


# The Impacts of Organizational Culture on Knowledge Transfer Between Japanese Managers and Vietnamese Employees in Japanese Enterprises

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## ABSTRACT

Knowledge transfer effectiveness is considered one of the most important factors for ensuring the success of any enterprise, especially for multinational enterprises. However, in the case of Japan, the effectiveness of knowledge transfer between Japanese managers and foreign employees is not high. This limited effectiveness is understood as linked to the cultural distance between Japanese managers and foreign employees. The main goal of this study is to explore the impact of organizational culture on knowledge transfer in Japanese enterprises. Quantitative survey research was conducted with 365 respondents, who are Vietnamese labourers working in Japan. Analysis showed that two factors had a positive impact on the effectiveness of knowledge transfer: cultural openness and managers' communication ability. The study draws on these results to make recommend improvements in the knowledge transfer process between Japanese managers and Vietnamese employees.

## KEYWORDS

Communication Ability, Cultural Openness, Japan, Knowledge Transfer, Organizational Culture

## 1. INTRODUCTION

In the knowledge economy, knowledge is a strategic resource for developing any organization. Moreover, for multinational companies, knowledge must be shared and transferred between staff and business units for increasing competitiveness and ensuring the success of the company. Knowledge is a multidimensional concept with several meanings (Nonaka, 1994). This paper positions knowledge as the facts, information, and skills acquired through experience or education which are transferred between Japanese managers and foreign employees.

Recently, Japanese enterprises received a large influx of foreign employees, especially from Vietnam, due to labour shortage. Traditionally, the Japanese government had a negative view on opening labour markets. In 1999, even though the government adopted a policy positive toward acceptance of foreign workers with specialized skills, unskilled labour was not admitted. However, in the 2000s the government unofficially expanded its openness to unskilled labour, and in 2019 the law was relaxed. According to Japanese Ministry of Health, Labour and Welfare statistics, at the end of October 2018, some 1.46 million foreign labourers were registered, among them 389,000 from

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China (26.6%), and 317,000 from Vietnam (21.7%). However, the effectiveness of knowledge transfer between Japanese managers and foreign employees is seen as low because of the cultural distance between Japan and the labourers' sending countries.

Japanese culture – and business culture in particular – is distinctive. According to (Nishiyama, 2000), the long period of continued isolation imposed by the Tokugawa government gave the Japanese a strong and distinctive sense of self-identity. Because of this, the distinctive Japanese style of communication is based on '3Hs': humanity (warm consideration for others), harmony (efforts not to hurt the feelings of others), and humility (modesty) (Kameda, 2005). Modern Japanese culture can be seen as the mutual reinforcing of ancient Shinto, Buddhist and Confucian traditions overlaid with modern institutions. Confucianism is one of the fundamental belief systems undergirding Japanese politeness. Confucianism stresses loyalty, justice, a sense of shame, refined manners, modesty and honor among other values (Stuart, 1987).

Japanese culture is known to be highly complicated with very fine distinctions between what is seen to be 'right' and 'wrong', and continues to have a strong influence on non-Japanese who live and work in Japan. Unlike in Western societies, the 'group' is seen as more important than the 'individual'. If a group member steps out of line in any respect, this deviance has a strong impact on the way Japanese people perceive that person. This is reflected very clearly in the Japanese language itself, which has both a formal and a casual form.

For centuries, Japanese have been taught from a young age that they need to be responsible members of their families, their organization and their country, and serve others' needs before their own. As a result, a culture of obedience and relative passivity has developed, as people are used to having their lives regulated by rules.

Since Japan has a high-context culture, the Japanese management system relies heavily on the shared cultural context (Abegglen and Stalk, 1985; Hall and Hall, 1987; Hedlund and Nonaka, 1993). Specific corporate management systems like *kaizen* (continuous improvement), lifetime employment, multi-skilled labour, *eigyo* (sales force) intensive marketing, incrementalism, and the *keiretsu* system (Abegglen and Stalk, 1985; Aoki and Dore, 1994; Asanuma, 1989; Johansson and Nonaka, 1996; Ouchi, 1981). Similarly, Japanese corporates have distinctive features in their international interactions, characterized by the tendency towards ethnocentrism (Bartlett and Ghoshal, 1989, 1999). Organizational culture has long been known to play a very important role in the success of Japanese companies. These values and norms give a clear direction for how things are done in Japanese multinational companies.

