

# Getting Cross-Border Employee Engagement Right US-Japan Case Study

*Brunswick Japan*

*Brunswick Employee Engagement*

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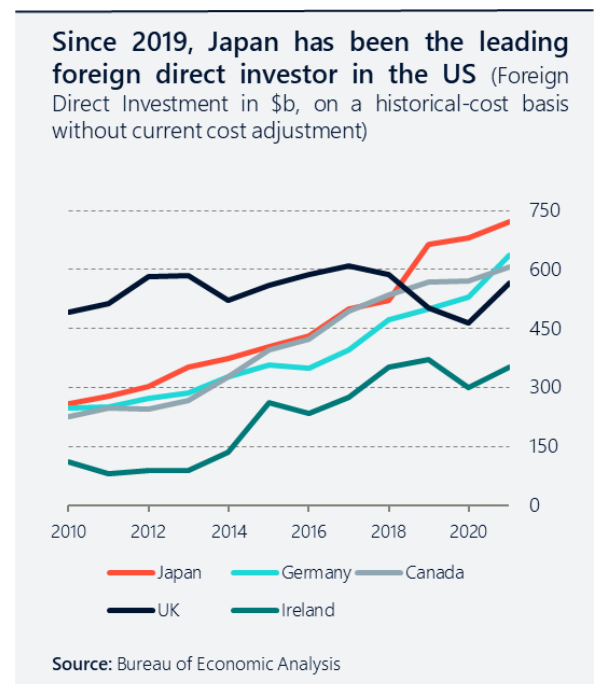
There is an increasing demand for products that respect local market needs, traditions, habits, and lifestyles – in other words, culture. While many global businesses are expanding their presence and adapting their products, services, and brands to those markets from an external perspective, it is critical that they simultaneously consider culture in the internal context of cross-border employee engagement.

## Case study: the US’s largest foreign investor

The US-Japan relationship is a powerful case study to illustrate this point. Japan is the third-largest economy in the world and the largest foreign investor in the US, with direct investments of \$721b USD over the last decade.

Though the US and Japan have much in common – their fundamental democratic values, geopolitical strategic interests, and free market economies – there remain significant culture barriers that continue to impact cross-border engagement. Companies should focus on addressing these issues to avoid unintentionally creating mistrust, derailing business or even extending risks across geographies.

To better understand these complexities, Brunswick Group partnered with [Keidanren](#), the Japanese Business Federation, to conduct a study with the objective of improving our understanding of the differences between US and Japanese businesses.



## Findings

The study conducted 22 interviews with senior executives from top US and Japanese companies across sectors. Our methodology focused on the challenges that Japanese companies face in M&A and post-merger integration in the US market, as well as what challenges Japanese companies tackle when dealing with social issues in the US.

Across our study, we found key differences in the ways US and Japanese executives viewed **culture**, **trust**, **diversity**, **stakeholder engagement**, and **social issues**. These five critical areas are defined differently in Japan than in the US, which leads to challenges specific to the ways in which employees and employers are expected to interact.

Below is a snapshot that presents the different ways that Japanese and US senior executives view – and define – these areas.

Issue	Japan	US
Culture	Corporate culture must be protected. Newcomers are expected to adapt to the existing culture.	Corporate culture is fluid and flexible. All employees join to create an inclusive and evergreen corporate culture.
Trust	Trust is based on shared values. Employees gain trust by understanding and following already established systems.	Trust is gained through individual competence based on existing expertise and experiences.
Diversity	Diversity is narrowly defined as gender and age, with a focus on compliance with the laws.	A diverse workforce – in terms of gender, age, sexual orientation, race, religion, and physical and mental disabilities – is beneficial to strengthen management capabilities.
Stakeholder Engagement	A passive approach to stakeholder engagement is taken, focusing on indirect engagement with industry associations and how direct business associates affect the company.	An active approach to stakeholder engagement is taken, focusing on a wide range of stakeholders, including employees and regulators.
Social Issues	Companies work to solve social issues by focusing on being compliant with government and UN guidelines.	Companies are expected to be proactive and respond to societal and employee expectations.

## Understanding and addressing critical gaps

It is important for companies to remember that best practices in one market will not deliver the same results in another. For example, with US corporations, we often recommend that leaders speak up and actively engage with stakeholders. This same practice in Japan would likely lead to an adverse result: by adopting a US-style approach, leaders risk being seen as bluffing, too aggressive, reactionary, and therefore less trustworthy in the eyes of Japanese employees, government officials, media, and other stakeholders.

These gaps cannot be addressed through dialogue alone. When US executives are working with their Japanese counterparts, it is important to create an environment where employees feel safe to speak up and express their opinions, without retaliation. Additionally, by reading between the lines and valuing what is *not* said as much as what is said, executives will be able to better understand and engage with their Japanese colleagues.

US executives operating in Japan can unintentionally mark themselves as outsiders, unaware of local dynamics, thus damaging employee morale and promoting internal divide between Japanese and “foreign” colleagues. This can lead to employees withholding information from leadership or their coworkers, creating a breeding ground for mismanagement and negligence that can severely damage a company’s shareholder value and global reputation.

## Next steps

Multinational enterprises that don’t adapt to understand cross-border culture and communication needs will struggle, especially when the issues they face are delicate and high-stakes. When corporations take social or political stands, or engage in cross-border M&A and post-merger integration, they need to be aware of the wide range of stakeholders, with differing viewpoints, that their statements will reach.

It is important to take time – before making large investments – to understand the culture and tailor engagement efforts and communications accordingly.

**When expanding globally, solicit frequent employee feedback.** During times of change, it is critical to engage employees early and often to capture overall sentiments and issues that are top of mind, in order to head off issues before they arise. Employees express themselves differently across geographies; therefore, the ways employers approach their employees (whether it be through surveys, listening sessions or other options) should be carefully tailored to consider cultural differences. The insights collected should be examined and reviewed from a local and global viewpoint to determine the best method for communication and engagement. Employee feedback can also come from regular cross-culture dialogue sessions that create an environment for open communication and a foundation of understanding between cross-border colleagues.

**Utilize data-driven insights.** While understanding cross-border differences within an organization is important, bringing an outside-in lens can drive greater impact. Overcoming the challenges of simultaneously localizing and globalizing engagement is easier done using powerful data, best practices, and insights from other sectors and organizations. Outside consultants who can advise on differing perspectives and cultures can help corporations bridge these gaps by leading management culture trainings that equip leaders with skills to foster better relationships, and providing a deeper understanding that comes from specialized experience.

**Foster culture ambassadors.** Individuals who understand differing cultural perspectives can use those understandings to promote mutual awareness and growth. Creating an internal system for these ambassadors can help corporations begin to bridge the gap and continue to encourage open communication and dialogue. Bringing culture ambassadors into engagement planning intentionally can lead to more powerful outcomes, including higher employee satisfaction, deeper stakeholder engagement, and greater financial success across acquisitions, mergers, and investments.

*Brunswick Group's Global Team Japan and best-in-class Employee Engagement practice group help companies by influencing and supporting employees to create long-term and meaningful value. The Japan team comprises more than 25 multilingual, Japan-focused colleagues with diverse backgrounds who provide seamless, around-the-clock advice and support for clients in critical situations. With global experience in employer reputation, change engagement, and culture development, Brunswick is positioned to provide expert support across industries, and make sense of the complex world of multi-stakeholders for success.*

## To continue the conversation:

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