

## **Values in Human Resource Management of Japanese Multinationals in the US: A Country-of-Origin Effect or Local Responsiveness?**

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### **Abstract**

*While the philosophical argument to research values in the workforce has long been recognized as necessary, their empirical study is recent and deficient at the social level. In this paper, a novel approach to studying social values is applied to an important question in the globalization debate, namely: to what extent do the practices of Japanese multinationals in the US transfer values from Japan, and to what extent do they adjust to the local environment? Survey data from the US National Organizations Survey, 108 Japanese MNCs in the US, and 95 firms in Japan indicate a partial country-of-origin effect as well as partial local responsiveness. Thus, we concluded that Japanese HRM is characterized by the values 'sense of belonging', 'family security', 'varied life', and 'universalism', whereas the local value 'social order' is more important to the HRM of Japanese multinationals whereby country-of-origin values are found to a lesser degree.*

**Key Words:** Economics, social values, multinational corporations, organizations, varied life, social order, cross-cultural

### **1. Introduction**

In his article in the *Socio-Economic Review*, Etzioni (2003) rightfully reminds us of the importance of values in economic analysis. Arguments for empirical inquiry on social values in economics predates back to those made by Aristotle ([4th Cent. BC] 1976) and - to the extent that economics be concerned with the study of well-being (Sen, 1987) – Plato ([375 BC] 1987). While the philosophical case for considering values in economic analysis has long been proven crucial, its empirical study is relatively recent to social research. In general, these studies are typically performed by cross-cultural psychologists, who have provided us with deep and systematic insight into psychological values and their relations to economic phenomena. At the social level, these studies tend to emphasize a functionalist approach, thus being exposed to the battery of criticism that has accumulated concerning functionalism. In this article, social values will be studied using the approach proposed by Bosch (2001), based on insights derived from the work of Max Weber and a transposition of the work of cross-cultural psychologist Shalom Schwartz to the institutional and action levels of analysis.

The argument regarding the prominent role of values in the globalization debate was made particularly clear by Michel Albert in his famous exposé *Capitalisme Contre Capitalisme* (1991), whereby he argued that globalization would lead to the transmission of 'neo-American' values to 'Rhénan' economies such as Japan and Germany. Albert also found a certain countervailing force in the activities of multinational corporations (MNCs) which were seen to some extent as embodying Rhénan values. The importance of MNCs in the transmission of values was also noted by Dunning (1993) who emphasized the way in which MNCs may 'inject' values from their home country into their activities in host countries. More recent studies of MNCs have extended our understanding of this concept by distinguishing several possibilities (Ferner, 1997; Muller, 1998; Ferner and Varul, 2000a, 2000b; Schmitt and Sadowski, 2001; Tempel, 2001; Edwards and Ferner, 2002):

- 1) A country-of-origin effect. Here, the MNC transmits values from its home country to the host country.
- (2) Local responsiveness. In this case, the MNC adjusts the practices of its subsidiaries to the values of the host country.

(3) Reverse diffusion. This entails the diffusion of values from the host country back to the home country of the MNC.

In firms, social values are centrally located in their human resource management (HRM) practices, whereby HRM refers to 'all the organization's people-oriented policies and practices' (Strauss, 2001, p. 874). The case of HRM practices of Japanese MNCs in the US is particularly interesting in the discussion of globalization in that traditional Japanese HRM practices and their implicit values have generally been recognized as quite distinct from those in the US (Dore, 2000), which gives rise to the question of the extent to which values seen in HRM practices of Japanese MNCs originate from Japanese firms. Likewise, do Japanese MNCs adjust their HRM practices to social values implicit in traditional US HRM? And is there any sign of reverse diffusion?