According to Schein, organisational culture is a pattern of basic assumptions – invented, discovered, or developed by a given group as it learns to cope with its problems of external adaption and internal integration. This organizational culture has worked well enough to be considered valid, and therefore, to be taught to new members as the correct way to perceive, think and feel in relation to these problems (Schein, 1995). Schein considered shared beliefs as central to organisational culture which is a learned group experience resulting from the problem-solving process of a given group, and that a pattern of basic assumptions are the ultimate source of value in action (O'Donovan, 2006).

Therefore, organizational culture, in the Japanese context, may have great impact on knowledge transfer between Japanese managers and foreign employees. Examples can be given of a number of current problems related to knowledge and communication gaps and cultural practices. Firstly, cultural differences between Japanese managers and foreign staff make communication difficult. The second issue is that there are gaps between the practical and theoretical knowledge of foreign staff in terms of applying Japanese techniques and management styles. Thirdly, there is an increasing trend towards staff mobility between Japanese enterprises as part of the Industrial Revolution 4.0, known as 'Society 5.0' in Japan.

In order to ensure the success of Japanese enterprises in the global economy and to help manage knowledge resources effectively, a knowledge-oriented culture should be established. Previous research has showed that organizational culture has a substantial impact on the success of knowledge

management (Kimiz, 2005; Al-Alawi et al., 2007; Pham, 2017; Afshari et al., 2020). Given the newly multicultural working environment of Japanese enterprises, cultural factors now play a more important role in knowledge transfer from Japanese managers to foreign employees. However, there is a lack of research about the relationship between organizational culture and knowledge transfer in the context of Japanese enterprise. A research question can be formed as follows: “How does organizational culture impact on knowledge transfer between Japanese managers and Vietnamese employees in Japan?” This question necessitates an exploration of the impact of organizational culture on the effectiveness of knowledge transfer in Japanese enterprises with Vietnamese employees.

The specific research objectives can be summarized as follows: firstly, measuring the impact of organizational culture on knowledge transfer in Japanese companies employing Vietnamese labourers; and secondly, making recommendations for encouraging knowledge transfer in Japanese companies employing Vietnamese labourers. The structure of this paper will be organized as follows: Section 2 presents the theories on which this study relies through a literature review; Section 3 proposes the research model and hypotheses; Section 4 summarizes the research process; Section 5 reports the results of analysis, Section 6 presents discussion and implications, and finally, Section 7 offers key conclusions and some limitations.

## **2. THEORETICAL CONCEPTS AND LITERATURE REVIEW**

### **2.1. Knowledge**

Knowledge is defined as “a justified belief” that increases one’s capacity for doing something effective (Alavi et al., 2001). Knowledge is a familiarity, understanding or awareness about somebody or something, such as an object, information, descriptions, facts or skills, which is collected through education or experience by learning, discovering or perceiving. Knowledge is also said to be involved in the capacity of acknowledgment in human beings. In the context of multinational enterprises, knowledge refers to data, information, talent, and any intellectual assets necessary for doing business, including business secret, know-how, patent, management skills, etc.... Therefore, the competitive advantages of multinational enterprises come from the management of the knowledge flow between their managers and employees throughout their branches around the world.

### **2.2. Knowledge Management (KM)**

Knowledge management is defined as the process of organizing and managing knowledge inside of an organization, such as identifying gaps in knowledge, and acquiring, developing, storing, distributing, sharing and applying knowledge (Verburg and Andriessen, 2011). According to Kimiz (2005), KM processes include: knowledge creating and capturing; knowledge sharing and dissemination; and knowledge acquisition and application. All of these processes are determined by organizational culture because of its important role in human behavior.

### **2.3. Knowledge Sharing/ Transfer**

Knowledge sharing is a hot topic and considered an important step of the knowledge management process (Gaviria-Marin et al., 2018), in which one or both parties seek and give their knowledge, especially their tacit knowledge (know-how, attitude, experience, ideas...). Knowledge transfer is similar to knowledge sharing, but focuses more on the effectiveness of this behavior, especially from the knowledge receiver’s viewpoint. The effectiveness of knowledge transfer is measured by the satisfaction of knowledge receiver, and the perception about the usefulness of knowledge received in decision making or problem-solving.

