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The bi-cultural option for global talent management: The Japanese/Brazilian *Nikkeijin* example

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ABSTRACT

This paper reports on an important subgroup of international boundary-spanners – immigrants and second or third generation migrants from the MNC's home country living in the subsidiary host country. We take as our example the *Nikkeijin* (Japanese immigrants and their descendants) in Brazil. Such bi-cultural people are a largely unexplored source of boundary-spanning internationally competent talent for multinational enterprises. Using two different surveys, we find that this group is recognized as a source of talent by Japanese MNCs, but that their HRM practices are not appropriate to attract and use them in their global talent management programmes.

1. Introduction

Studies of international human resource management developed from an early concentration on expatriates assigned from parent-company headquarters to foreign subsidiaries (PCNs), to a wider analysis of the use of host country nationals (HCNs) and third-country nationals (TCNs) (Harzing, 1999, 2001; Scullion & Collings, 2006; Toh & DeNisi, 2005) and then more recently to self-initiated expatriates (see the recent books on the topic (Andresen, Al Ariss, Walther, & Wolff, 2012; Vaiman & Haslberger, 2012). The latest area of interest has been in the management of international staff who fit none of these categories: the increasing number of the international labour force who, from birth or experience, are individuals who are capable in more than one culture. We explore this topic through an examination of a particular group of bi-culturals: Japanese Brazilians.

The reasons for the use of expatriates were originally described as three-fold (Edström & Galbraith, 1977): To compensate for a lack of skills amongst the foreign workforce, as a means of control or developing the organization by transferring knowledge and policies, or as a means of developing individual expatriates. This categorization has stood the test of time and is still used today, though augmented with other purposes such as developing global mindsets (Arora, Jaju, Kefalas, & Perenich, 2004; Osland, Bird, Mendenhall, & Osaland, 2006). While expatriation makes a positive contribution to organizational objectives, there are also disadvantages: The chief amongst these is the cost – usually several times the cost of the appointment of the same individual on their home site and many times more than the cost of employing locals. They may also have very little understanding of the foreign business context, may have problems with the local language and with settling into and performing effectively in the local environment. Whilst the importance of pre-departure training programmes to improve the cross-cultural adjustment of expatiates and their family member has been emphasized in the IHRM literature for years, researchers are unable to prove its effectiveness (Ehnert & Brewster, 2008; Puck, Kittler, & Wright, 2008; Tarique & Caligiuri, 2009). Moreover, the successful reintegration of former expatriates is one of the troublesome challenges in the global assignment cycle (Brewster, Sparrow, Vernon, & Houldsworth, 2011; Mendenhall, Dunbar, & Oddou, 1987; Tung, 1988).

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By contrast, localization is expected to improve the image of the business in the host location and enable better access to locally-embedded knowledge (Fryxell, Butler, & Choi, 2004; Tian, Harvey, & Slocum, 2014). Internally, it will avoid the costs of expatriation and contribute to the acquisition and retention of capable human resources (Evans, Pucik, & Barsoux, 2002). Localization also involves potential problems (Collings, Scullion, & Morley, 2007), such as a possible lack of professional or managerial ability in the host subsidiary or environment, the more restricted mindset of local employees and difficulties in communication with headquarters (HQ). Consequently, companies are often required to invest a lot of money and time for the development of their local employees, which could offset their advantages in costs. In addition, in some emerging society markets, MNCs have been suffering from a high turn-over rate of local managers (Khatri, Fern, & Budhwar, 2001; Selmer, 2004; Tian et al., 2014; Tymon, Stumpf, & Doh, 2010).

The recent growing literature on talent management, in which this journal has been a leader, both generally (Al Ariss, Cascio, & Paauwe, 2014) and specifically in global talent management (Cerdin & Brewster, 2014; Shen & Hall, 2009; Stahl et al., 2012; Tarique & Schuler, 2010), aims to develop a line of analysis independent of but covering both expatriation and localization. Whilst the precise outlines and meanings of 'talent management' may be unclear or disputed (Al Ariss et al., 2014; Lewis & Heckman, 2006) effective talent management is a major contributor to the success or failure of businesses (Joyce & Slocum, 2012) hence a deeper understanding of the way this plays out through expatriation and localization is of considerable interest.