Although the spectacular increase in Japanese foreign direct investment in the US beginning in the late 1980s and early 1990s has sparked interest in the study of HRM practices in Japanese MNCs, the evidence gathered from the few cross-industry empirical studies conducted on the matter is rather limited (Beechler and Bird, 1994; Doeringer et al., 2003). In both studies, data was collected solely from Japanese subsidiaries, thus making it difficult to draw firm conclusions about whether these practices should be viewed as originating from their home country or as an adaptation to the local context. In order to better substantiate such conclusions, the current study introduces a novel approach to the empirical study of social values implicit in HRM practices by comparing survey data from Japanese MNCs to the data collected from firms in both Japan and the US.

## ***2. The Empirical Study of Values***

Historically, the empirical study of values has mainly been pursued by cross-cultural psychologists such as McClelland et al. (1953), Rokeach (1973), Inglehart (1977), and Hofstede (1980). More recently, Shalom Schwartz (1992, 1994a, 1994b) has managed to avoid some of the shortcomings of previous studies by staying close to accepted theories on motivation; distilling values from earlier theories and studies of values from both Western and non-Western sources; using a clear and straightforward value-rating survey with representative and comparable samples controlled through back-translation; and avoiding contentious statistical techniques such as factor analysis (Ford, 1992; Smith and Bond, 1993). Despite many objections to this cross-cultural approach (that one can only understand a culture from the inside), Schwartz's method still appears to be the most promising take on the comparative study of values currently available and offers an adequate starting point.

Based on a smallest space analysis of his samples (Guttman, 1968), Schwartz empirically showed the existence of a universal structure of psychological values in nearly every culture worldwide. This structure, which contains 56 universally recognized values, indicates the way in which different values may conflict or be compatible. The configuration of these values was divided into 10 value types on the basis of similar underlying motivations. The patterns of compatibility and conflict give rise to two higher order value dimensions. The first of which is known as Openness to Change versus Conservation in which values that emphasize independent thought and action as well as change (self-direction, stimulation, and hedonism) oppose values stressing submissive self-restriction, preservation of traditional practices, and protection of stability (security, conformity, and tradition). In the second dimension, labelled Self-Enhancement versus Self-Transcendence, values concerning the pursuit of one's own relative success and dominance over others (power, achievement, and hedonism) oppose values emphasizing acceptance of others as equals and concern for their welfare (universalism and benevolence) (Schwartz, 1994a). Schwartz's research of psychological values has thus indicated the cross-cultural existence of 56 values and 10 value-types, which can be ordered into two different dimensions. These values, value-types, and value-dimensions are available for the interpretation of psychological values and, with the modifications proposed below, can be extended to social values as well.

Schwartz has extended his approach to the social level by adopting a functionalist standpoint. Following in Parsons' footsteps, Schwartz proposed the existence of a number of problems that societies must confront in order to regulate human activity. Social values are seen as socially approved goals to motivate action to cope with such problems and to express and justify the solutions that are chosen. Different value dimensions are thought to represent different cultural responses to such problems. As a measure of these cultural responses, Schwartz uses his national measures based on the average of individual measures (Parsons and Smelser, 1956; Schwartz, 1994b, 1999, personal communication; Schwartz and Bardi, 1997). Thus, similar to Parsons, he also assumes that the internalization of values institutionalized in role prescriptions assures the functioning of the social system by the actions of individuals partaking in it.

This functionalist approach has been criticized extensively for neglecting power, conflict, and ideology, for being uninformative in its operationalization, and for being deterministic (Lukes, 1982; Granovetter, [1985] 1992; Levine, 1995; Archer, 1996). In contrast, Bosch's (2001) approach to the study of social values is grounded in the work of Max Weber (for Weberian approaches in economic sociology see e.g. Smelser and Swedberg (1994)). In his *Gesammelte Aufsätze zur Wissenschaftslehre* ([1922] 1988), Weber attempts to study social actions by hypothesizing that they are performed in a strictly rational manner depending on subjective meaning. If the term 'meaning' is replaced by the term 'value' (as 'meaning' is the translation of *Sinn*, which can also mean 'value' (Duden, 1989)), such social actions may be interpreted as values of which they are expressive. This logic can also be extended to our understanding of relationships, defined as 'the behavior of a plurality of actors insofar as, in its meaningful content, the action of each takes account of that of the others and is oriented in these terms. The social relationship thus consists entirely and exclusively in the existence of a probability that there will be a meaningful course of social action' (Weber, [1922] 1978, pp. 26-27). If 'meaning' is again replaced by 'value', relationships indicate the probability of actions taking place which are expressive of certain values. Likewise, hypothesizing that probable actions are performed in a strictly rational manner allows us to determine the values of which relationships are expressive.

