more JEMs compared to the other two businesses. This could be a reflection of the history of this business which grew through the organic growth compared to the oral care business which grew through acquisitions or an in-organic growth strategy.

Later I explored with the HR Director Japan HR Manager's comment about the difference between Japan/Asia versus the Americas and Europe due to their history, and whether she shared this view. The HR Director's response was that she can see the difference between Japanese and western employment practice where Japan practice does not rely on external hire. However, JMMC C in Europe was certainly investing in developing people rather than hiring needed talent externally.

The interview provided a new perspective that the history of how companies expand overseas can influence the leadership development and expatriate deployment. In JMMC C's case, its Asian business grew organically, which resulted in higher JEM deployment compared to other parts of the world. The mention of a 'rice paper' ceiling and the ensuing issue of local employee motivation due to the high JEM deployment in Asia was consistent with the problems raised by business organizations and summarized in section 1.4. The leadership development in this region was mostly focused on Japanese expatriates and was used for both training and control. There was an inpatriate program for locals to work in Japan as a

development program, albeit at a very small scale. The use of expatriate posting as a training tool confirmed what I saw in chapter 3 and needs to be considered as a tool in the global leadership development framework I am working on. Other points from the interviews that need to be included in the framework are soft skills, already mentioned in chapter 5, and leadership assessment of soft or non-technical skills as a part of the leadership development program. JMMC C used tools to assess skills such as decision making and prioritization instead of using 360 degree individual assessment frequently used by western multinational companies.

6.4 Learning Sets

This section discusses the action taken by the learning set during and following each meeting. The material I presented to the learning set appears in Appendix E.

6.4.1 Learning Set #1

The main objective of this meeting was to identify the company's issues in developing global leadership competencies. After brief self-introductions, I explained what action research is and the objective to find potential solutions to real issues related to global leadership development at JMMC C.

What if we could not actually implement the actions that we generated within the time frame of the learning set meetings? (HR Director, JMMC C)

I responded that the key objective of the LS was to generate learning, and therefore, even if we cannot actually implement an action, we can evaluate its feasibility and learn from that. Also, an action can be tested on a smaller scale rather than on a larger scale.

I presented for discussion the 'Global Leader' and 'Global Leadership' definitions from Mendenhall et al. (2012) that highlighted increased complexity and boundary spanning. I stated that the field of global leader and leadership was a relatively new field of study, about 20 years old. There were different definitions and interpretations of the terms but I chose the definitions from Mendenhall et al. because they resonated the most with my practitioner experience. The participants agreed and added that increased complexity and boundary spanning were relevant not only for the global business but already relevant for running the regional business such as that of the Europe, Middle East and Africa region.

The next discussion topics were the reason and need for global leaders. The participants resonated with the reason to better navigate the VUCA (Volatile, Uncertain, Complex and Ambiguous) environment. The HR Director shared that the current regional leadership development program of the company was focused on developing leader adaptability to the VUCA world that they faced in the region. Then I asked the participants if the company aligned the desired leadership competencies to one of the three common strategy emphases: 1) global efficiency, 2) local responsiveness or 3) knowledge sharing and innovation (Bartlett and Ghoshal, 1987). The HR Director said the strategic emphasis was different by business unit but the leadership competencies were not aligned to any strategic emphasis but focused on improving adaptability

We are not focused on any one of these three strategies. (HR Director, JMMC C)

6.4.1.1 Common Issues in Developing Global Leadership in MNCs:

I presented several issues I gleaned from the literature and practitioner experience that were common across multinational companies. The most common issue was that the impact of the program was not visible nor the return clearly measurable (Wagner and Weigand, 2004). There was no clear understanding of how global leadership competencies were different from generic leadership competencies. In addition, fragmented or inconsistent approaches across geographies, and short-term leadership development focused on technical skills (Peterlin, Dimovski and Penger, 2013). In development Programs across geographies, some companies were not clear on whom the owner was – the geography or the business? Program contents were too generic and not applicable to real work (Earley and Peterson, 2004). The HR Director quickly resonated with the first issue of unclear training return on investment. The company did not distinguish between global and non-global leadership competencies which were confirmed by both the provider, i.e. the HR Director, and a receiver, i.e. the Global Supply Chain Director.

Our leadership development program is not coordinated across geographies reflecting the regional independency. (HR Director, JMMC C)

I presented four typical leadership roles in “Global” Organizations (Bartlett and Ghoshal, 1992; Hanna, 2011). They were: 1) business or line manager, 2) country and regional manager, 3) functional manager, 4) corporate or integration manager. I also introduced typical leadership functions in “Global” organizations (Inceoglu and Bartram, 2012; Canals, 2014). These were: 1) mission and vision which give meaning and purpose, 2) strategy

formulation and communication, 3) implementation, and 4) people development. We discussed and agreed that ideally different roles and functions of leaders should be incorporated when defining global leadership competency development needs. As we already know, JMMC C at least in Europe did not follow this ideal but defined the leadership competencies to improve adaptability to better navigate the VUCA environment.

We summarized JMMC C's issues in developing global leadership as:

1. Unclear definition of what 'global' means
2. Unclear definition of 'leadership'
3. Strong 'not invented here' mentality between global, regional and country organizations
4. Leadership competencies not consistent globally
5. Absence of a global strategy
6. Limited decision authority even at senior positions

The participants commented that the company was managed by the 85 year old Chairman, who was the son of the founder. The chairman's son, the 3rd generation and currently in his 40s, was the president of the company and based in Singapore, but all important decisions were made by the chairman. The Director of Global Procurement said that despite her title as the global director for direct procurement, she was not empowered to make major decisions on her own

I need to get approval from my superior in Japan even for minor decisions.. (Global Supply Chain Director, JMMC C)

I commented that this was a common situation for many JMMCs that I have seen.

We agreed that the participants will refine these issues for the following meeting. I received very positive feedback from both of them that the session was useful. The information provided and the discussion allowed them to put their situation in perspective for better understanding as well as where the gaps are. Additionally, the HR Director thought that it would be beneficial for her Japanese colleagues to see the presentation to broaden their perspective. She asked me if I would be willing to present this in Japanese to her Japanese colleagues via video conference.

6.4.1.2 Post Meeting Reflection

This company's uniqueness in terms of establishing its global headquarters outside of Japan comes from the visionary Chairman but my sense was that he has not yet been able to capitalize on his global vision. In my view, this was largely due to the 'two-edged sword' of an owner-managed company. On the positive side, the daring move of establishing the global headquarters outside of Japan would not have happened without a visionary owner-leader. On the negative side, the owner-leader's leadership style overshadows any other form of leadership. Not surprisingly, the Chairman's immediate staffs were perceived as very deferent towards him but, at the same time, they selectively disobeyed his commands without suffering negative consequences. This indicated to me that in this company, having a personal relationship with the Chairman, and being trusted by him, gave the top executives a space to manoeuvre without a clear accountability I saw in large publicly traded multinational companies.

6.4.2 Learning Set #2

The main objectives of this learning set were to refine the issues identified and to brainstorm potential solutions.

Participants' reflections on the issues were discussed and incorporated below.

1. Unclear definition of what 'global' means. The understanding of the term 'global' in the company was more about doing business in multiple countries outside of Japan "...global for many people here means more than one country...". It was different from the concept which was presented, which included added complexity and physical presence, i.e. boundary spanning, as seen in the literature. In this respect, the participants thought that the company's Europe, Middle East and Africa (EMEA) region, already had sufficient attributes as a global business. However, in this company, programs and initiatives that came from a region for global deployment faced resistance from other regions. The resistance also came from the countries when initiatives came from the region. We discussed that this attitude of 'not invented here' potentially came from the fact that there was no common understanding of what should be common and what should be tailored to local needs, whether related to people or non-people initiatives.

2. Unclear definition of 'leadership'. As a family-owned and managed company, the Chairman and the CEO were considered leaders. At the same time, the concept of leadership was unclear, and besides the owners, organizational leadership was equated to the top 20 or so executives. With unclear leadership concept, who was accountable for what below the owner level was unclear. In the company, the leadership concept was more of an emotional and relationship-based concept rather than something that was more systematic with clearly defined behaviours and accountability “there is no culture of this here...it’s based on emotion and relationships.”
3. Strong ‘not invented here’ mentality across global, regional and country organizations. This issue was understood as a consequence or a symptom of the above two issues rather than a unique issue. “This mentality merely reflects the Japan-focused mindset of the management.”
4. Leadership competencies not consistent globally. Last year the HR Director led a project to define common leadership competencies based on existing company culture and philosophy. The common set was to be a starting point to define further competencies relative to jobs: “...the intention was to build job specific competencies on top of this foundation”. The company’s 14 management philosophies and principles written in Japanese were translated into English. However, the project was suspended due to objections from some of the Japanese stakeholders. The objection was that it was not a direct translation but a paraphrased version “They didn’t understand the reason why the philosophies needed to be localized to be relevant”. The HR Director had paraphrased them in order to capture the essence of their meaning which would have been lost if directly translated into English. I think that the objection was misguided but the project was permanently shelved nonetheless.
5. Absence of a global strategy. The strategy was tripling annual revenues over the next 10 years. However, there was no clear implementation plan that cascaded throughout the company. Therefore, I stated that the 10x revenue was actually not a strategy but merely an aspirational statement. The participants agreed.

6. Limited decision authority even at senior positions. This issue was also deemed a symptom of the above issues, specifically #2. “I have to seek approval from Japan for even minor decisions although I have global responsibilities...”.

I presented an overview of the global leadership development practices of other JMMCs and non-Japanese multinational companies (chapter 3 sections 3.6, 3.7 and chapter 4) followed by a discussion. During the discussion the language issue was raised by the HR Director when we discussed the topic of intercultural skills. Very few Japan-based Japanese employees of the company had English language competency sufficient for them to work and communicate with colleagues from other countries. Conversely, there were very few non-Japanese employees who were proficient in the Japanese language to work with them. However, the real issue may be deeper than the low English language proficiency as I recalled the previous interview conducted with this company:

Even for the few non-Japanese here who are proficient in Japanese, they are seldom invited to private meetings held by the Japanese expatriate managers. (Executive Officer, Corporate Planning, JMMC C)

Perhaps the issue could be more cultural than language-based.

