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Normative and systems integration in human resource management in Japanese multinational companies

Article

Supplemental Material

Tables

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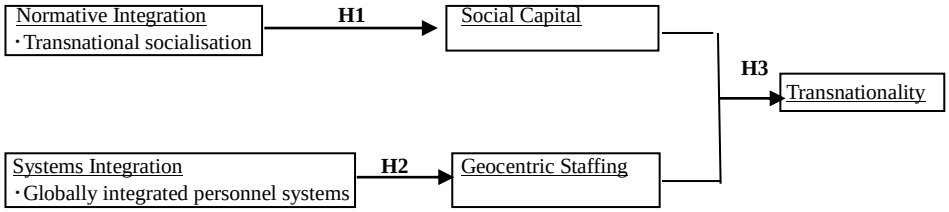
(Figure 1) A framework of 'transnational human resource management'



(Table 1) Practices for normative integration and systems integration

	Total	Non-manufacturing	Manufacturing	t-value
＜Normative integration＞				
・Personnel approach	2.37	2.02	2.42	-1.269
・Value-based evaluation	1.76	1.50	1.80	-0.963
＜Systems integration＞				
・Global talent management systems	1.75	1.40	1.79	-1.457
・Global comparability of HRM systems	1.53	1.33	1.56	-0.799

(Table 2) Situations on social capital

Situations	Total	Non-manufacturing	Manufacturing	t-value
"Relationship of mutual trust" has been established between the senior managers of our global headquarters and our overseas subsidiaries beyond the boundary of borders.	3.29	3.09	3.32	-0.691
"Human networks" have been established operationally or functionally beyond the borders or nationalities in our group.	3.04	2.82	3.07	-0.683
The integrated "global corporate culture" has been formed and shared by global headquarters and our overseas subsidiaries, overcoming differences in national or regional cultures.	2.71	2.00	2.80	-2.123*
Organisational climates have been established globally to emphasize "mutual learning" between our global headquarters and our overseas subsidiaries, as well as among our overseas subsidiaries.	2.65	2.18	2.71	-1.572
Local senior managers of our overseas subsidiaries think and act, not only for the advantage of their companies but also from a "global viewpoint".	3.08	2.64	3.13	-1.509

* : $p<0.05$.

(Table 3) Situations on geocentric staffing

Situations	Total	Non-manufacturing	Manufacturing	t-value
Frequent opportunities exist for local employees of our overseas subsidiaries to be transferred to the global headquarters.	1.75	1.36	1.80	-1.453
Frequent opportunities exist for local employees of our overseas subsidiaries to be transferred to the regional headquarters.	1.86	1.55	1.90	-1.094
Frequent opportunities exist for local employees of one of our overseas subsidiaries to be transferred to other overseas subsidiaries.	1.73	1.91	1.71	0.688
Frequent opportunities exist for local employees of our overseas subsidiaries to be promoted as officers at the regional headquarters.	2.27	1.91	2.32	-0.975
Frequent opportunities exist for local employees of our overseas subsidiaries to be promoted as officers at the global headquarters.	1.77	1.73	1.78	-0.143

(Table 4) Situations on transnationality

Situations	Total	Non-manufacturing	Manufacturing	t-value
“Innovation” originating from our overseas subsidiaries frequently occurs.	2.31	2.09	2.34	-0.754
“Innovation” originating from our overseas subsidiaries is frequently “reverse-transferred” to our global headquarters.	2.12	1.91	2.15	-0.764
“Innovation” originating from our overseas subsidiaries is frequently “horizontally transferred” to other overseas subsidiaries.	2.25	2.09	2.27	-0.546
Through “co-working (sharing respective knowledge and information) between our global headquarters and our overseas subsidiaries”, as well as among subsidiaries, “innovation” is frequently produced.	2.44	2.09	2.49	-1.220
Foreign-created “innovation” produced by either our global headquarters or overseas subsidiaries are “utilised” globally without resistance.	2.57	2.00	2.65	-1.952 †

† : p<0.1.