The values of which other social phenomena, such as roles or rules, are expressive can be similarly determined, making it possible to unite traditional analysis on psychological values with institutionalist approaches to understanding social phenomena. Schwartz's work on psychological values can now be used to systematize the interpretation of values at the institutional and action levels of analysis, as well as on the psychological level. In order to establish which of the values of particular HRM practices are expressive, it is necessary to interpret practices in terms of the values, value-types, and value-dimensions distinguished by Schwartz. This is a contentious process, as any practice can potentially be seen as expressive of any value, value-type, or value-dimension. For example, 'job rotation' can be interpreted both as a governance technique implying the values 'power', 'loyal', and 'obedient' and as a training technique implying the value 'capable'. But from a more narrow and technical perspective, 'job rotation' always implies simply: the rotation of jobs - meaning variation and therefore the value 'varied life'. In light of other values the practice of job rotation may be expressive of - and it can potentially be expressive of each and every value - it will always be expressive of the value 'varied life'. In comparison, the case where there is no job rotation, and every employee keeps performing the same job, will always be expressive of the value 'social order'.

In order to arrive at a narrow and technical interpretation of values, a 'popular language usage' approach is employed, in which the Merriam-Webster (1993) dictionary was used as the main source of reference. In our view, this has the advantage of achieving a relatively general acceptance of interpretations. Of course, using an English-language dictionary in a cross-cultural study can lead to some distortion in interpreting the meaning of descriptions. However, because the original language used in our surveys was English (with a carefully translated Japanese version used to sample firms in Japan), and the survey data has practically the same narrow technical meaning in English and Japanese, this distortion is thought not to constitute a major problem. The current research design in no way suggests that the studied HRM practices may not be expressive of other values. Indeed, studies taking a broader, less technical perspective, would certainly yield useful results. As such, this study should be seen as a starting point, not as the final word on the matter. In addition, the culturalist argument that values can only be understood from within the cultural context studied is certainly a valid point that could lead to important additions and nuances to the findings of the current study.

### **3. Method**

In comparison of the values prevalent in HRM practices of Japanese MNC in the US to those found in firms in Japan and the US, survey data was gathered in 1998 from Japanese subsidiaries in the US and from firms in Japan. First, an English-language survey was constructed followed by a content validity test with 7 CEOs at large Japanese subsidiaries in the US. Subsequently, the survey was sent to 600 US subsidiaries of Japanese multinational corporations with 50 or more employees, drawn from the section on the US of *Kaigai Shishutsu Kigyo Soran* (List of Japanese Corporations Abroad) (Toyokeizai Shimpo, 1997). Of 163 responses, 108 cases were usable for this study after adjusting for missing data, yielding an effective response rate of 18%. Next, the survey was carefully translated into Japanese and sent to 721 companies in Japan, including the parent companies of the sampled subsidiaries. All 95 responses were usable for this study, implying an effective response rate of 13%. The survey covered aspects of work flow, human resource flow, compensation, governance, and industrial relations and consisted of a 5-point Likert scale (with 1 representing 'strongly disagree' and 5 'strongly agree').