In Japan, knowledge transfer is affected by the development of absorptive capacity and innovative competences within organizations. In the Japanese context, labourers have been spend substantial time in training and use co-workers as a primary source of technical information and rely on cross-

department interactions to work effectively. This has provided the basis for absorbing and applying new technologies from several sources to product development objectives and for using organizational knowledge and competencies to create new products and processes. In Japan, intra-firm authority sharing and involvement of skilled staff in continuous and collective problem-solving processes have interacted closely with inter-organizational networks of learning and knowledge production. This has meant that firms have accumulated innovative capabilities by integrating research, development, investment and manufacturing activities both within and across firms and industries (Brown, 2006).

## **2.4. Organizational Culture**

Organizational culture refers to the spiritual and physical environment of an organization that determines the attitude and behavior of its members. It includes tacit values, beliefs, and regulations of an organization (Kimiz, 2005). Islam et al. (2011) showed that there was a strong relationship between organizational culture and knowledge sharing behavior of employees in service industries in Bangladesh. Based on a study by Mueller (2013), the impacts of organizational culture on knowledge transfer between members of projects in European countries were also confirmed. Zhang (2018) also found a strong impact of organizational culture on knowledge sharing through incentives and business processes design. The above results indicated that organizational culture could be a suitable antecedent for knowledge transfer behavior in the context of Japanese enterprises.

In each Japanese organization, the leader plays a pivotal role in choosing and applying cultural values in the business. Leaders and managers have responsibilities that include setting the direction of the business activities, leading the businesses through challenges, creating an environment of trust and cooperation among members, and managing change in the organization. Therefore, the organizational culture will often depend heavily on the personality, ability of the leaders and managers (Mansouri et al., 2018). Most of Japanese leaders and managers are dedicated, hardworking, attentive to their employees' needs, and seek to be a good example for their employees (Nguyen, 2015). Japanese organizational culture makes two assumptions with regard to values that are central to the formation of Japanese organizational philosophy. The first is that without the context of values, action becomes meaningless. The second is that workers are better motivated if they believe that what they are doing is significant beyond its immediate application (Stuart, 1987). Japanese organizational culture greatly influences all activities of the organization and naturally affects the way knowledge is transferred between managers and foreign employees.

## **2.5. Related Research**

Some studies relating to knowledge transfer in global enterprises are summarized in the following table.

In general, the above studies showed the important role of cultural aspects from both knowledge senders and receivers perspectives in knowledge transfer in the context of multi-national organization. However, in Japanese enterprises, the managers have more power and play a more important role in knowledge transferring process. In the study described in this paper, the cultural practices of the Japanese managers (senders) are considered more important in determining the effectiveness of knowledge transfer in Japanese enterprises, because the Japanese managers are more active in the knowledge transfer process. Therefore, a research model that emphasizes the cultural aspects of Japanese managers and their impacts on knowledge transfer in Japanese enterprises is necessary for fulfilling the research objectives.

## **3. RESEARCH MODEL & HYPOTHESIS**

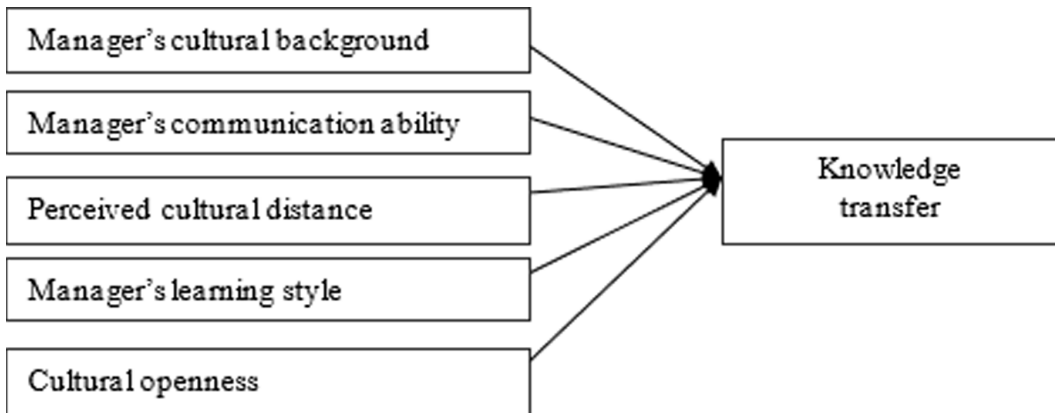
From the above analysis, the research model used by Parissa (2003) is considered the most suitable for evaluating the impact of organizational culture on knowledge transfer in the context of Japanese enterprises. This study adapts Parissa's model for quantitative research. In contrast to Parissa's work, this research examines the direct impacts of organizational culture on knowledge transfer, rather than