(Table 5) Relationship between normative integration and social capital

	Social capital β	
	Step 1	Step 2
Control variable		
・Type of business	0.169	0.088
Normative integration		
・Personnel approach		0.569***
・Value-based evaluation		0.064
R2	0.029	0.390
Adjusted R2	0.018	0.370
⊿R2		0.362***
F	2.679	18.991***

*** : p<0.001.

(Table 6) Relationship between systems integration and geocentric staffing

	Geocentric staffing β	
	Step 1	Step 2
Control variable		
・Type of business	0.054	-0.041
Systems integration		
・Global talent management systems		0.492***
・Global comparability of HRM systems		0.196*
R2	0.003	0.353
Adjusted R2	-0.008	0.331
⊿R2		0.350***
F	0.268	16.035***

*** : p<0.001, * : p<0.05.

(Table 7) Relationship between social capital & geocentric staffing and transnationality

	Transnationality β	
	Step 1	Step 2
Control variable		
・Type of business	0.128	0.029
Social capital		0.399***
Geocentric staffing		0.372***
R2	0.016	0.468
Adjusted R2	0.006	0.450
⊿R2		0.451***
F	1.512	26.047***

*** : p<0.001.

(Table 8) Mediation effect of social capital on transnationality

	Transnationality β	
	Step 1	Step 2
Control variable		
・Type of business	0.064	0.021
Normative integration		
・Personnel approach	0.463***	0.182
・Value-based evaluation	0.030	-0.002
Social capital		0.493***
R2	0.243	0.391
Adjusted R2	0.217	0.364
⊿R2		0.148***
F	9.519***	14.148***

*** : p<0.001.

(Table 9) Mediation effect of geocentric staffing on transnationality

	Transnationality β	
	Step 1	Step 2
Control variable		
・Type of business	0.057	0.079
Systems integration		
・Global talent management systems	0.342**	0.076
・Global comparability of HRM systems	0.122	0.016
Geocentric staffing		0.540***
R2	0.176	0.365
Adjusted R2	0.148	0.335
⊿R2		0.188***
F	6.277**	12.476***

*** : p<0.001, ** : p<0.01.

(Appendix 1) Descriptive statistics (Mean, Standard Deviation and Cronbach's alpha) and correlations of variables

	n	Mean	SD	Cronbach's α	1	2	3	4	5	6	7
1. Manufacturing dummy (control variable)	93	0.88	0.325		—						
2. Personnel approach	93	2.37	0.984	0.857	0.132	—					
3. Value-based evaluation	93	1.76	0.966	0.825	0.100	0.556**	—				
4. Global talent management systems	92	1.75	0.805	0.837	0.152	0.720**	0.695**	—			
5. Global comparability of HRM systems	93	1.53	0.870	0.910	0.083	0.336**	0.509**	0.411**	—		
6. Social capital	93	2.95	0.887	0.869	0.169	0.616**	0.389**	0.481**	0.235*	—	
7. Geocentric staffing	93	1.88	0.819	0.818	0/084	0.605**	0.498**	0.566**	0.384**	0.549**	—
8. Transnationality	93	2.34	0.868	0.909	0.128	0.448**	0.294**	0.400**	0.265*	0.609**	0.594**