In some cases, an extended 7-point scale was used to allow for a wider range of choice. Also, compatible data regarding HRM in the US was obtained from the National Organizations Survey (NOS).<sup>1</sup> Lastly, gathered in 1996-97 from a representative sample of 1002 US work establishments by the Inter-university Consortium for Political and Social Research (Kalleberg, Knoke, and Marsden, 2001), this survey addressed several organizational practices, including aspects of work flow, human resource flow, compensation, governance, and industrial relations. The survey format varied from a binary scale of 'Yes' and 'No' to 3-, 4-, or 5-point Likert scales. While trying to stay as close as possible to the original formats, occasional recoding ensured consistency in interpreting results. To further analyze the evidence gathered by the surveys, the different findings were categorized in terms of specific practices and compatibility. While the questions used in the NOS were not exactly the same as in the case of the surveys of Japanese MNCs and firms in Japan, a number of questions were highly compatible. The phrasing of the questions was slightly changed without altering their narrow technical meaning to further increase compatibility. Next, for likert scale items, t-tests were conducted to demonstrate if a practice was significantly different from the average of the Likert values. For binary data, z-test approximations revealed whether proportions were significantly different from 0.5 using a 95% confidence interval, in which the possible outcomes were 'Yes', 'Neutral', and 'No'.

Upon creating a compatible three-point score, the different HRM practices seen in Japanese MNCs in the US, firms in Japan, and US organizations were interpreted as being expressive of certain values found by Schwartz. The detection of a particular practice often meant it was expressive of certain values, but likewise, the absence of a practice could also indicate (other, often opposite) implicit values. A score of 'Neutral' suggests that the difference from the average score was nonsignificant, and that the practice could not be seen as expressive of a particular value.

Next, the following questions were addressed:

- (1) For which practices are values in HRM of Japanese MNCs the same as in Japan but different from the US? This implies the presence of a country-of-origin effect.
- (2) For which practices are values in HRM of Japanese MNCs different from Japan but the same as in the US? This indicates the existence of local responsiveness.
- (3) For which practices are values in HRM of Japanese MNCs the same as in Japan and the US? In the case where values are different from those found in Japanese HRM, values in Japanese HRM may have become more similar to those in US HRM. If values differ from those traditionally found in the US, it is possible that HRM in US firms may have implemented practices similar to those in Japan.
- (4) For which practices are values in HRM of Japanese MNCs different from both Japan and the US? This may be the result of idiosyncratic policies in Japanese multinationals in the US.

The values implicit in these HRM practices can also be compared in a general way. Which values are overall characteristic of the HRM practices of Japanese MNCs, of firms in Japan, and of organizations in the US? Such an overall comparison is dependent on the specific HRM practices included in the survey, and as such, could vary significantly upon inclusion of other practices. In addition, the relative importance of values expressed by different practices is difficult to measure, and so a general comparison should be interpreted with care and reservation.

#### **4. Results**

##### **Tables**

Regarding work flow, we find that job and task rotation is most common in firms in Japan, only common for factory workers in Japanese MNCs, and not common in US organizations. As previously noted, job rotation implies the value of varied life, while lack thereof indicates social order. Therefore, our first result demonstrates that Japanese HRM is more dynamic than US HRM in terms of work flow and reveals the presence of a partial local responsiveness in HRM practices towards US practices. Quality control is found in all three cases, which brings about the question of which values are expressed by 'quality control' in a narrow and technical sense. 'Quality' implies a degree of excellence or superiority which on the one hand implicates the value 'capable', and on the other hand involves values expressing status and prestige, such as 'social recognition' and 'preserving public image'. 'Control' can be narrowly interpreted to imply the values 'social power' and 'influential'. Proactive management in teams (Jishu Kanri) is found in firms in Japan, but not in the US, with Japanese MNCs showing a partial adjustment. Using a narrow and technical definition, the proactive nature of such teams implies participation which is indicative of the values 'broad-minded', 'sense of belonging', and 'social power'.