In terms of the company’s leadership developmental methods, on-the-job training by immediate supervisors was the main method used. Developmental assignments were conducted in the form of job rotation across functions such as that of the HR manager who rotated from sales to human resources. However, developmental assignments were not systematically planned but assigned on an ad hoc basis. The company also conducted formal training although training was not consistent from region to region. The company used expatriate assignment on a limited basis due to the high cost and limited pool of people with sufficient English language competency. There was no intercultural training offered for people starting an expatriate assignment nor for leaders who had international responsibilities. The company had no plans to hire non-Japanese in their Japanese operations to internationalize Japanese operations. This was because a little more than 50% of the total business still came from Japan. When compared to the developmental practices of western multinationals, the participants were not surprised but generally disappointed with the company’s practices.

We are not as bad compared to other JMMCs. (HR Director, JMMC C)

The intention of discussing the above topics in this learning set was to trigger insights to brainstorm potential solutions for the company. However, we did not have sufficient time to brainstorm potential solutions during meeting. Therefore, coming up with potential solutions was taken on by the participants as a task to complete for the next meeting.

6.4.3 Learning Set #3

The objectives of this learning set were to review the potential solutions the participants generated using the models and discuss how to put them in action.

The participants shared that, after reflecting on the two learning set discussions so far, they realized that JMMC C was not a global company but a company that is operating regionally worldwide. Therefore, the only solution they could think of was to continue the regional focus of leadership development. This was not a new solution, but they came to the conclusion that overcoming the issues identified was insurmountable with their position power and influence. This research gave them an opportunity to benchmark their company, and the material presented in the learning set meetings confirmed their suspicion that the company did not have a clear strategy that could be a guide for establishing leadership competencies.

The HR Director described the current regional leadership development program for Europe. The program had two levels: 1) first line managers, and 2) senior managers. The first line managers program was a mix of face to face workshops, webinars and remote coaching. It focused on three topics: 1) managing peer relationships, considered important in matrix organizations, 2) leading remotely for geographically dispersed teams, and 3) leading in a VUCA environment.

The senior managers program was called the Advanced Management Program (AMP). The participants of this program were roughly 16 senior managers and directors across Europe. The program length was 6 months including leadership assessment using one of the popular personality assessment tools, two 1.5 day face to face workshops, coaching, and webinars. This program was launched in June 2017 and concluded in mid-November 2017. Action Learning was used in the program. The VUCA environment was the context of the program and it focused on leaders creating clarity, building unity and fostering agility to lead strategy

implementation. One way this program addressed the VUCA environment was by using common strategy tools such as SWOT (strength, weakness, opportunity and threat) and PESTLE (political, economic, social, technological, legal and environmental) for the participants to identify strategic influencing factors in their function and business.

The AMP was also designed to encourage more solution orientation and better collaboration between countries and functions. Intercultural skill was not included in this program. The HR Director commented that when compared with the global leadership development framework (figure 15), the AMP program was far less sophisticated but

The framework is just a starting point and needs to be more granular to be useful. (HR Director, JMMC C)

Three models (Kim and McLean (2015) as shown in table 4; the generic Mendenhall and Bird (2013) model as shown in figure 6 and IBM's application of the Mendenhall and Bird model as shown in figure 15) were discussed. Although the participants generally agreed that the models sufficiently described competencies needed for global leadership, they had concerns in two areas. First, the competencies in Kim and McLean's model were either not applicable or not clear. The participants saw application of intercultural competency in their company to be limited because their cultural issue came from the owner-manager led organizational culture not from diverse national cultures

Diversity in national culture does not create issues in our company. (HR Director, JMMC C)

Second, the detail of global business and organizational competencies in Kim and McLean's model, and the complexity and boundary spanning elements of Mendenhall and Bird's model and IBM's application of it, were not addressing the company's needs. The participants' needs were more basic in the areas of strategy development that focused on agility in the VUCA environment

We need our regional leaders to have skills to manage their business in the VUCA environment. (HR Director, JMMC C)

These elements were already incorporated in their European senior manager development program. The HR Director found IBM's distinction between roles using complexity and

boundary spanning interesting and different from the job grade they are using to distinguish training program participants.

6.4.4 Learning Set #4

The objective of the final learning set was to summarize the overall learning and implications for global leadership development at JMMC C. We had a shorter time, 1.5 hours, compared to 2 hours for each of the previous meetings due to the participants' limited availability. We recapped the topics and key points developed over the previous three learning set meetings. The majority of this learning set meeting time was spent on exploring how the learning set experience could bring further value to the participants and to the company. The HR Director suggested that I present a summary of this learning set to the HR managers in Japanese HQ, and also invite others who may be interested in the topic of global leadership. Her intention was to raise awareness of how the company's leadership development compared with the best practices of other Japanese and western multinational companies

It would be very helpful if the team in Japan can hear about what leading multinationals are doing to develop their top leaders. (HR Director, JMMC C)

The next step was agreed to have the researcher draft presentation material to discuss with the HR Director. When the material was finished, then the HR Director would talk to her counterpart in Japan to setup a video conference.

Shortly after learning set completion, JMMC C had a restructuring in Japan headquarters where the Chief HR Officer and the HR manager were dismissed. As a result, the HR Director and I agreed that we need to hold-off on the presentation until the situation in Japan HR became clearer.

6.5 Summary

The learning set discussions provided an in-depth view of how leadership was considered and developed in JMMC C in the context of company background and culture. Unfortunately, when compared to the literature, specifically with the three models presented, and to what other JMMCs (chapter 3 section 3.6) and western multinationals (chapter 4) were doing, the company's maturity in developing leadership competencies was low. Many obstacles were identified such as the lack of a clear strategy and the fact that the culture did not promote cross-geographical collaboration. Given these obstacles, the company's leadership

development defaulted to each region creating its own leadership program. Previously there was an attempt to create a global leadership program by outsourcing it to a university in the United States, but it did not last. In the initial interview described in section 5.3.6, the company was planning to create a global leadership development program internally. As of April 2018, there was no progress on creating such program.

The company's low level of maturity in leadership development was shared across the four Japanese and non-Japanese participants of this study (Appendix B). There were some diverging views between the Japanese and non-Japanese participants on the role of expatriate managers and the impact of the company being owner-managed. This study also highlighted issues related to the company not having a global strategy that is cascaded throughout the organization for alignment. This lack of alignment created strong geographical silos that prevented a more global perspective and integration to emerge. This situation could potentially be an opportunity for my HR consulting service but I would need to interact directly with the Chairman who appeared to be the sole decision maker.

Although this data generation cycle focused on JMMC C, I realized that learning from this cycle can be applied to any typical mid-size JMMC in developing leadership competencies. The learning was that in order to have a global leadership development program, there needs to be a clear organizational strategy. With a clear strategy that can be cascaded throughout the organization, a set of global leadership competencies unique to the organization can be identified. This condition is in line with the literature (Bartlett and Ghoshal, 1987, 1992; Jokinen, 2005; Inceoglu and Bartram, 2012), Kinetic Consulting client case studies (chapter 4, section 4.2.1), and many of the JMMCs (chapter 3 section 3.6) and western multinational companies (chapter 3 section 3.5.2.5; chapter 4 section 4.2.3) that I surveyed. Without this consistency an organization could end up having regionally inconsistent leadership development programs as this JMMC was experiencing.

In this cycle I was able to understand in more depth what a leadership competency development looked like in a JMMC considering the company's operational and strategic context. The learning set was able to discuss the Kim and McLean in more depth (table 4) and the discussion confirmed the feedback from cycle 1C that the model was too high level to be practical. Feedback regarding the Mendenhall and Bird model, especially the application by IBM, showed that distinguishing job roles was more positive and reinforced an idea of

distinguishing job roles in the framework. The need for more granularity of leadership competencies triggered me to go back to literature about leadership tasks, which is another potential framework building block. I also found out in this cycle that the HR Director attempted to define leadership competencies based on company culture and principles. This attempt was unsuccessful due to disagreement from the chairman and other Japanese executives on how culture and principles should be translated into competencies. Similar to JMMC A in cycle 1C, I saw the importance of alignment between leadership competencies and company culture but this time in a mid-size family-owned JMMC.

In the next chapter I further explore the value of Kim and McLean's (2015) integrative model for global leadership competencies, Mendenhall and Bird's (2013) global dimension and IBM-adapted models with the human resource expert panel.

Chapter 7 Cycle 3 HR Expert Panel

7.1 Introduction

The purpose of creating a panel of human resource experts was to improve my understanding of how the models can be applied in practice. The panellists were chosen not only for their human resource functional expertise but also because they have been independent consultants with years of experience selling talent development services. Their feedback should be valuable in testing the plausibility of the models' usefulness as a basis to create a service to develop global leadership competencies for JMMCs.

7.2 The Panellists

7.2.1 Selection Criteria

The panellists needed to have senior HR executive experience with multinational companies where they were responsible for leadership development. In addition to HR practitioner experience, they needed to be working as external independent HR consultants. Their senior HR practitioner experience in multinational companies allowed them to provide expert functional perspective as users of developmental frameworks. Their external independent HR consultant experience provided additional perspective of whether the framework can be used as a basis for selling leadership development consulting services.

7.2.2 Selection of Panellists

I reached out to two of my former colleagues from the Belgian management training company. The third panellist was one of my current colleagues. HR executive #1 had over 35 years of experience in the HR function working for two US multinationals. He also had experience working with a JMMC in providing leadership development training as an external consultant. HR executive #2 had over 25 years of experience in the HR function working for a prominent US multinational company. He also had experience working with a JMMC in Europe as an external consultant. HR executive #3 had over 25 years of experience in the HR function working for two well-known European multinationals, as well as one well-known US multinational and 11 years with Sony Corporation in Europe. At Sony, he rose to the head of HR for Europe, Middle East and Africa for its mobile communications business unit. All three executives were well qualified with decades of HR practitioner experience in multinational companies and also working as external independent HR consultants selling their services to multinational companies.