Table 1. Summary of related research

Authors	Title	Synopsis	Possible gaps
Parissa (2003)	Does Culture Really Matter? Culture on the Knowledge Transfer Process within Multinational Corporations	This study explored the impact of culture on the knowledge transfer process of multinational companies. A research model was proposed, which focused on cultural factors related to knowledge senders, such as cultural background, language ability, perceived cultural distance, learning style, and cultural openness. This research clarified the important role of knowledge senders in knowledge transfer.	This study raised no more than the indirect impact of cultural factors on knowledge transfer through the mediating role of knowledge processes. Further, the proposed model was not tested by quantitative research.
Štrach and Everett (2006)	Knowledge transfer within Japanese multinationals: building a theory	The purpose of this research is to explore the theoretical underpinnings of knowledge transfer within Japanese multinationals. A conceptual model of knowledge transfers within Japanese multinational companies and their overseas affiliates is proposed. This model incorporates two principal dimensions (facilitating factors and knowledge flows). An examination of Japanese managerial practices in light of these dimensions illuminates the relationships between some recognized typically Japanese traditions and their implications for knowledge transfer approaches and activities.	This research only proposed a conceptual framework without a suitable measurement scale for a quantitative analysis. Besides, there is a lack of analysis on organizational culture, which may have a strong impact on the knowledge flow of Japanese multinational companies.
Le and Felicitas (2007)	Acquiring tacit and explicit marketing knowledge from foreign partners in IJVs	This research project focused on the acquisition of tacit and explicit marketing knowledge from foreign partners in international joint ventures. A number of antecedents were identified and a model was tested using data obtained from 219 IJVs in Vietnam. Factors related to both knowledge seekers and knowledge holders, and the cultural distances between them were found to have a significant impact on the acquisition of marketing knowledge from foreign partners.	This research focused on marketing knowledge only, and not cover all aspects of cultural factors. Besides, the research focused on knowledge acquisition of Vietnamese workers from foreign partners in general.
Bastiaan (2009)	Sharing knowledge, being different and working as a team	This research project focused on knowledge transfer in multinational companies, knowledge-intensive and project-based companies. In these companies, members of different groups and projects have to communicate with each other remotely using various media and platforms. Some cultural factors could be identified, including social similarity, interdependency, values variations, and professional variations.	Although cultural differences were mentioned, the important role of knowledge givers (foreign managers) in knowledge transfer was not emphasized in this research project.
Pham and Luu (2016)	Impact of organizational culture on knowledge sharing behavior of employees in Vietnamese SME	This study explored the impact of organizational culture on knowledge sharing between employees in Vietnamese SMEs. Based on a data sample of 418 employees working in Vietnamese SMEs, analysis showed that knowledge sharing was affected by openness, team orientation, output orientation, and organizational structure.	This research only focused on the local employees and managers of Vietnamese SMEs. There is a lack of evaluation in the context of multinational company.
Nakagawa et al. (2018)	Japanese Management Styles: to Change or Not to Change? A Subsidiary Control Perspective	This study examines whether the Japanese management style should be reconsidered in emerging markets, from the subsidiary control perspective. Using overseas subsidiary control theory, a hypothetical structure was developed and hypotheses were tested using survey data from Japanese subsidiaries. The results showed that the transfer of Japanese way did not contribute to improving subsidiary performance in emerging markets, but the departure from it did. In addition, the acceptance of local culture, headquarters' decentralization, and creating local partnership promote that departure.	This research not directly examined the impact of organizational culture on knowledge transferring, but provided some other viewpoints on knowledge adoption in Japanese subsidiaries. There is a lack of solution for changing the Japanese management styles to support knowledge transferring.
Okyere-Kwakyee et al. (2019)	Intergroup Contact Theory: Examining Knowledge Sharing Among Individuals From Different Tribes	This study examines the applicability of intergroup contact theory to promote positive attitudes among individuals to share knowledge in a multi-tribal context. A quantitative approach was adopted using questionnaires collected from 293 lecturers in Ghana. Multivariate analysis revealed that equal status, cooperativeness and common goals have positive influence on an individual's attitude to share knowledge. The results suggested the applicability of the intergroup contact theory to promote knowledge sharing in a multi-tribal context.	This research proposed a high-level conceptual framework to understand knowledge sharing of individual from different tribes. But there is no analysis on organizational culture. Besides, it didn't distinguish between knowledge giver and knowledge receiver in the multinationals context.