For human resource flow, we find some significant differences between HRM practices in Japan and those in Japanese MNCs with regard to recruitment. In firms in Japan, young college graduates are recruited once a year, which is either interpreted as expressive of the value 'curious' (due to the inexperience of young graduates) or of the value 'social order' (because of the regular recruitment each year). This routine practice was not found in Japanese MNCs, suggesting the value of 'varied life'. The use of temporary workers is relatively frequent in firms in Japan, somewhat less common in Japanese MNCs, and - according to the 1996-97 NOS - very rare in the US organizations. This practice is taken to be expressive of the value varied life, while its absence indicates the value social order. Once again there is a slight adjustment of HRM practices in Japanese MNCs in the direction of US HRM. It is important to note that while temporary workers themselves may prefer the social order of stable employment over the varied life caused by temporary work, the practice of using temporary workers is in a narrow sense expressive of the value 'varied life'. As always, from a broader perspective other values may be interpreted to be implicated - as when the practice of using temporary workers is seen as a device to support lifetime employment. From such a perspective the same practice may even be interpreted as expressive of the value 'social order'.

US organizations claimed that they go to great lengths to avoid layoffs during recessions; although, this may not be in accordance with its actual practice. But this potentially holds for all answers to every survey questions, and any ad hoc deviation from a survey result - no matter how plausible - risks making any conclusion drawn on the basis of other survey results seem pointless. Because the different solutions to this problem, such as better surveys or other or multi-method research techniques, fall outside the scope of this study, the choice is made to adhere fully to the results of the survey - while acknowledging that these may not be consistent with reality. The lack of layoffs during recessions in firms in Japan is well-known, which appeared to remain the practice in 1998. Japanese MNCs indicated not to implement such large scale layoffs either. Thus we find that the security value-type is important in human resource flow in firms in Japan, in Japanese MNCs, and apparently also in US organizations. According to our survey findings, employee promotions were not based on length of service either in firms in Japan or in Japanese MNCs. This result may reveal an inconsistency in practices, as when promotions early in a career are based on length of service but is no longer the case at a later stage; however, the choice is again made to adhere strictly to the survey results. Management positions were found to be filled through internal promotions both in Japanese firms and in US organizations, but somewhat less in Japanese MNCs, indicating an idiosyncratic element of HRM in Japanese MNCs. This internal promotion is interpreted as being expressive of the value 'sense of belonging'. New recruits receive training in all three cases, indicating the presence of the value 'capable'.

In the case of compensation, bonuses are offered to employees in firms in Japan and in Japanese MNCs, indicating the values 'wealth' and 'varied life' (bonuses denote variable pay). The absence of bonuses in US organizations indicates a transfer of Japanese practices by Japanese MNCs. Japanese firms and MNCs do not offer stock options; compatible data were missing for the US. Firms in Japan offer a host of fringe benefits, including housing and commuting expenses, pay increasing with the number of dependents, health insurance, and company recreation facilities, and can be narrowly interpreted to express the values 'family security', 'wealth', 'reciprocation of favors', 'healthy', 'security', 'sense of belonging', and 'hedonism'. Most of these practices were missing in Japanese MNCs, except for health insurance, implying the values healthy, security, and wealth. In US organizations, no pay increase related to dependents was found, although health insurance was normally offered expressing the values healthy, security, and wealth. Overall, there has been an adjustment in practices in Japanese MNCs towards US practices for fringe benefits.

Japanese HRM, in Japan and in MNCs, inform employees of management conditions and future plans, whereby such 'information' may be reflective of the value wisdom. Suggestion systems are used, implying the values wisdom and creativity, which is slightly more important in Japanese MNCs, as demonstrated by their use of suggestion boxes. In a narrow technical sense, 'suggestion' denotes the conveyance of an idea that is new to the receiver of the suggestion - thus indicating the values 'wisdom' and 'creativity'. In firms in Japan, decisions are made by all departments (Ringi), a practice that is less common in Japanese MNCs, and can be expressive of the values social power, sense of belonging, broad-minded, and achievement. As a subcategory of governance, organizational socialization is important in firms in Japan and morning meetings are held, especially for factory workers, implying the values sense of belonging and social order. In addition, managers and office staff have lunch and dinner together reflecting the values equality and sense of belonging.