7.3 Interview Process

I held separate interviews with each HR panel member. During the meeting I started with a brief overview of the objective of my research. Then I explained the interview process, the interview questions and the global leadership development model selected in cycle 1 (Kim and McLean's (2015) model as shown in table 4). The Mendenhall and Bird (2013) model (figure 6), and the IBM GIE adaptation of the model (figure 15) were also presented. The presentation was followed by sharing a summary of the feedback from the interviews of representatives from the three JMMCs in cycle 1C, and the learning set in cycle 2. Two questions were asked to the panellists: 1) how applicable are these models in helping JMMCs to develop global leadership competencies?; 2) how important are multi-cultural competencies in developing global leadership. The reason for a question specific to multi-cultural competencies was to get their comments on the view in the literature (Inceoglu and Bartram, 2012) that multiculturalism should not be a separate field in global leadership competency.

7.4 Interviews

HR panellist #1 commented that the Mendenhall and Bird (2013) model made sense in its description of global leadership with increased complexity and boundary spanning. In his view, IBM's adaptation of the model to distinguish various roles made the model more practical. However his view of the Kim and McLean (2015) model was that it was too academic, meaning too broad to be useful. His view was that instead of categorizing global leadership in four dimensions as Kim and McLean had done, a competency-based model based on the type of job is more practical. In other words, he preferred a competency model that defined leadership competencies aligned to organizational strategy, values and culture that could be adapted depending on the type of job. In his view, this type of model should define a set of core competencies applicable to all employees, and build additional sets of competencies on top of the core competencies aligned to specific job needs. He did not have a strong view whether multiculturalism as a set of national cultures should be a separate competency as Inceoglu and Bartram (2012) suggest. He had a stronger view that organizational culture should be a separate competency but not national culture

I don't see much difference in required leadership competencies across different national cultures (HR executive #1)

Another important factor for this HR panellist was that leadership competency development needed to be a part of the organization's broader talent management program. Otherwise, the leadership development program would not be aligned with the general competency development efforts of the organization.

HR panellist #2 thought both the Kim and McLean and Mendenhall and Bird models were too broad to be useful in designing a global leadership development program. He did not find Kim and McLean's three competency levels particularly helpful and disagreed with the assertion by the authors that core traits were immutable

... traits can be learned. (HR executive #2)

He agreed with IBM's application of the Mendenhall and Bird model (2013) in making cross cultural skills a core competency, as opposed to being a separate competency dimension as in the Kim and McLean model

Cross-cultural competency should be a foundational competency for global leaders.
(HR executive #2).

In his view, the Kim and McLean and Mendenhall and Bird models would not guide JMMCs to several factors that he considered to be keys in creating a global leadership development program. The key factors for him were:

1. Requiring a mix of people from different nationalities
2. Identifying which countries around the world would run the program
3. How the development program fits into the organization's larger talent and succession program to achieve organizational strategy
4. How foreign assignment can be a part of the development program

I interpreted that the first two factors were related to the 'who' and the 'where' of the program. The third factor was about the 'why', and the fourth factor was about the 'what'.

HR panellist #3 was confused by Mendenhall and Bird's depiction of manager roles as less complicated than leader roles. He argued that some domestic manager roles could have more complexity than global roles:

A job managing a large scale legislation change in a country could be just as complex as a global job. (HR executive #3) .

In his view, it was good that the Kim and McLean (2015) model highlighted the global business and global organization dimensions of global leadership competencies. His view

was that a combination of the three models would be helpful in creating a global leadership development program.

Regarding the Kim and McLean model, HR panellist #3 viewed core traits as mutable, similar to the view of HR panellist #2, and intercultural competency should be a separate competency because it was an important competency for global leaders. He pointed out the importance of communication between JEMs and locals. He compared the European subsidiaries of two leading JMMCs in the electronics sector. In the first JMMC, Japanese expatriate middle level managers to senior executives were all proficient in the English language. All internal communication in this JMMC's European subsidiaries was in English including communication with the Japanese headquarters. English was the de facto official company language worldwide for this JMMC. In case of the second JMMC, the English language proficiency of the Japanese expatriate managers was relatively low and they preferred to communicate with each other in Japanese. The Japanese language was the primary language used to communicate with the Japanese headquarters. According to this HR panellist, the reason for the lack of a global program in JMMCs could be due to the history of how the company built its foreign operations.

If the foreign operation were expanded through acquisitions of local companies, the need for globally coordinated leadership development would be lower. (HR executive #3).

Even Sony, a JMMC considered to be one of the most internationalized JMMC with a non-Japanese chief executive officer leading the company from 2005 to 2012, had its leadership development program become global in scope only in the last decade (Sony, 2017), and even so, it was struggling to become a global company (section 4.2.2).

7.5 Summary

The HR expert panel's feedback was consistent that the two models were too broad, and therefore, not practical in helping JMMCs create a global leadership development program. However, the three experts had different points of focus and perspectives coming from their diverse experience and ideas on how leaders should be developed. For example, they all have different views on whether intercultural competency should be a separate competency. The most notable view was of differentiating national culture from organizational culture. The key take-away from this cycle was that a framework should combine the two models with more detail to be useful in creating a leadership development program. Another point was

that none of the three panellists articulated the need to have a 'global' leadership development program. Two of the panellists suggested defining a set of must have or core competencies for all employees, with additional competencies that are job specific. Perhaps core competencies that are global with adaptation for regional difference and jobs could be considered a global program. For my business, I need to evaluate if global leadership development is the way I should define the needs of JMMCs or if I should re-frame this idea as developing leadership for global business. This cycle reinforced the themes of core versus job-related competencies and regional adaptation.

In addition, although the questions I posed to the HR panel were focused on the global leadership models and inter-cultural competency, I gained an insight from panellist #3 that a JMMC's history of how its foreign operation evolved could have an influence on whether the company has a leadership program that is global in scale and consistency. This insight about organizational history helped me understand how the organization's leadership development evolved over the years as I saw in the case of JMMC C. The importance of strategic alignment was also highlighted, directly by the panellists #1 and #2, and indirectly by #3 because the change in Sony's leadership development program in the late 2000s was a result of the company new strategy. Companies are aware of their need to develop leaders who can manage the more complex global business better, but how to develop the leaders may vary depending on their strategies.

On reflecting on the feedback from the HR expert panel, I was reminded of the feedback from cycles 1 and 2 that the models need to be more specific. I realised it would have been useful to explore with the panel how the defined competencies can lead into defining concrete training programs. The feedback that the models lacked specificity could have resulted from the fact that specific competencies were not articulated. If true, this reinforces the need for assessment tools identified in cycle 1C that can be used together with the framework to articulate specific competencies. Assessment tools will not be framework building blocks but key enablers of the framework. This reflection compelled me to return to the literature for assessment tools. What I found out was that there are numerous global leadership competencies assessment tools in the literature (Bucker and Poutsma, 2009; Cumberland *et al.*, 2016). However, they are individual competency assessment tools, while I was in a need for assessment tools at the organizational level. This realization of the need for such tools at this late stage of my research was very unnerving and potentially limited the actionability of

the framework in my practice. I reflect on this observation in section 8.6 and come back to it in section 9.3.

Chapter 8 Research Journey

8.1 Introduction

This chapter will describe my learning from conducting this research and writing this thesis. My learning is presented in a chronological order of events and is summarized at the end. The basis of my learning was in my reflections on the process of becoming a scholar-practitioner, captured in my research journal, and meeting summaries with my primary supervisor. This way of thinking is now an indelible part of me.

8.2 Research Topic

Selecting the research topic was relatively easy as I had an interest in, and a passion about JMCs, and also had a big concern about their loss of competitiveness in global business over recent years. Developing their global leadership was, in my view, the solution to regaining their competitiveness. What was not initially apparent was my strong bias about this topic, and also my naivety about what my research was supposed to achieve. I not only had an interest and a passion on the subject but also had a very strong opinion about what the solution should be, and how it should be implemented.

The solution I had, which came from my interactions with Japanese companies and their executives over the years, was to ‘internationalize’ the Japanese headquarters of JMMCs through intense business English language training, and inter-cultural communication training. Although this solution was not without merit, as seen from a number of studies (IMD World Competitiveness Centre, 2015; Sanno Noritsu University, 2015; Takai, 2015; Sasaki, 2017), it came from my collected observations. Not approaching my research with an open mind was clearly putting a strong bias into the research. It was also naive to approach my research thinking that I can prove that my solution was correct. Fortunately, the realization that I had this strong bias came early enough, during a review session with my primary supervisor. However, I had to keep this bias in check on a regular basis because it came back frequently influencing my thinking on how to carry out the research. For example, I was being very selective about my literature search in order to look for studies that confirmed my biased opinion rather than trying to seek multiple perspectives on the topic.

8.3 Research Design and Method

How to design my research was not easy. There were two issues, the first of which was my lack of experience as a scholar who was well-versed in scholarly research design and methodology. I regretted that I did not take advantage of the optional clinics and residencies offered in the DBA program. The second issue was my very limited resource as a self-employed professional. Additionally, I was an n=1 data point even if my data, i.e. the experience, were accumulated over 35 years of rich practical experience.

Given my status as a self-employed professional, selecting the research method was relatively easy. My limited resources and limited JMMC contacts would not allow me to do a large-scale survey that generates a large amount of data. Therefore, a quantitative research method would not be appropriate. Instead a qualitative method would be more appropriate using the interview method on a small number of JMMCs. Qualitative research methods can produce rich information but I had some doubts as to whether they could generate useful knowledge. My reflection from this was that I needed to be vigilant in monitoring my research progress and I needed to be willing to change my research method if the results were not satisfactory.

My status as a self-employed individual also posed another challenge. The challenge was how could I conduct action research, required by the university for a DBA degree, in a one-man company? Any action I would come up with, and any action that I implemented to solve an organizational problem would have to be done by myself alone as opposed to involving my colleagues to build a 'community of practice' as I would have if I were conducting insider AR in a bigger organization. I had another problem of access to JMMCs as research participants. Despite my long association with JMMCs over the years my current contacts of Japanese executives in JMMCs have mostly retired, and the few individuals still working were no longer in the position of influence required for my research.

