Title: Managing ambiguity: an empirical study of human resource management at Japanese overseas subsidiaries

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Managing Ambiguity

This research begins by exploring the dissatisfactions that local employees at overseas subsidiaries have towards management. My personal work experience and preliminary research pointed out that the issue of “ambiguity” at these subsidiaries is a major reason for employee dissatisfaction.

Further research is conducted to further explore ambiguity that occurs at the overseas subsidiaries of Japanese companies. Full interview scripts of ten local staff members who work at six different Japanese companies in North America are used for data-mining of ambiguous situations. Additionally, data gathered from three local managers and three HR managers at Japan’s headquarters of the corresponding companies are used for additional information.

To precisely identify the concept of “ambiguity”, the dictionary meaning of “ambiguous” is used to define the ambiguous situations. These include situations that have (1) uncertain meaning, and (2) two meanings. Additionally, a new category - (3) a combination of the two - is defined after detailed observations of different ambiguous situations. Upon identifying the ambiguous situations from the full text of the interviews, the reasons and results of each situation are searched for. The information is then organized using Cause-and-Effect diagrams. Next, any countermeasures by management that the interviewees mentioned are added onto the diagrams. Lastly, the effects of each countermeasure are recorded according to the opinion of the local staff members. A total of 40 Cause-and-Effect diagrams are constructed.

Using these cause-and-effect diagrams, analysis is conducted by comparing ambiguous situations 1) by company, 2) that are successfully resolved and the ones where ambiguity remain, 3) that have an uncertain meaning, two meanings, and a combination of the two meanings, 4) that are solved by minimizing the negative aspects of ambiguity and the ones that are solved by enhancing the positive aspects of ambiguity.

The comparisons verified the fact that ambiguity is an important issue faced by Japanese companies. Although all six of the companies try to attack ambiguity in one way or another, the local staff’s opinions illustrate that over half of the ambiguity that occurred in their offices remain unsolved. Of the situations that are successfully solved, “two meanings” ambiguity and “type 1 uncertain meaning” (ambiguity that occur only at the overseas subsidiary) indicate an imbalance between headquarters and the local subsidiary, and are solved by eliminating or minimizing ambiguity. On the other hand, “type 2 uncertain meaning” (where ambiguity occurs at both Japan’s headquarters and the overseas subsidiary) are often the “freedom” that management has deliberately left for its staff. These situations can be positive for the company if management can make their staff understand the positive aspects of having ambiguity, and do not necessarily have to be eliminated. Lastly, ambiguous situations that contain both “uncertain meanings” and “two meanings” can be effectively managed by minimizing the negative aspects while enhancing the positive aspects.

In conclusion, although the abovementioned is the logical way to resolve ambiguity, it is most important to build long-term trust with the local staff before the countermeasures are accepted in the way that management intends its local staff to.