These last two practices are not typically common for Japanese MNCs. Fun events held for employees and families are only found in Japanese MNCs, in a narrow sense implying the values sense of belonging and hedonism. Certainly these fun events may not be much 'fun' to participants, but the current study is about social values – or ones expressed by practices - not about psychological values held by individuals; and so, how participants experience the fun events is simply not relevant in interpreting social values. As the events aim to be 'fun', they are interpreted as expressive of the value hedonism and sense of belonging. Unfortunately, no truly compatible data regarding governance was found in the NOS regarding US HRM. Industrial relations in Japanese firms significantly differ from those in Japanese MNCs, whereby employees tend to belong to unions - which indicates the value sense of belonging. Labor-management discussions (Roushi Kyougi) take place - expressive of the values sense of belonging and wisdom - and there is collective bargaining on an annual basis (Dantai Koushou) - which implies sense of belonging, social power, and social order. In contrast, all these characteristics are missing in HRM practices in Japanese MNCs. And the NOS indicates that employees do not often belong to unions in US establishments, providing evidence for an adjustment of practices in Japanese MNCs to US HRM. A final finding, that strikes are not very common in firms in Japan and in Japanese MNCs, implies the value world at peace.

To what extent do the data indicate a transfer of values in Japanese HRM practices to the US? This has partially been the case with job rotation, implying the value varied life. There has also been a partial introduction of proactive management, with the coincident values broad-minded, sense of belonging, and social power. The use of temporary workers has largely been transferred to the US, again indicating varied life. The use of bonuses is provide further evidence and indicate the values wealth and varied life. Overall, with the HRM practices of Japanese MNCs in the US comes a transfer of the values varied life, wealth, broad-minded, sense of belonging, and social power. Surprisingly, these values primarily belong to the dimensions of self-enhancement and openness to change, with only sense of belonging and broad-minded falling somewhat outside of these dimensions. It needs to be emphasized that the transfer of social values through human resource practices is not indicative of a possible transfer of psychological values. Practices can be copied without people necessarily adopting the values expressed by such practices.

With the partial transfer of values in Japanese HRM practices to the US comes a partial adjustment of such values to US HRM. Thus, the lower incidence of job rotation, transfer of employees, and temporary workers implies more social order and less varied life; and less proactive management indicates less broad-minded, sense of belonging, and social power. A full adjustment to US values occurs with the lack of increase in pay related to the number of dependents, demonstrating a decline in importance of the values family security and wealth in comparison to HRM in firms in Japan. And the fact that employees do not often belong to unions is more proof for an adjustment to US practices, with a decrease in importance of the value sense of belonging. In sum, HRM practices in Japanese MNCs show an adjustment to US values with an increase in importance of social order, and a decrease of varied life, sense of belonging, broad-minded, social power, family security, and wealth. We find one idiosyncratic HRM practice in Japanese MNCs, namely in the relative lack of internal promotions of managers, indicating diminished importance of the value sense of belonging. The evidence show little support for an adjustment in values in Japanese HRM in the direction of US HRM. The only surprise in this regard was the finding that employee promotions are said not to be based on length of service. In contrast, certain practices were found in US HRM that are similar to traditional Japanese practices.