8.4 Literature Review

I had a constant fear of not doing enough in finding relevant literature for my thesis. Just changing key search words yielded vastly different number of article 'hits' in the University of Liverpool online library. Furthermore, sifting through literally thousands of articles, selecting which ones to read, and reading them was an overwhelming experience that put a huge challenge on my limited available time. I would spend days on end searching for relevant articles and reading them but then end up being frustrated for not yielding useful

information. Even when I thought I collected enough articles, I would discover a need to do further literature search because of what I found out as the research cycles progressed compelled me to return to literature for more clarity. The key learning was to take a critical view in evaluating the literature as there were multiple, and often conflicting views presented on any given topic, and compare literature against what I discovered in my research which could trigger a need for further research. I also learned to evaluate various factors such as how old the articles were, methods employed and robustness of the data used, and not to take the results at face value.

Another lesson learned was the need to validate anecdotal information. In the past several years, I heard a number of comments regarding JMMCs reducing Japanese expatriates managers or replacing more expensive, senior expatriates with cheaper, more junior expatriates due to cost concerns. The sources were Japanese expatriate executives based in Europe and Thailand. Initially, I took this information as fact because it came from credible senior executives of large JMMCs. However, not only could I not validate this in the literature, the picture was very unclear. The number of Japanese nationals working overseas actually increased from 2000 to 2010 by 44% to 231,827 (Zhaka, 2012). Most of the growth came from Asia, primarily from China, while the US and western Europe declined slightly over the same period (Shiraki, 2012). The average age of Japanese expatriates actually increased by five years from 41.3 in 1993 to 46.1 in 2006, which does not validate the claim of more junior expatriates replacing more senior expatriates (Zhaka, 2012). The key learning was that these anecdotes were probably factually correct for these particular executives in their particular situation or environment. However, it would be incorrect to generalize the situation based on some anecdotes.

8.5 Selecting Research Participants and Interviewees

Initially I had two JMMCs participating in the research, and I had hoped for rich interview results that would yield sufficient data. Unfortunately, that was not the case. I met the HR representatives of the two JMMCs in person to conduct interviews. Although I had prepared semi-structured interview questions, it was difficult to stick to the questions because the answers to the questions triggered clarifying questions from me, more probing questions or playing back what I heard to confirm correct understanding which took time. Therefore, I did not have sufficient time to cover all of the questions adequately. It was also a challenge to pay full attention to the interviewees while taking notes. Another problem was that when I

reviewed the meeting notes, I often realized that some information was missing which I could have asked during the interview. If the missing information was important, I followed-up by email to obtain it but, in the case of JMMC B, my follow-up email received a polite rejection because the interviewees participated in private capacity rather than in official capacity. The reply email reminded me that they were participating in the research not formally representing the company but in a personal capacity, and therefore, they could not provide official information. As indicated in chapter 5, section 5.2.1, they said that this was the best way to help me because the formal process would not only take a long time but the request would most likely be rejected. The lesson I learned from this experience was that, for any future research interviews, I will create a set of questions to be answered prior to the face-to-face interviews. For future interviews I will also request permission for voice-taping the interviews. The limited information obtained from the initial interviews triggered the need to find another way to get more data. This resulted in the action learning set with one of the participating JMMCs.

8.6 Action Research

As an independent consultant and trainer I wondered how I could conduct core action research in a one-man company with a limited business scope. When I became a Kinetic employee, I thought my research would be as an insider (Holian and Coghlan, 2013). However, once I resigned from Kinetic, I was back to being an independent doing action research in Namigai & Co.

I initially thought AR cycles would result in a developmental framework based on a global leadership development model from the literature and interview results. However, upon reviewing the interview results and applying the model it became clear to me that a framework based on a model and an interview process as a situational assessment was too broad to be useful in helping companies to specify their leadership competencies. Furthermore, the interview questions were not designed to probe and define specific global leadership development needs of the company. Rather they were questions to understand the company's current leadership development situation, get comments from the interviewees on the model I chose and whether the questions were helpful. The absence of the needs assessment questions may have contributed to interviewees concluding that the selected model was not practical in use. I first realized this need after cycle 1C and it was reinforced in cycle 3.

8.7 Action Learning

Although action learning was not in the initial plan, and it was employed only because the first data collection cycle yielded insufficient data, it turned out to be a valuable tool. It not only gave a more in-depth view of how JMMC C was trying to develop its leaders, but it also highlighted the internal struggles faced by the two learning set members who were non-Japanese executives and who were often frustrated by the lack of empowerment and clarity in the company. In each learning set meeting I encouraged them to reflect on the topics that were discussed in the learning set, how they were internalizing them, and how they related them to their work situation. This emphasis on reflection by the learning set members, including myself, resulted in richer discussions.

8.8 Learning as Practitioner

There is no question that the DBA experience has helped me develop as a scholar. The learning from the experience also helped me develop as a practitioner. Indeed, this was the reason and motivation for enrolling into the DBA program. The key learning has been a realization that the ‘truth’ or the ‘right answer’ needs to be constructed through client interactions. This does not mean that there is no foundation of thinking or theory. On the contrary, as a consultant, I need to have a solid understanding of the concept and theory relevant to the topic in question whether it is leadership, strategy or team effectiveness.

My practitioner experience becomes more valuable when combined with the theory and the client’s inputs in creating the right answer that is relevant for the client. Additional benefit of this is that this process is repeatable and transferable. The three ingredients in this process are theory, my experience and client input. Theory and my experience are combined with the results from the client’s situational assessment. The output from the combination is discussed with the client to co-create potential solutions. In my previous consulting engagements client’s situational assessment was usually done but the solution was recommended based on my previous experience and the assessment result. There was no substantive interaction with the client to co-develop potential solutions.

8.9 Interview Bias

When I reflected on the interviews, I realized that I had unintentionally introduced an interview bias in the way that I had questioned the HR expert panel on the intercultural

dimension of the Kim and McLean model (table 4). Specifically, during follow-on discussions of the second prepared question (section 7.3), I asked them if they thought it was appropriate to separate intercultural competency as a separate dimension from the other dimensions of interpersonal, global business, and global organizational, because it was reasonable to think that intercultural factors were embedded in the other three dimensions. This bias came as a result of my adoption of Inceoglu and Bartram's (2012) view that intercultural dimension should not be separated from other leadership competency dimensions. Not surprisingly, all three experts agreed with me that the intercultural dimension should be an integral part of other dimensions. I would need to compare this view with other literature before I conclude if intercultural dimension should not be separated from other dimensions.

8.10 Data Coding Tables

Data coding tables (appendices A, B and C) proved to be very useful in systematically analyzing the data because they illuminate points of commonalities and differences across different sets of data. Initially, I did not code the data, and therefore, the analysis and synthesis of data were all done in my head and then captured in my notes. As the volume of data increased my ability to analyze and synthesize a vast amount of data was severely challenged. The consequence was not only having multitude of notes that frequently confused me but in this confusion, I also reverted to my bias of what the right answer should be. After coding the data and creating two types of coding table, I was able to better analyze the data to detect emerging patterns.

8.11 Final Thoughts on My Reflection

Reflecting on how I conducted the research and how I wrote the thesis helped my growth as a scholar-practitioner. Reflection allowed me to have double loop learning (Argyris, 2002) which facilitated the iterative learning nature of action research. It triggered me to stop and evaluate the situation, to identify issues, especially my bias, to identify deficiencies in data to support conclusions, and to go back into the research process to correct any issues. I am convinced that without this critical self-reflection and without triggering reflection on various research data collected and analysed, I would not have been able to grow as a scholar-practitioner.

Chapter 9 Conclusion and Implications

9.1 Introduction

This chapter will conclude this research by first synthesizing the three cycles to generate a global leadership framework that meets my research objective. Then the three research questions will be answered. The final section will discuss implications and consideration for further research. The three components of the framework and the input sources are explained below.

9.2 Synthesis of Cycles 1, 2 and 3 Towards a Global Leadership Development Framework

Framework

The framework developed from this research is shown in figure 16. It is a synthesis of learning from all three data and analysis cycles. It combines the three models (Kim and McLean (2015) (table 4), Mendenhall and Bird (2013) (figure 6) and IBM's GIE based on Mendenhall and Bird's model (figure 15). Is also incorporates some JMMC unique elements that were identified in this research.



Figure 86. Global Leadership Development Framework adapted by the author from Mendenhall and Bird, 2013, Kim and McLean, 2015 and Kinetic training model.

Component 1 is core and role-based competencies. I used the framework building blocks identified in cycles 1A, 1B, 1C and 2. It combines inputs from scholarly literature (Mendenhall and Bird, 2013; Kim and McLean, 2015), research participants (JMMC A, B and C) and Kinetic's client experience demonstrating the importance of leadership competencies and behaviours aligned to organizational strategy. The inputs are not only competencies identified in the framework but also incorporating a thinking of separating core competencies related to values and behaviours that every employees should have from role-specific competencies and tasks (Mendenhall and Bird, 2013; Sloan, et al, 2015; 3M, 2016). The separation of competencies between core and non-core was one of the actions recommended in the Federation study as fundamental and operational competencies (Japan Business Federation, 2014). The core competencies are high-level competencies aligned to strategy in terms of values and behaviours. I consider these competencies to be required for all employees as in the left bottom quadrant of the IBM adaptation of the Mendenhall and Bird model (figure 15). In this research, these competencies were labelled as 'core' competencies. Depending on the strategy, competency may be different. For example, in my recent client work, an industrial company identified safety and quality as leadership competencies aligned to its strategy. On the other hand, there could be some common competencies, regardless of strategy, such as ownership and results orientation.

The role-based competencies are a more granular set of competencies reflecting different levels of complexity for different job requirements coming from diverse market/business, geography, function and culture. Competencies here are role based and could range from soft skills such as emotional intelligence and communications skills to technical skills such as legal and tax. Which competencies are needed will depend on how the JMMC defines the training audience. The training audience could be based on traditional job levels as seen in Takeda Pharmaceutical (figure 7) and Kinetic's leadership academy (figure 11) or a more focused group of training audience by function, market or geography. Another example is how the IBM adaptation of the Mendenhall and Bird (2013) model defined global leadership competencies in terms of roles that vary by levels of cross-cultural skills differentiated by complexity and boundary spanning factors (figure 15). Language competency is specifically the English language competency that came out as an important skill for Japanese employees of JMMCs (Ohata, 2005; IMD World Competitiveness Centre, 2015; Iwasaki, 2015; Sanno Noritsu University, 2015; Takai, 2015; Kobayashi, 2017; Sasaki, 2017; Tsuya, 2017).