** : p<0.01, * : p<0.05.

(Appendix 2) Factor analysis of practices for normative integration

Practices	Factor 1	Factor 2	h2
The top management of our global headquarters speaks to local employees at our overseas subsidiaries via "training sessions" or "TV conferences" regarding our corporate philosophy.	0.833	-0.063	0.633
As an important role in the dispatching of "expatriates" to our overseas subsidiaries from our global headquarters, the promotion of our corporate philosophy is emphasized.	0.707	-0.073	0.442
Use of "international projects" or "international task forces" joined by employees of overseas subsidiaries are emphasized as an effective way to promote our corporate philosophy.	0.680	0.129	0.586
Global "award ceremonies" or "in-house assemblies" are regularly held to symbolize our corporate philosophy.	0.638	0.123	0.519
Stories or episodes about our "founder", "restorer" or "heroes" as symbols of our corporate philosophy are conveyed to local employees of our overseas subsidiaries.	0.621	-0.094	0.323
"International personnel transfers" between our global headquarters and overseas subsidiaries and among the overseas subsidiaries are emphasized as a way to promote our corporate philosophy.	0.602	0.270	0.635
Our corporate philosophy is combined with a "personnel evaluation system" by relating them to such issues as "employee competency".	-0.150	1.055	0.942
Globally uniform "assessments" of leaders and managers are conducted, based on our corporate philosophy.	0.136	0.650	0.550
Local employees of our overseas subsidiaries as well have received globally uniform cards, booklets, in-house journals or other sources, stating our corporate philosophy.			
"Globally uniform employee training programmes", including e-learning, are conducted on our corporate philosophy.			
Globally uniform "morale surveys" or "organisational climate surveys" are regularly conducted to assure the dissemination of our corporate philosophy.			
Our policy is globally established to apply the corporate philosophy as acceptable criteria in recruiting capable persons.			
Our policy is globally established to apply the corporate philosophy to important decision-making or judgment processes.			
Eigenvalue	4.273	1.063	
Contribution	53.4%	13.3%	
Cronbach's alpha	0.857	0.825	
Inter-factor correlation	0.614		

・Components with eigenvalue of 1.00 or higher were used.

・Cross-loading items were eliminated in the analysis.
・Principal factor method and Promax rotation were used.

(Appendix 3) Factor analysis of practices for systems integration

Practices	Factor 1	Factor 2	h2
Our firm utilises a “personnel database” containing personnel evaluations and competency analyses of our employees globally, including those at our overseas subsidiaries.	0.743	-0.137	0.476
A system exists at our firm to seek out, register and foster “candidates as future senior managers” or “highly potential personnel” globally, such as in the areas of “human resource inventory”, “human resource pooling” and “talent management”.	0.734	0.070	0.591
“Succession plans” have been established at the initiative of our global headquarters.	0.716	0.158	0.642
Meetings attended by “managers of human resource management” of our global headquarters and overseas subsidiaries are held regularly.	0.680	-0.041	0.438
“Career paths” are clearly indicated to capable local employees of our overseas subsidiaries.	0.639	-0.085	0.365
“Name lists or databases” have been established regarding “in-house experts or specialists in specific areas”, and are available to local employees at our overseas subsidiaries.	0.625	0.052	0.423
Our “personnel evaluation system” is uniform and globally applicable.	0.067	0.917	0.902
Our “job classification (job-based grade) system” is uniform and globally applicable.	0.009	0.892	0.803
Our “compensation system” is uniform and globally applicable.	-0.129	0.865	0.662
Our global headquarters conducts “training of future top management” for those senior managers and other managers who are selected globally, including the local staff of our overseas subsidiaries.			
Behavioural characteristics and qualifications required for our senior managers and other managers are clearly indicated globally, based on a globally uniform “competency model” or “leadership model”.			
Information on “posts and jobs to be filled” by in-house advertisements (job-posting) is accessible globally, and the local staff of our overseas subsidiaries can apply for such posts and jobs.			
Globally uniform “compensation rules” have been established for our employees who are transferred between our global headquarters and overseas subsidiaries and between our overseas subsidiaries.			
Eigenvalue	4.253	1.773	
Contribution	47.3%	19.7%	
Cronbach’s alpha	0.837	0.910	
Inter-factor correlation	0.465		

・Components with eigenvalue of 1.00 or higher were used.
・Cross-loading items were eliminated in the analysis.
・Principal factor method and Promax rotation were used.