For instance, results demonstrate that quality control is found in the US, as well as an alleged attempt to avoid layoffs during recessions, and further, management positions are filled through internal promotions, new recruits receive training, and health insurance is provided. The values implicit in Japanese HRM, US HRM, and HRM of Japanese MNCs are summarized in table 4. For Japanese MNCs in the US, the table indicates that HRM practices can be seen as constituting a hybrid case of practices seen in Japan and the US. Security values are very important, particularly sense of belonging and social order. Other important values are wealth and varied life. In addition, a number of universalism, achievement, and power values have been found, as well as creativity and hedonism. Overall, HRM in Japanese firms is characterized particularly by the value sense of belonging, as well as by other security values such as social order and family security. Power values are also frequently found, in particular wealth and social power. Varied life is important with regard to job rotation, the use of temporary workers, and bonuses, and a number of universalist values is found, including broad-minded, wisdom, and equality. Achievement values play a more limited role; somewhat less important still are some self-direction values and hedonism.

HRM in US organizations is also characterized by the importance of security values, specifically social order. Power values play a role in US HRM, as do achievement values. The values sense of belonging, family security, and varied life are not found, and neither are universalist values. As mentioned before, these overall results are highly dependent on the surveys used and should be interpreted with care and reservation. In conclusion, compared to HRM in firms in Japan, Japanese MNCs demonstrate limited change in security values from sense of belonging and family security to social order; a decreased importance of the values wealth and social power; and a decreased importance of the values varied life and the universalism values broad-minded, wisdom, and equality - together partially constituting local responsiveness as well as a country-of-origin effect. Little evidence was found for a change in values in HRM in firms in Japan towards US HRM.

### **5. Discussion**

This study finds a partial adjustment of values in HRM practices of Japanese MNCs from Japanese values to those implicit in US HRM. Characteristic values found in HRM in Japanese firms, such as sense of belonging, family security, varied life, and a number of universalism values, are found to be of lesser importance in HRM practices of Japanese MNCs, while the value of social order is more important. This partial adjustment implies the presence of a certain local responsiveness to the values implicit in US HRM, as well as a partial country-of-origin effect. Our data show little evidence of changes in values in HRM practices of firms in Japan in the direction of US values.

A number of reservations to this study should be mentioned. First, the use of the NOS for US data has only led to compatible data for a number of practices but not for others. Unfortunately, there are few other surveys that have a sample that is as representative of the entire population of US establishments as the NOS. Due of the lack of compatible data, the current study should be seen more as a study of values in HRM practices in firms in Japan and in Japanese MNCs in the US than as a study of values in HRM in firms in the US. Secondly, the scope of the study could have been more extensive as a number of HRM practices were not included in our surveys. This means that the overall comparison in terms of values could change significantly once other practices are included. But the comparison of values expressed by single practices on the basis of a narrow technical perspective still remains valid, as do our conclusions regarding the transfer or adjustment of values in the practices studied. Thirdly, our data were collected in 1998, and practices may have changed in the meantime. And finally, our study did not investigate the extent to which certain practices are expressive of certain values. This is an important issue for future research which, however, does not change our empirical findings in terms of which values were found.

Overall, our study appears to paint a decent picture of the values implicit in HRM practices of Japanese MNCs, and their differences and similarities to values found in the HRM of firms in Japan and organizations in the US. It indicates the importance of a non-normative empirical view at HRM practices of multinationals in comparison to home and host country practices. Finally, and most importantly, it demonstrates both the possibility and the relevance of the empirical study of social values, in particular with reference to the on-going globalization debate.

1. The data (and tabulations) utilized in this paper were made available (in part) by the archive or agency which distributed the data. The data for the 1996-1997 National Organizations Survey were originally collected by the Minnesota Center for Survey Research at the University of Minnesota. Neither the original sources or collectors of the data nor the distributor of the data bear any responsibility for the analyses or interpretations presented herein.