Component 2 is design components of development program. It comprises key methods that can be applied in developing required competencies. I used framework building blocks identified in cycle 1A scholarly literature and Japanese articles and reports. Components that are of particular importance to JMMCs are expatriate assignments and headquarter internationalization. Expatriate assignments are not unique to JMMCs but the extensive use of Japanese expatriates compared to other multinational companies has been well recorded (Pascale, 1978; Negandhi, Eshghi and Yuen, 1985; Bartlett and Ghoshal, 1987; Bartlett and Yoshihara, 1988; Kopp, 1994; Rosenzweig, 1994; Yoshida, 1997; Harzing, 2001; Hong, Easterby-Smith and Snell, 2006; Miah and Bird, 2007; Ando, Rhee and Park, 2008; Tungli and Peiperl, 2009; Oki, 2013). Headquarter internationalization is linked to the language competency in component 1 but also implies osmosis of global leadership competencies through nationality diversity in the headquarters (Nakamura, 2005; Matsuoka and Aoshima, 2013; Waldenbergur, 2016). On the job training and classroom training were mentioned as effective tools to develop competencies (Earley and Peterson, 2004; Furuzawa, 2004; Morris, et al, 2007; Inagami, 2008; Irving, 2010; Japan Business Federation, 2014). The use of regional leadership development program in leadership development (Japan Business Federation, 2014; Wild, 2016; Krishnamoorthy, 2017).

Component 3 is program delivery in terms of the who and the how. The inputs were primarily Kinetic's training delivery model (figure 12), specifically using a train the trainer program when the scale of deployment is large in terms of learners and geographies with a time and cost constraints. This reflects the way General Electric and JMMC A deploy their global program (Wild, 2016; Krishnamoorthy, 2017) where they allow minor regional adaptation in the content and the way the program is delivered.

9.3 Answers to the Three Research Questions

- 1 What would a robust framework to define and develop global leadership competencies look like for JMMCs using academic concepts and my company's practical experience?

A robust framework needs to include a global competency model that is detailed enough to identify specific training needs that can be used to create a tailored global leadership development program. However, it may not be practical to detail out in the framework all possible competencies and how to develop them. Therefore, a framework based on a

combination of the theoretically robust Kim and McLean model (table 4) and practically applied Mendenhall and Bird model (figure 6) were applied to create the framework (figure 15). A critical enabler of the framework is a set of assessment tools that can diagnose the competencies needed at the organizational level first and at the individual level during the deployment of the competency development program.

Once the organizational level assessment is completed, the next stage is how to design a program and the content to develop the competencies. The design can incorporate classroom training (Earley and Peterson, 2004; Morris, *et al.*, 2007; Inagami, 2008; Irving, 2010), different types of on-the-job training (OJT) including expatriate assignments (Furusawa, 2004; Inagami, 2008; Black and Morrison, 2012; Malek and Budhwar, 2013; Japan Business Federation, 2014; Furusawa and Brewster, 2016) and external training such as Executive MBA programs offered by universities (Inagami, 2008; Irving, 2010). The focus of the content reflects the assessment results in terms of the specific competencies and the level of depth required.

After the program is defined, how it will be delivered can be considered. This will depend on the scope of the program the client has in mind. Individual assessment tools can be used at this phase.

- 2 What is the current approach used by selected JMMCs based in Europe in developing their global leadership competencies? How do they differ from each other, from other JMMCs in the literature, from western multinationals and from Kinetic's experience?

All three JMMCs that participated in this research have a leadership development program. None of them labelled their leadership development programs "global", but for different reasons. Global leadership competency development in JMMCs A, B and C differed in ways that were understandable based on their history.

JMMC A represented a typical JMMC that evolved from export-from-Japan business model to increased overseas production. As a result, it followed the typical pattern of extensive Japanese expatriate manager (JEM) deployment for an extended period. It is only in the past several years that they started to reduce JEMs, and put more efforts in developing local leaders. JMMC A was large enough in terms of business size, and the

correspondingly high number of employees, that allowed more autonomy for each region to have its own regional leadership development program. However JMMC A had common foundational competencies tied to company values across all regions, especially at the lower level leadership positions.

JMMC B was in a different situation where its international business excluding China was managed by an autonomous international HQ. Japanese HQ managed Japanese domestic business and China directly. Reflecting this, leadership talent development was also split between international HQ and Japanese HQ. International HQ's leadership development program is 'quasi-global' because the program covers all countries except Japan and China. The program represented a combination of what JMMC B inherited from acquisitions of two large western companies in the past 20 years. Its Japan headquarters was only loosely connected to the quasi-global program. The loose connection was the Japanese expatriate managers intended to improve the internationalization of Japan HQ employees, a concern they share with many other Japanese multinationals (Japanese Ministry of Economy Trade and Industry, 2009; Recruit Works Institute, 2012). Japanese HQ HR viewed its international HQ's HR practices to be more advanced. This came from the fact that the international HQ was created by acquiring an American and a British competitor with well-established typical western HR practices. JEMs from the Japanese HQ HR function were stationed in the international HQs in Europe, but they merely served as liaisons of Japanese HQ and did not participate in the international HQ's HR operation.

JMMC C was most fragmented of the three JMMCs in its leadership development practice. Two factors considered important in the scholarly literature did not in this organization: 1) clear strategy (Canals, 2014), and 2) the desire by the top management to create global leadership competency (Canals, 2014). JMMC C's reason for not having a global leadership development program came from the fact that all key decisions were still made by the management board based in Japan except for the CEO based in Singapore. Despite having a global headquarters in Europe, it was still firmly controlled by the owner-leader family. The need for developing global leaders was not in the organizational strategy, and therefore, not a high priority. Additionally, the fact that HR function in Japan was not coordinating any leadership development activities across the regions did not help.

Compared to the other JMMCs, western multinationals found in the literature and from Kinetic's experience, these three JMMCs were closer to the other JMMCs than to western multinationals. However, leadership development approaches taken by the three JMMCs were different. History and current strategy appeared to influence how each company approached its leadership development. The literature and my experience confirmed that the leadership development programs of western multinationals were consistent across geographies. Therefore, their programs had more global 'look and feel' compared to those of JMMCs, including the three participating JMMCs, which mostly focused on developing leadership competencies of their Japanese employees who can work globally.

- 3 How can I apply the framework and knowledge gained from this research in creating a consulting service for JMMCs that provides a range of service, from defining to implementing their global leadership competencies?

The primary objective of this research was to understand the viability of creating a consulting service for Japanese multinational manufacturing companies (JMMCs) to help develop their global leadership competencies. I also intended to create a framework that can be actionable enough to create a consulting and delivery service. The assessment tools need to probe into the specific areas under the two groups of global leadership competencies explained above. A combination of the assessment tools and the framework should enable me to create a viable consulting and delivery services of developing global leadership competencies for JMMCs.

The need for a competency assessment tool at the organizational level was identified in cycles 1C and 3. Without this tool, the framework will not be effective and will not result in a viable service. I also noted that global leadership competency assessment tools I came across in the literature were focused on individual competency (Bucker and Poutsma, 2009; Cumberland *et al.*, 2016). Actions I need to take towards creating a viable service are to create a list of semi-structured interview questions and assessment tools (Guo, 2003).

Conceptually, there could be three key features of the assessment toolkit: 1) semi-structured interview questions, 2) a questionnaire to assess competencies needed at the

organizational level and 3) assessment tools at the individual level to measure current competency level of selected competencies. The individual assessment tool would include measures the progress of competency development. The framework's component 1 (figure 16) acts as a guide to create interview questions, for example, a set of questions asking how important is the strategy aligned to values and behaviours. Another set of questions would ask about the relative importance of the six role-based competencies to the company. The assessment questionnaire would be aligned by values, behaviours and the six role-based competencies. It would guide two sets of questions on: 1) the value and behaviours into more detailed description such as collaboration, safety and client centricity; 2) the role-based competencies into more detailed descriptions such as the English language proficiency, international finance and geographical market knowledge. The questionnaire would then ask the respondents to enter numerical value to each element to assign importance. Outputs from the assessment questionnaire will define the design of the development program framework, component 2 and then onto program delivery, component 3.

9.4 Key Contributions, Implications and Further Research

It is estimated that companies spend \$50 billion a year on developing leaders worldwide (Sinar *et al.*, 2015). The objective of this research was to understand the viability of creating a business helping Japanese multinational companies develop their leaders. I focused on Japanese manufacturing companies (JMMC) which have more complex organizations to operate compared to non-manufacturing companies, and therefore, have more challenges in required leadership competency to be successful. I also focused on 'global leadership' rather than on generic leadership because Japanese multinationals have long practiced Japanese employee-centric leadership development which seemed to constrain their leadership capacity.

Although global leadership was a separate field of study within the field of leadership, I found only a handful of leading western multinational companies renaming their leadership development program as 'global' and presenting their program content accordingly. What distinguished global leadership from generic leadership were additional skills required in managing a multi-cultural environment with geographical dispersion and increased business complexity (Mendenhall and Bird, 2013; Kim and McLean, 2015). This was beyond the

obvious difference of global leadership development program being deployed ‘globally’ in scale.

Perhaps the reason for the apparent low penetration in practice was global leadership being a relatively new field of study (Mendenhall *et al.*, 2012), and therefore, one that had not yet caught the attention of human resource practitioners in multinational companies. In this research I did not find global leadership development being widely adopted by Japanese multinational manufacturing companies. Rather, I saw the need for global leadership development strongly recommended by the Japanese government, industry and academia, albeit focused on ‘globalizing’ Japanese leaders. On the other hand, I saw an increased awareness by leaders in emerging economies in Asia and Latin America to develop global leadership competency (Sinar *et al.*, 2015).

Broadly speaking, I believe this thesis made a contribution in several different ways. It has

1. made a case based on scholarly literature for JMMCs to take a more inclusive approach when considering global leadership resource;
2. provided a leadership developmental framework that differentiates core and job related competencies and proposes different means to develop the competencies;
3. showed benefits as well as limitations of the way global leaders can be developed using the dominant western approach that is considered the ‘gold standard’ towards leadership development; and
4. suggested alternative reasons, beyond control and knowledge transfer for deploying expatriate managers, that can bring benefits to the organization when applied beyond Japanese managers.

