

"Revision and Transformation of Japanese MNEs and Japanese Management Systems".

The Symposium by JAIBS focuses on the issues of advantages of contemporary Japanese management, such as competitive advantages, technological advantages, in the global market. Although, Japanese management systems have had some advantages over competitors for some decades in the past, we find Japanese MNEs have been facing difficulties or losing their competitiveness. Therefore, the panelists will revise competitive advantages of contemporary Japanese MNEs or Japanese Management from the viewpoints of each panelist's research expertise.

- 1) HR Challenges for Japanese MNEs by Professor. Dr. Dr. Fabian J. Froese, Professor and Chair of Human Resources Management and Asian Business, Georg-August-University Göttingen, Germany

Japanese MNEs have rapidly expanded into overseas markets. To maintain global success, attracting and developing global talent has become a key (HR) challenge for Japanese MNEs. Most Japanese MNEs pursue an ethnocentric staffing approach, i.e. all leadership positions at home and abroad are filled with Japanese managers, and largely transfer their domestic HR practices to their foreign subsidiaries. As a consequence, Japanese MNEs suffer from low organizational attractiveness and high employee turnover. In this talk, we discuss the situation of and possible recommendations for Japanese MNEs to better attract and develop global talent. Towards that goal, I present various survey results and provide examples of Japanese, Korean, and German firms.

- 2) Innovation in the New World Order: From Classical to Frugal innovation by Dr. Ishtiaq Pasha Mahmood, Associate Professor, Department of Strategy & Policy, National University of Singapore Business School, Singapore

Delivering high growth profitably is a challenge both for established MNEs and their emerging market challengers. Markets in advanced economies are maturing, making growth difficult. While emerging markets offer huge growth potential it is often at very demanding price points. Moreover, poor infrastructure makes it harder and more expensive to reach customers. Growing profitably is often a challenge in these markets. In this talk, we discuss how firms from both advanced and emerging markets can deal with the twin challenges of growth and profitability in emerging markets. Specifically, we will use examples of firms such as Haier, Tata, or Samsung to illustrate how success in Asia often requires an ability to compensate for various "institutional voids" by combining product innovations with innovation in the business delivery system.

3) Supply Chain Transformations for Japanese MNEs by Dr. Tetsuya Usui, Associate Professor,
Faculty of Law, Nihon University, Japan

The purpose of this talk is to explore how new Japanese MNEs develop, maintain and manage competitive hybrid supply chain network without ownership control across borders. Transaction cost analysis predicts that the higher the asset specificity, transaction frequency, and transaction uncertainty, the higher ownership (i.e., insourcing strategy) the firms tend to employ in order to control their supply chain. However, unlike previous successful Japanese MNEs in electronics and automobile industries in 1980s with *Keiretsu* structures, new Japanese firms have developed its upstream supply chain network without ownership controls (high flexibility in transaction with independent Chinese suppliers) and have still achieved high quality production with low cost operations and quick response to market. Our study reveals that there are three factors the principal firm can conduct to lead more appropriate conditions for this new supply chain network development for Japanese MNEs; exercised economic reward power, referent power based on expertise, and effective transactional tension management between the principal firm and independent suppliers.

Moderator: Dr. Chie Iguchi, Associate Professor of International Business, Faculty of Business and Commerce, Keio University, Japan