The academic interest in talent management has arisen partly because, as in other areas of HRM (Jackson, Schuler, & Jiang, 2014), multinational corporations (MNCs), aided by consultancies, have adopted the terminology as they have begun to search for new options. A key to these options globally is people who can function as boundary-spanners between the local context and HQ by having dual cultural schemas and bi-lingual skills. They have extensive experience in more than one country, or they are children or descendants of people who have moved from one country to another. These people are, depending on the different definitions used in the literature, "bi-culturals" (Brannen & Thomas, 2010; Friedman & Liu, 2009; Lücke & Roth, 2008), "multicultural employees" (Fitzsimmons, Miska, & Stahl, 2011), "third culture persons" (Hayashi, 1985, 1994), "cultural mediators" (Bochner, 1981; Oakamoto & Teo, 2012) or "cosmopolitans" (Hannerz, 1990; Levy, Beechler, Taylor, & Boyacigiller, 2007), perhaps even cosmopolitan patriots (Appiah, 1998). We use the common expression 'bi-culturals' here.

This article reports on one of the first empirical research analyses of this relatively small but valuable source of internationally knowledgeable individuals. It takes the following form. First, we discuss briefly some relevant aspects of the literature on international human resource management. Then we focus on our example case: the Japanese/Brazilians, or the *Nikkeijin*, in Brazil. We discuss the importance of this group; and the value that they may bring to Japanese MNCs. Then we explain our methodology and present our findings. Finally we discuss the implications of the findings for our understanding of international human resource management and for practitioners.

2. Literature review

2.1. Bi-culturals and their value

Although some commentators (Friedman, 2007; Tomlinson, 1999) have suggested that national differences are gradually being absorbed into one world culture, we believe that it is necessary to accept that national cultures and institutions remain of major significance. Therefore, bi-cultural potential employees become increasingly interesting players to world-ranging organizations. Specific examples of such bi-culturals would include the 'Latino' population in the USA, the extensive 'Chinese-Canadian' population and the Muslims brought up in Europe, all of whom have a different culture than that of either their parents or of their home country (Vertovec & Rogers, 1998). Although bi-culturalism has been studied in the psychology literature (Benet-Martinez & Haritatos, 2005), we could find very few empirical studies of this group in the international business literature.

Key to the various definitions of bi-culturals, or any of the related terms, is that they can function as boundary-spanners and mediators in the international context by switching relatively easily between two or more cultures (LaFromboise, Coleman, & Gerton, 1993). Whilst some argue that bi-culturals have to be 'born' (Brannen & Thomas, 2010), Lücke and Roth (2008) take a culture–cognitive perspective to argue that individuals can develop bi-culturalism through social experiences in later life. Bi-culturals are individuals who have internalised more than one cultural schema (Brannen & Thomas, 2010; Hong, 2010; Hong, Morris, Chiu, & Benet-Martinez, 2000). They have available to them more than one cultural frame which can be accessed in response to different situations. This enables them to play the role of a cultural broker, building bridges between organizational units in culturally different contexts, or acting as catalysts for creativity and innovation by combining cultural schemas (Brannen & Thomas, 2010; Hong, 2010).

According to Hayashi (1985, 1994), third culture persons are people who can act as a bridge between two cultures (first culture and second culture, or parent country and host country). They are expected to function as cross-cultural interface administrators. Hayashi's criteria for being a third culture person are proficiency in the two languages, understanding of the two cultures and trust from at least one group of members of the two countries (Hayashi, 1985). Whilst it is clearly true that mono-cultural people may achieve a certain level of explicit cultural knowledge through education, training, and experience, they will not gain the tacit knowledge that bi-cultural people have developed naturally (Hong, 2010). Hayashi (1994) suggests that such bicultural persons will help nurture mutual understanding in, particularly, the foreign subsidiaries of MNCs, by 'translating' the information, knowledge, and values exchanged across the two cultures. They thus become important human resources for such organizations (Butler, Zander, Mockaitis, & Sutton, 2012; Friedman & Liu, 2009).

Bi-cultural competence is regarded as a set of dynamic interacting dimensions consisting of knowledge, cross-cultural abilities (behavioural adaptability and cross-cultural communication skills) linked by cultural frame switching and cultural metacognition (Hong, 2010). Multicultural employees understand and apply the rules of their cultures and are usually fluent in the respective languages, which help them operate within and between their cultures. Fitzsimmons et al. (2011) indicated that multicultural employees have a potential to contribute to international business activities in five areas: multicultural teams, intercultural negotiations, international assignment, ethics and leadership, and international mergers and acquisitions.

Bi-culture persons can be seen as valuable talents for MNCs, particularly for Japanese MNCs, given the uniquely high-context communication styles (Hall, 1976; Hayashi, 1994). Since the earliest studies of Japanese MNCs, it has been pointed out that because of the homogeneous nature of Japanese society (Fernandez & Barr, 1993; Yoshino, 1976). Japanese MNCs have specific problems when they internationalise. In particular, it has been argued that the slow progress of localization of top management positions – a more explicit target for Japanese MNCs than for MNCs