I have tested the viability of creating a consulting service for JMMCs to develop their global leadership competencies. Scholarly literature strengthened the case for change and provided robust models that formed the foundation of my framework. The framework evolved over the course of the research as it received inputs from the research participants. The literature also provided insight in how assessment tools could be created to tailor the service to individual JMMC needs. The implication to my practice is that I need to take three steps to validate if global leadership development can be a viable business for JMMCs 1) create the assessment interview questions and the tools using the framework, 2) using them on a few JMMCs to

their line and human resource executives for feedback and 3) apply their feedback to fine-tune the questions and the tools for wider application.

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Appendix A: Chapter 5 Data Coding Table Using In-Vivo Coding.

Data/Remark from Participants	First Level Codes: Emerging Topics	Second Level Codes from the 14 themes*	Emerging Themes	Notes
* 1. Leadership Competencies (LC); 2. Role Specific Global Leadership Requirement (RSGLR); 3. Interpersonal Knowledge & Skills (IKS); 4. Global Business Knowledge & Skills (GBKS); 5. Global Organization Knowledge & Skills (GOKS); 6. Expatriate (EA); 7. On-the-Job Training (OJT); 8. External Training (ET); 9. Classroom Training (CT); 10. Specific Leadership Tasks (SLT); 11. Global Business Complexity (GBC); 12. Boundary Spanning (BS); 13. Intercultural Competency (IC); 14. Global HR Systems & Policies (GHRSP).				
JMMC A				
LDP 1 is regional with 40 participants. It is led by TMC (Japan).	Current Regional Leadership Development Program	CT, IC, GBC	Regional Program	
LDP 2 is global with 20 non-Japanese.	Internal consistency: global training for non-Japanese; Learner Profile	CT, IC, GBC	Global Program	
LDP 1 & 2 running since late 1990s. Candidates to be future executives.	Leadership Development history, Learner Profile	CT, IC, GBC	Regional Program	
One global high-potential program but separated into Japanese and non-Japanese. Used to be combined until 2 yrs ago.	High potential program, Japanese and non-Japanese separation, role distinction	CT, IC, GBC	Global Program	HR Consulting
In regional program little theory, mainly OJT and mentorship with group project	New: training content	OJT	Regional Program	
Company leaders need to be humble.	Culture	GOKS	Culture and Values	
Company competencies come first and then functional competency.	Culture and Competencies	GOKS, GBKS	Culture and Values	
Need enough experienced employees for these programs to have critical mass. For example, China not there yet because the company has been there only since 2004.	Program requirements	CT	Program	HR Consulting
A lot of supervisor and peer coaching at the regional level.	Program content	IKS, OJT	Coaching	Incorporate coaching in program

Data/Remark from Participants	First Level Codes: Emerging Topics	Second Level Codes from the 14 themes*	Emerging Themes	Notes
Some use of psychometric assessment	For development, not to assess potential. Program content	GBKS, GOKS	Assessment	Incorporate in program
Candidates are executives. Program objective to develop future leaders	Program Profile and Objectives	GBKS, GOKS	Program Objectives	HR Consulting
In Europe JEMs need to have real responsibilities, not here as an oversight.	Expatriate Assignments	EA, GHRSP	Changing Role of JEMs	Reduced oversight but can be OJT
Some English language subsidy	Program Content	IC, IKS	Communication	English skills
LDP 1 and 2 include understanding global business, intercultural and interpersonal skills.	Global Leadership Competencies	GBKS, IC; IKS	Global Leadership Competencies	Good program example
Global organizational means labor cost and headcount but they don't expect executives to be on top of these things. Rather they need to develop people.	Leadership Tasks and Competencies	GOKS;	Global Leadership Competencies	Need more clarity of definition
Team emphasized more than individual development	Culture	CT	Program Focus	Not important
Performance appraisal focused on behaviors by job levels. Clustered in 5 areas: leadership, business opportunities, driving high performance, managing efficient organization, and managing and developing people at the individual level.	Leadership Competencies	GOKS, GHRSP	Global Leadership Competencies	Great example of detail needed for the framework
Europe has more specialist roles than general roles.	Regional Culture, Learner Profile	Global Leadership Tasks, GBC	Regional Differences	Not important

Data/Remark from Participants	First Level Codes: Emerging Topics	Second Level Codes from the 14 themes*	Emerging Themes	Notes
In-house training based on OJT. Management toolkit. Senior mgr- situational team leadership and coaching. FM level – strategic thinking, entrepreneurship. Executive level – strategic thinking, how to develop organization and talent, accountability.	Leadership Competencies by Job Levels	OJT, Competencies	Competencies Differences by Job Levels	Good example of tailoring program to job level. Need to consider including OJT and coaching in proposed program.
Some content can be regionalized.	Program Content; Internal Consistency	IC, GBC, CT	Regional Differences	
Structural integration project since Jan 2015 for more mgmt localization. Real reason financial after recession 2008.	Management Localization	EA	Cost Reduction	Cost pressure changed the role of expatriate
Localization created confusion and conflict before. Locals thought it was reducing HQ Japanese people in Europe while Japanese HQ people didn't want to delegate real power.	Management Localization	EA; Global Organizational	Change Resistance and Miscommunication	
JMMC B				
Leadership program adapted to individuals.	Program Tailored to Individuals	GHRSP	Individual Competencies	Program tailored to individual mentioned again
Develop Japanese executive officers in early 40s.	Accelerated Competency Development	Global Business and Organizational Skills	Succession Planning	Japanese focused
The Japanese headquarters wants to develop global leaders.	Internationalization of the headquarters	Global Business and Organizational Skills	Global Leadership Development	Japanese focused

Data/Remark from Participants	First Level Codes: Emerging Topics	Second Level Codes from the 14 themes*	Emerging Themes	Notes
In-house training based on OJT. Management toolkit. Senior mgr- situational team leadership and coaching. FM level – strategic thinking, entrepreneurship. Executive level – strategic thinking, how to develop organization and talent, accountability.	Leadership Competencies by Job Levels	OJT, Competencies	Competencies Differences by Job Levels	Good example of tailoring program to job level. Need to consider including OJT and coaching in proposed program.
Some content can be regionalized.	Program Content; Internal Consistency	IC, GBC, CT	Regional Differences	
Structural integration project since Jan 2015 for more mgmt localization. Real reason financial after recession 2008.	Management Localization	EA	Cost Reduction	Cost pressure changed the role of expatriate
Localization created confusion and conflict before. Locals thought it was reducing HQ Japanese people in Europe while Japanese HQ people didn't want to delegate real power.	Management Localization	EA; Global Organizational	Change Resistance and Miscommunication	
JMMC B				
Leadership program adapted to individuals.	Program Tailored to Individuals	GHRSP	Individual Competencies	Program tailored to individual mentioned again
Develop Japanese executive officers in early 40s.	Accelerated Competency Development	Global Business and Organizational Skills	Succession Planning	Japanese focused
The Japanese headquarters wants to develop global leaders.	Internationalization of the headquarters	Global Business and Organizational Skills	Global Leadership Development	Japanese focused

Data/Remark from Participants	First Level Codes: Emerging Topics	Second Level Codes from the 14 themes*	Emerging Themes	Notes
International operations are ahead in leadership development. Japan HQ giving high autonomy to the international operations.	Two Competency Standards	Global Organizational; HR Policies	Inconsistent Leadership Development	No effort to integrate the two programs.
Three key competency areas: 1) thinking, 2) implementation and 3) lead people.	Leadership Competencies	Global Business and Organizational Skills	Global leadership Competencies	Good example of program detail.
Out of 200 JEMs 90 are based on business needs while 110 are for training.	Different Types of Expatriate Assignments	EA	Different Types of Expatriate Assignments	Changing roles of expatriate
Language and culture training offered for JEMs. May include business trips if assignment known in advance.	Preparation for Expatriate Assignments	EA	Preparation for Expatriate Assignments	
More than 50% of Japanese parent company has overseas experience. 60% at the general manager level.	Value of Overseas Experience	EA	Global leadership Competencies	
Leadership training for VUCA is important focusing on adaptability and flexibility skills.	Adaptability	GBC	Adaptability	VUCA mentioned by JMMC C
Interpersonal skills important for Japanese headquarters employees. Encouraging more external contacts and hiring more foreigners in Japan.	Internationalization of Japanese headquarters	IKS	Interpersonal and Communication Skills	English language a factor here too?
Global business understanding, leadership and global trends.	Global Business	Global Complexity and Business Skills	Global Leadership Competencies	Program content
KM model needs more detail. Difficult to lead to action.	KM more actionable detail	Global Leadership Tasks	Model Details	
Where does analytical thinking fit in the KM model?	KM Competencies definitions	GBKS	Global Leadership Competencies	
Global organizational in the KM model not clear.	KM not clear	GOKS	Model Details	

Data/Remark from Participants	First Level Codes: Emerging Topics	Second Level Codes from the 14 themes*	Emerging Themes	Notes
Global organizational- risk taking	KM not clear	GOKS	Model Details	
Curiosity important as well as listening skills and being humble	Interpersonal Skills	IKS Skills	Personal Traits, Culture and Values	
Some communication issues in non-manufacturing functions due to lack of understanding of international operation by Japanese headquarters.	Global Business Knowledge	GBC	Issues; Global Leadership Competencies	Internationalize Japan HQ
JMMC C				
10 years ago had a global leadership development program by outsourcing to a US university.	Outsourcing Leadership Development	External Training;	Outsourcing Leadership Development	GLD not high priority for JMMC C
First line leadership program regionally.	Regional Adaptation	GBKS	Regional Differences	
In Japan leadership development up to middle management	No Executive Program	New: regional development program	Incomplete Leadership Development Program	
US has multiple levels.	Learner Profile; Program Content	New: regional development program	Regional Differences	
Intend to have a global program by the end of 2017	Global Program	HR Policies	Global Leadership Competencies Program	No progress as of mid-2018
JEMs not extensively used. Shadow managers exist. More JEMs in Asia than other parts of the world.	Expatriate Assignments	EA	Subsidiary Control Mechanism	
Intercultural training is not effective. English skills by Japanese are key.	Language Issue	GBKS	Language Barrier	English skills
Global leadership program needs to be a mixed group of Japanese and non-Japanese.	Integrated Program	CT, HR Policies	Diversity	

Data/Remark from Participants	First Level Codes: Emerging Topics	Second Level Codes from the 14 themes*	Emerging Themes	Notes
Frequent miscommunication between JEMs and non-Japanese due to language.	Language and Communications Issues	GBKS	Global Business Skills	English skills
English is an issue in interpersonal	Language	GBKS, IKS	Global Business Skills	English skills
Need to develop accountability for results and entrepreneurial spirit.	Leadership Competencies	Global Leadership Tasks	Global Leadership Competencies	
Customer focus is most important in global business. Understand customer needs.	Leadership Tasks; Leadership Competencies	GBC; GBKS	Global Leadership Competencies	
Global organizational is not clear what it is.	KM: Global Organizational Not Clear	GOKS	Global Leadership Competencies	
Able to manage VUCA important.	Adaptability	GBC	Global Leadership Competencies	JMMC B also mentioned
Competencies linked to corporate philosophy or culture is important but risk of creating similar people	Organizational Culture	IC	Culture and Values	

Appendix B: Chapter 6 Data Coding Table Using In-vivo Coding.