indirect impacts through the knowledge process. The reason is that the original model of Parissa (2003) distinguish between knowledge process and the success of knowledge transferring, but in practice, it is difficult to differentiate the process and the result in the context of knowledge transfer. Further, “language ability” is rendered “communication ability” in this study’s model as this approach is a better fit in the Japanese context. “Knowledge transfer” is used as dependent variable instead of the

Figure 1. Research model (Adapted from: Parissa, 2003)



similar concept used by Parissa; “successful implementation of knowledge”. In summary, the research model this study adopts can be summarized in the following figure.

*Manager's cultural background:* Differences in the cultural background of the foreign manager and local staff inevitably have a negative impact on knowledge transfer between foreign managers and local staff (Williams et al., 1998). Moreover, Le and Felicitas (2007) have indicated that differences in the cultural backgrounds of foreign managers and local employees impacts significantly on the effectiveness of knowledge acquisition in Vietnamese FDIs. Therefore, Hypothesis H1 can be stated as follows:

H1 (-): The manager having a different cultural background to the local staff has a negative impact on knowledge transfer in Japanese enterprises.

*Communication ability of manager:* Communication ability refers to the manager's ability to communicate with foreign employees and the employees' ability to understand the foreign language of the manager (Redmond, 2000). The language skills of both managers and staff have a positive impact on knowledge transfer effectiveness (Parissa, 2003). The greater the communication ability of the foreign manager, the more likely he or she will prefer to communicate directly to his or her local employees. Therefore, Hypothesis H2 can be stated as follows:

H2 (+): The communication ability of the manager has a positive impact on the knowledge transfer in Japanese enterprises.

*Perceived cultural distance:* This factor is used to measure the personal cognition of the Vietnamese employees concerning the differences between Vietnamese culture and Japanese culture. Johanson and Vahlen (1977) confirmed that perceived cultural distance can prevent information and knowledge flows between companies and partners. This relationship was also indicated in the results of other studies (Le and Felicitas, 2007; Bastiaan, 2009). Therefore, Hypothesis H3 can be stated as follows:

H3 (-): Perceived cultural distance has a negative impact on knowledge transfer in Japanese enterprises.

*Manager's learning style:* Learning occurred as a result of knowledge accumulation (Sparkes et al., 2000). Learning and teaching are processes affected by the cultures of the learners and teachers.

Pham & Huynh (2018) realized that there is an impact of learning style on knowledge transfer of Vietnamese students. Besides, people in different cultures have different learning styles (Hall, 1973). In learning new things, Japanese people usually are careful, paying attention to details, while Vietnamese people tend to have an overall view rather than focusing on details and negligence is still one of the characteristics mentioned when talking about Vietnamese employees. Differences in learning styles between managers and employees could lead to miscommunication and prevent successful knowledge transfer. Therefore, Hypothesis H4 can be stated as follows:

H4 (-): Barriers between learning styles have a negative impact on knowledge transfer in Japanese enterprises.

*Cultural openness:* Openness in organizational culture allows people in the different culture to interact with each other, and to learn from each other. The cultural openness of a manager can improve necessary skills and learn new methods of communication (Griffith and Harvey, 2001). So, the cultural openness of the manager can have a positive impact on knowledge flows in a multicultural environment. In addition, Pham and Luu (2016) confirmed that cultural openness has a significant impact on knowledge sharing between employees and managers in Vietnamese enterprises. Therefore, Hypothesis H5 can be stated as follows:

H5 (+): Cultural openness has a positive impact on knowledge transfer in Japanese enterprises.

#### 4. RESEARCH PROCESS

This mixed-method research project was conducted in two phases: primary qualitative research to inform the survey content; and quantitative research for evaluating the research model.

The qualitative research was based on a literature review and semi-structured interviews with experts to explore and modify the observed variables to be used in measurement scales. The criteria for the literature review was publications focusing on knowledge sharing and transfer. The scope focused on organizational culture and Japanese enterprises. All the original measurement scales are based on Parissa (2003), Griffith and Harvey (2001), Redmond (2000), Hamel et al. (1989), Kim (1988), Hedlund (1993), and Zander and Kogut (1995).