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**Table 3 Scores, presence of HRM practices, and interpreted values in Japanese MNCs in the US (P < 0.05)**

Japanese MNCs in the US	N	Mean	Test value	Sign. (2-tailed)	Yes/No/Neutral	Interpreted Values
<b>Work Flow</b>						
Jobs and tasks are rotated among workers in office	108	2,44	3	,000	No	social order
Jobs and tasks are rotated among factory workers	96	3,27		,015	Yes	varied life
Office employees are transferred among departments	107	2,50		,000	No	social order
Quality control is used by factory workers	96	4,02		,000	Yes	capable, influential, preserving public image, social power, social recognition
Proactive management is used by factory workers	95	3,15		,179	Neutral	-
<b>Human resource flow</b>						
Company recruits young college graduates	107	2,53		,000	No	-
Company recruits once a year	108	1,81		,000	No	varied life
Uses temporary workers in office	102	3,02		,882	Neutral	-
Uses temporary workers in factory labor	95	3,19		,145	Neutral	-
Large scale layoffs take place during recessions	106	2,09		,000	No	security
Employee promotions are based on length of service	107	1,94		,000	No	-
Management positions are filled through internal promotions	105	3,15		,081	Neutral	-
New recruits to receive training	108	3,95		,000	Yes	capable
<b>Compensation</b>						
Bonuses offered to office employees	107	3,74		,000	Yes	wealth, varied life
Bonuses offered to factory employees	100	3,50		,002	Yes	wealth, varied life
Company offers stock options	106	1,86		,000	No	-
Managers' housing expenses covered	108	1,85		,000	No	-
Employees' housing expenses covered	107	1,49		,000	No	-
Commuting expenses	108	1,82		,000	No	-
More dependents more pay	107	1,66		,000	No	-
Health insurance	108	4,68		,000	Yes	healthy, security, wealth
Company has recreation facilities	108	2,03		,000	No	-
<b>Governance</b>						
Employees informed of management conditions and future plans	105	3,26		,027	Yes	wisdom
Company uses suggestion system	101	3,59		,000	Yes	creativity, wisdom
Suggestion boxes are put out	108	3,15		,265	Neutral	-
Decisions made by all departments	108	3,10		,261	Neutral	-
Morning meetings are held in each department	106	2,79		,076	Neutral	-
Morning meetings are held for factory workers	94	3,03		,792	Neutral	-
Managers and office staff eat lunch together	107	3,59		,000	Yes	sense of belonging, equality
Managers and office staff have dinner after work together	107	2,56		,000	No	-
Fun events held for employees and families	106	3,56		,000	Yes	sense of belonging, hedonism
<b>Industrial relations</b>						
Office staff belongs to union	101	1,35		,000	No	-
Factory laborforce belongs to union	94	1,85		,000	No	-
Roushi Kyougi (labor-management discussions)	100	1,96		,000	No	-
Dantai Koushou (collective bargaining) annually	100	1,44		,000	No	-
Employee strikes have taken place in last 3 yrs	104	1,35		,000	No	world at peace

**Table 4 Values Implicit in HRM in Japan, the US, and Japanese MNCs in the US**

<b>Value-dimensions</b>	<b>Japan</b>	<b>US</b>	<b>JMNCs in the US</b>
Conservation	Security (2)* - sense of belonging (11) - social order (3) - family security (3) - reciprocation of favors (1) - healthy (1)	Security (2) - sense of belonging (1) - social order (5)  - healthy (1)	Security (2) - sense of belonging (2) - social order (2)  - healthy (1)
Self-enhancement	Power - wealth (7) - social power (4) - social recognition (1) - preserving public image (1) Achievement (1) - capable (2) - influential (1) Hedonism (1)	Power - wealth (1) - social power (1) - social recognition (1) - preserving public image (1) Achievement - capable (3) - influential (1)	Power - wealth (3) - social power (1) - social recognition (1) - preserving public image (1) Achievement - capable (2) - influential (1) Hedonism (1)
Openness to change	Stimulation - varied life (5) Self-direction - curious (1) - creativity (1)		Stimulation - varied life (4) Self-direction  - creativity (1)
Self-transcendence	Universalism - broad-minded (2) - wisdom (3) - equality (2) - world at peace (1)		Universalism  - wisdom (2) - equality (1) - world at peace (1)

\* Figures between parenthesis indicate frequencies of value-types or single values.