Data/Remark from Participants	First Level Codes: Emerging Topics	Second Level Codes from the 14 themes*	Emerging Themes	Notes
* 1. Leadership Competencies (LC); 2. Role Specific Global Leadership Requirement (RSGLR); 3. Interpersonal Knowledge & Skills (IKS); 4. Global Business Knowledge & Skills (GBKS); 5. Global Organization Knowledge & Skills (GOKS); 6. Expatriate (EA); 7. On-the-Job Training (OJT); 8. External Training (ET); 9. Classroom Training (CT); 10. Specific Leadership Tasks (SLT); 11. Global Business Complexity (GBC); 12. Boundary Spanning (BS); 13. Intercultural Competency (IC); 14. Global HR Systems & Policies (GHRSP).				
Participant 1 Expatriate Executive Officer (EEO)				
Expatriate assignments based on business needs, i.e. knowledge transfer, not for duplicate control.	Expatriate Role	EA, OJT, GOKS	Global Organizational Development by Expatriates	
Global leaders need to have a strong curiosity, adaptability and willingness to taking risk.	Leadership Competencies	New: traits?	Global Leadership Competencies	Personality assessment should be part of program?
The company had no language or culture training prior to his two foreign assignments.	Leadership Competencies	EA	Global Leadership Competencies	
Participant 2 Japan HR Manager (JHRM)				
Since 2007 HQ has been conducting management gap analysis between Japan/Asia and Americas/Europe.	KM: Global organizational	GOKS	Global Leadership Competencies	HR Consulting
Historical factor impact talent management. There is a difference between Japan/Asia and Americas/Europe. Japan/Asia talent development and promotion from within while America/Europe external talent acquisition.	New: Organizational History impacts regional HR practice	GHRSP	Regional Differences: Global Leadership Development	HR Consulting
Rice paper ceiling problem in Asia due to many JEMs	Overseas subsidiary issues	GHRSP	Management Localization	Local Programs

Data/Remark from Participants	First Level Codes: Emerging Topics	Second Level Codes from the 14 themes*	Emerging Themes	Notes
Starting expat assignments for Japanese employees ages 26 to 30. First they need to have sufficient business experience and understanding. Apply, then selection. If selected 1 to 2 years.	Early expatriate assignment experience	OJT, GBKS	Global Leadership Development; Program for Japanese	HR Consulting and program development
First line manager leadership assessment.	Leadership competencies assessment	GHRSP	Program	Assessing which areas?
Middle level managers in marketing and R&D go on expat assignments for several years.	Expatriate Assignment	EA	Leadership Development	
No pre-assignment training such as language and culture.	New: Expatriate Training	EA	Leadership Development	HR Consulting
JEM usage different between business units due to history. Organic growth has more JEMs.	Organizational History	EA	Regional Differences in Expatriate Roles	HR Consulting
Participant 3 European HR Director (EHRD)				
Regional level already have complexity and boundary spanning	MB: agreed complexity and boundary spanning	GBC, BS	Global Leadership Competencies	
Family is considered leadership.	Organizational Culture of Family Owned Business	New: Owner-Operated Company	Organizational Culture	
Leadership competencies not distinguished between global and non-global	Leadership Competencies	New: Scope of Leadership Competencies	Global versus Regional relevance	HR Consulting
Leadership development inconsistent and fragmented across geographies.	Organizational History	GHRSP	Regional Differences	HR Consulting
Measuring learning impact and ROI very difficult to determine.	New: Leadership Development ROI	Practicality	Training Performance Metrics	HR Consulting
The company is not systematic, management based on emotion and relationship	Organizational History	New: Organizational Culture, GOKS	Organizational Maturity	HR Consulting

Data/Remark from Participants	First Level Codes: Emerging Topics	Second Level Codes from the 14 themes*	Emerging Themes	Notes
The owner complains about many things but don't change	Organizational Culture	New: Owner-Operated Company	Organizational Maturity	Not relevant info.
HQ VS subsidiary conflict	Organizational Culture	New: Decision Authority	Global Alignment	
Not enough international experience in the company	Organizational History	GBKS, EAs	Global Business Competency Needs	HR Consulting and Program Development
Global projects are Japan-defined; non-Japan projects get little collaboration	Organizational Culture	New: Decision Authority	Global Alignment	
Global leadership competencies need to be job specific.	Program Tailored to Jobs	Global Leadership Tasks, Classroom Training	Job Tailored Development Program	
Universal competencies based on company philosophy. In 2016 tried creating 14 competencies based on the philosophy but put on hold because top management didn't like the way they were translated in English.	Foundational Competencies Aligned to Company Philosophy	GOKS	Competencies aligned to Values	
Leaders need to have competencies in analytics and decision making.	Leadership Competencies	GBKS	Global Leadership Competencies	
Corporate culture very hierarchical. Hokoku (report), renraku (communicate) and sodan (consult).	Organizational Culture, Decision Making Process	GOKS,	Organizational Culture	
Need leaders who can manage VUCA.	Global Business Complexity	GBC	Global Leadership Competencies	Program Content
ADP European program, 6 months program. 2x 1.5 day F2F in between works, webinars.	Current Regional Leadership Development Program	GBC	Program Structure	

Data/Remark from Participants	First Level Codes: Emerging Topics	Second Level Codes from the 14 themes*	Emerging Themes	Notes
No JEMs in European countries; only in the global and regional HQs.	New: Expatriate Deployment	EA	Expatriate Assignment	
Participant 4 Global Supply Chain Director(GSCD)				
The company thinks global business is doing business in more than one region. Different perception compared to western companies.	New: Global Definition	GBC	Maturity of Global Understanding	
Leadership is a group of people picked by the owner	Organizational Culture, Leader Selection	New: Owner-Operated Company	Leader Selection	
Fuzzy accountability	Organizational Culture	New: Owner-Operated Company	Lack of Cascaded Strategy	
Vendor selection not internationalized in procurement function	Geographical Silos	GBC	Geographical Silos	

Appendix C: Chapter 7 Data Coding Table Using In-vivo Coding.

Data/Remark from Participants	First Level Codes: Emerging Topics	Second Level Codes from the 14 themes*	Emerging Themes	Notes
* 1. Leadership Competencies (LC); 2. Role Specific Global Leadership Requirement (RSGLR); 3. Interpersonal Knowledge & Skills (IKS); 4. Global Business Knowledge & Skills (GBKS); 5. Global Organization Knowledge & Skills (GOKS); 6. Expatriate (EA); 7. On-the-Job Training (OJT); 8. External Training (ET); 9. Classroom Training (CT); 10. Specific Leadership Tasks (SLT); 11. Global Business Complexity (GBC); 12. Boundary Spanning (BS); 13. Intercultural Competency (IC); 14. Global HR Systems & Policies (GHRSP).				
Expert Panelist 1				
JMMCs seem to mix up competency with behavior. For example, assertiveness is a behavior not competency.	Competency Definition.	New: Behaviors and Competencies.	Global Leadership Competencies	Behavior not part of Competency ?
Competency is a set of characteristics that makes the difference for specific people in specific organization	Tailored Set of Competencies	SLT	Role-based Competencies	
He applies the Hay Group method of leadership development which has four components: competency, experience, traits and values. The four are combined with core competency for different level jobs.	Core and Job-level Competencies	GBKS, GOKS	Role-based Competencies	
Very little difference between cultures when looked at the four elements	KM: Culture common across four dimensions	IC, IKS, GBKS, GOKS	Culture Impacts All	
KM model is too academic	KM: model not practical	New: Ease of Implementation	Actionable Framework	
MB is transparent	MB: easy to understand	GBC; BS	Role-based Competencies	
Lominger competencies also easy and understandable 65 competencies and let companies choose top 10 competencies	Tailored Set of Competencies	GBKS, GOKS	Core Competencies	
Core competencies are what everyone should have	Core Competencies	GBKS, GOKS	Core Competencies	

Data/Remark from Participants	First Level Codes: Emerging Topics	Second Level Codes from the 14 themes*	Emerging Themes	Notes
He worked with NYK (Japanese multinational shipping company) on their leadership competencies for top management. It was a WW program mix of Japanese and non-Japanese with competencies aligned to its strategy	Global Leadership Development aligned to Strategy	GBC; BS	Integrated Global Leadership Development Program	
Brazilian, Korean and Japanese assumed there is a big difference between cultures but research showed no difference	No Cultural Difference	IC	National Cultures	Contrary to GLOBE and Hofstede
Expert Panelist 2				
The two models are too broad.	KM and MB: not specific enough	New: Specific Competencies	Framework, Program	
Disagree with KM that traits are immutable. They are learned. Lisa Barrett "How emotions are made".	KM: do not agree	New: Need to Include Traits in the Framework?	Personal Traits	
Agree with MB that complexity and boundary scanning distinguish global.	MB: agree	GBC; BS	Global Leadership Different from Domestic Leadership	
Agree with IBM that culture is foundational but confused by the leader versus the manager split.	MB: agree on the importance of Culture	IC	Culture is Foundational	
EP2 more aligned to Peter Drucker's distinction of leader vs manager than MB	Leader versus Manager difference	n/a	n/a	Not Relevant for this Research
Start with strategy, define competencies required and then culture.	Strategy and Culture	New: Strategy Alignment, Intercultural	Everything starts with Strategy	
Define culture using Hofstede	Culture	IC	Culture and Values	
Involved in Toshiba restructuring in Europe and worked with a British executive, not a JEM	Management Localization	GOKS	JMMC Restructuring	Not relevant remark

Data/Remark from Participants	First Level Codes: Emerging Topics	Second Level Codes from the 14 themes*	Emerging Themes	Notes
Key points in developing GLD program: 1) bring people together from a mix of different nationalities, 2) hold training in multiple locations around the world, 3) GLC need to be a part of talent or succession mgmt program otherwise not sustainable, 4) need to invest in foreign assignments	Global Leadership Development Scope	EA, CT, GHRSP	Global Leadership Development Program Requirements	Useful example for program detail
Expert Panelist 3				
MB model describes different jobs and an engineer may prefer this kind of a model	MB: agree differentiate competencies by job	GBC; B5; IC	Role-based Competencies	
Real job complexity doesn't scale as in MB model, e.g. some domestic job can be more complex than global jobs (restructuring, legal change, etc.)	MB: too simplistic	GBC	Job complexity	
KM preferable, liked GB and GO	KM: agree with model elements	GBKS, GOKS	Global Business Skills, Global Organization Skills	
A combination of KM and MB may be helpful.	KM and MB combination model	GBC, BS, IC, IKS, GBKS, GOKS	Competencies differentiated by both ability type and job type.	
KM need to add EQ in interpersonal	KM need Emotional Intelligence	IKS	Emotional Intelligence	
KM core traits are immutable but a person needs a deep intrinsic motivation to change the whole person	KM: missing motivational factor	New: leader motivation dimension	Change Motivation	Worth including in the framework?
KM interpersonal knowledge and skills should be part of 'personal character' level?	KM: personal character versus ability	IKS	Personal Character Influence Leadership Competencies ?	Psychometric assessment needed if true.

Data/Remark from Participants	First Level Codes: Emerging Topics	Second Level Codes from the 14 themes*	Emerging Themes	Notes
Diversity of thoughts more important than diversity of demographics.	New: Diversity	IC	Diversity of thoughts in development program	Demographic diversity also important
Sony history - international business through distributors	Organizational History	??	Culture and Values	Not relevant
Sony – a lot of Japanese undercurrents. Expats- saw similar situation in Shell where Dutch people all over the world. Also Heineken and a Danish company.	Expatriate Deployment	EA	Culture and Values	
Hertz only had 10 expats worldwide while 65% of its business came from the US.	Expatriate Deployment	EA	Policy	Not relevant
Canon in Amstelveen used Japanese language for internal communication among middle level JEMs. Sony more internationalized.	Language	IKS	Communication language	
Sony – high local HR autonomy for people development	Internal Consistency; Organizational History	GHRSP	Policy, Program, Regional Differences	No longer the case in Sony today
Shell has strong and highly regarded HR function, not in Heineken.	HR Contribution	GHRSP	HR Reputation	Not relevant
Need to include specific assignment in development program. Training alone cannot achieve development.	Developmental assignments	EA, OJT	Developmental assignments	

Appendix D: Literature Source of 14 Themes

	Global Leadership Themes	Main Sources
1	leadership competencies	Brownell, 2006; Yoon, Song, Donahue and Woodley, 2010
2	interpersonal knowledge and skills	Kim and McLean, 2015
3	global business knowledge and skills	Kim and McLean, 2015
4	global organization knowledge and skills	Kim and McLean, 2015
5	expatriate assignments	Inagami, 2008; Black and Morrison, 2012; Abdul Malek and Budhwar, 2013; Furusawa and Brewster, 2016
6	on-the-job training	Furusawa, 2004; Inagami, 2008; Japan Business Federation, 2014
7	external training	Inagami, 2008; Irving, 2010;
8	classroom training	Earley and Peterson, 2004; Morris, et al, 2007; Inagami, 2008; Irving, 2010
9	role specific global leadership requirement	Mendenhall and Bird, 2013; Sloan, et al, 2015; 3M, 2016
10	specific leadership tasks	Schippmann, Prien and Hughes, 1991; Caligiuri and Tarique, 2012
11	global business complexity	Mendenhall and Bird, 2013
12	boundary spanning	Mendenhall and Bird, 2013
13	intercultural competency	Earley and Peterson, 2004; Abdul Malek and Budhwar, 2013
14	global HR systems and policies	Furusawa, 2004; Nakamura, 2005; Morris, et al, 2007; Stahl, et al, 2012; Matsuoka and Aoshima, 2013; Japan Business Federation, 2014; Sloan, et al, 2015; Waldenbergur, 2016

Appendix E: Learning Set Shared Information

Learning Set #1

Global Leader

An individual who inspires a group of people to willingly pursue a positive vision in an effectively organized fashion while fostering individual and collective growth in a context characterized by significant levels of complexity, flow and presence (Mendenhall *et al.*, 2012). The participants agreed with the definition of global leader. Complexity was easy to acknowledge, and initially less so for flow and presence. The Human Resource Director (HRD) commented that regional leaders could also have complexity, flow and presence albeit at a lower level than global leaders.

Global Leadership

The process of influencing others to adopt a shared vision through structures and methods that facilitate a positive change while fostering individual and collective growth in a context characterized by significant levels of complexity, flow and presence (Mendenhall *et al.*, 2012).

Complexity

Multiplicity of stakeholders who are culturally, economically, politically, and managerially more diverse. “More and different” (Mendenhall *et al.*, 2012).

Flow and Presence

Boundary spanning is human networks and physical co-locations. It is a depiction of expansive relationship management. (Mendenhall *et al.*, 2012).

The Need for Global Leaders

“One report indicates that while the demand for global business understanding continues to grow, nearly 85% of fortune 500 companies have reported a shortage of managers with the necessary global skills (Irving, 2010).

Why Develop Global Leadership?

The reason for developing global leaders is to be able to better navigate in a VUCA (volatile, uncertain, complex and ambiguous) environment to implement the strategy. Global leaders are needed to operationalize or implement the strategy.

There are three types of strategic goals (Bartlett and Ghoshal, 1987; Furuzawa, 2004):

1. Global Efficiency, example: Ford
2. Local Responsiveness, example: Unilever
3. Knowledge Sharing and Innovation, example: P&G

Common Issues in Developing Global Leadership in Multinational Companies

- No clear understanding of how global leadership competencies are different from generic leadership competencies.
- Inconsistent and fragmented leadership development programs across geographies, some companies not clear on who the owner is – the geography or the business?
- Program contents are too generic and not applicable to real work.
- Impact of the program not visible nor the return measureable.

Learning Set #2

Below are four key results from the Development Dimensions International (DDI) and The Conference Board (TCB) (Sinar *et al.*, 2015). This survey was conducted jointly by the DDI and TCB with responses from 13,124 leaders; 1,528 global human resources executives; and 2,031 participating organizations worldwide.

1. Western MNCs survey: % of leadership considering themselves highly effective

- Leading across countries and cultures 34%
- Inter-cultural communication within int'l business environment 39%
- Integrating oneself into inter-cultural or foreign environment 45%
- Leading across generations 54%
- Fostering employee creativity and innovation 56%

2. Leaders Not Prepared to Face VUCA: % of Western MNCs HR Executives who report that their leaders are not prepared.

- Volatility 40%
- Uncertainty 32%
- Complexity 36%
- Ambiguity 31%

3. Six Leadership Practices to Mitigate VUCA.

- Competencies clearly defined for key positions
- Performance expectations aligned to the organization's strategy
- Defined leadership competencies that serve as the foundation for multiple talent management programs
- Leaders have high-quality, effective development plans
- Leaders regularly review their development plans with their managers
- Leaders practice and receive feedback on key skills

4. MNCs Most Effective Development Methods.

- Developmental Assignments 70%
- Formal workshops, training courses, seminars 60%
- Coaching from current manager 52%

- Coaching from external coaches 43%
- Coaching from internal coaches 40%

Examples of Western MNCs

- Colgate-Palmolive used rotating and complementary foreign assignments. The program balanced cross-over experiences in multiple dimensions. The dimensions were businesses, geographies, and functions with other factors such as mature versus developing economies, HQ versus subsidiary, and corporate versus line operation (Gillis, 2011).
- L’Oreal hired multi-cultural professionals and promoted from within to balance global integration and local responsiveness (Hong and Doz, 2013)
- GE had three courses for executive levels. Courses were revised periodically by a global team. The content was standardized globally but delivery was done by regional facilitators to ensure appropriate cultural adaptation.

Typical Practices and Issues of JMMCs (from the literature)

- Expatriate Assignments were focused on Japanese employees. They were costly and created issues in retaining top local talent.
- Senior executive level employees in Japan HQ were predominantly Japanese. Although not yet a practice, some JMMCs anticipated more foreigners in Director positions in the next 10 years
- Most JMMCs did not have a global perspective in leadership development. Japanese employees were given more priority over non-Japanese employees in terms of HR development.

Survey of Future Trends from Top HR at 30 Leading Japanese MNCs (Recruit, 2012)

- More Japanese employees in their 20s to experience overseas assignments: 97%
- Increased separation of talent pools: global, regional, and Japanese: 87%
- Increase in non-Japanese national university graduate hires: 80%
- Increase in non-Japanese in HQ leadership positions: 86%
- Increase in standardization of human resource management between HQ and overseas subsidiaries: 83%

Examples of JMMCs (Recruit, 2012)

- Asahi Glass had globally standardized job grading, evaluation, and succession planning. It mapped the top 5,500 positions in skills, technical abilities, age and performance for 26 technical and 14 administrative positions.
- Ajinomoto was trying to shift more decision making power to overseas subsidiaries. A global talent management system made visible 220 top overseas management positions, and another pool of 200 to succeed them. The talent system comprised an employee database, finance database, development program, and reward system. The development program has two components: 1) business general manager and their successors of about 45 years of age, and 2) future leaders of about 30 years of age.

- Astellas already developed global leaders in three geographies: Japan, US and Europe. There are about 30 middle level General Managers per geography each year.
- Toto had localized almost 100% of their overseas first line managers: 90% of middle management, and 50% of senior management. It created a new leader training program (for those about 30 years of age).