After the qualitative phase, a final survey was prepared to gather data for quantitative analysis. The survey includes two parts: questions gathering demographic information on participants, including their name, gender, age, years of experience and company name; and survey questions using a five-point Likert scale to assess the main factors in the research model. The main questions and their coding are shown in the appendix. Sample data were collected from readily-accessible Vietnamese people who work for Japanese enterprises in Japan, using both online and offline channels, in order to test the measurement scales and evaluate the research model. The target sample size was more than 210 employees. It's about 10 times of the number of observation variables (Hair et al., 2006). Collected data was processed and analyzed using IBM SPSS software (version 20.0). Data analysis processes included: obtaining the descriptive statistics for the sample; Cronbach's alpha analysis for testing the reliability of the measurement scales; exploratory factor analysis (EFA) for testing the discriminant validity and consistency of the measurement scales; and multiple regression analysis for testing the hypotheses.

## 5. ANALYSIS RESULTS

### 5.1. Sample Description

The finalized survey was used for collecting quantitative data across a month-long period from February 20<sup>th</sup> 2020 to March 20<sup>th</sup> 2020 by two methods: online surveys (sending links through e-mail and online communities) and paper-based surveys (sent directly to Vietnamese labourers). First of all, the sample was conducted by randomly selecting 5 Vietnamese workers working at 5 companies in Japan and asking them to answer the questionnaire including the questions about cultural background of Japanese managers and Vietnamese employees; the communication ability of Japanese managers; cultural distance between Japanese managers and Vietnamese employees; the cultural openness of both of them; learning style and knowledge transferring between them. Through the trial sample, some puzzling questions have been explained and corrected. The questionnaire has been refined to make the official questionnaire for this research.

The questionnaire was sent via ITM Joint Stock Company (which is an intermediary company connecting Vietnamese labours with Japanese companies) to Vietnamese labourers who were working in Japanese enterprises located in some areas of Japan where many Vietnamese workers are employed, including: Hiroshima, Nagoya, Fukuoka, Kanazawa, Shizuoka, Nagano and Kagoshima on February 20<sup>th</sup> 2020, then after one month, 367 responses were collected.

Data cleaning excluded those surveys where the participant answered a very small number of questions, gave the same answer for all questions, or answering inconsistently. This left 365 valid samples which were used for data analysis. Key descriptive characteristics seen in the sample data can be summarized as follows:

By gender, there were 62.5% female and 37.5% male respondents. By age, the majority were 20-25 years old (68.8%), followed by those who were aged 26-35 years (26.0%), and those aged <20 years (5.2%). Turning to participants' years of experience, the largest group was those with 3-4 years' experience (46.3%), followed by those with 1-2 years (23.3%), and those with 2-3 years (14.5%). By company type, the majority worked for a manufacturing company (88.2%), followed by those who worked for other types of company (8.5%), and finally, those employed by trading and service companies (3.3%). These figures accord with the known statistical profile for the population of Vietnamese labourers in Japan as a whole.

### 5.2. Cronbach's Alpha Analysis

The reliability of the measurement scales was evaluated using Cronbach's alpha coefficient. According to Hair et al. (2006), if the Cronbach's alpha coefficient for the factor was  $> 0.6$  and item-total correlation was  $> 0.3$ , the scale can be considered reliable. If not, the scale should be removed. After the initial analysis, the Cronbach's alpha coefficient of factor "Manager's learning style" was not satisfied ( $0.416 < 0.6$ ) and should be removed. The final results of Cronbach's alpha analysis could be summarized in the following table.

According to the final results, the Cronbach's alpha coefficients for all scales were  $> 0.6$ , and the item-total correlations were all  $> 0.3$ , so all five remaining scales were retained for EFA analysis.

### 5.3. Exploratory Factor Analysis (EFA)

According to Hair et al. (2006), an EFA result is considered suitable if the KMA (Kaiser-Meyer-Olkin) value is  $> 0.5$ , the significance value of Bartlett's test is  $< 0.05$ , all variables have factor loading that is  $> 0.5$ , the Eigenvalue is  $> 1$  and the cumulative extraction variance is  $> 50\%$ . In this study, the principal component analysis method was used with a Varimax rotation technique for exploratory factor analysis of independent and dependent variables. In the initial EFA running, 2 variables: BCVH3 (cultural background), KNGT4 (communication ability) should be removed because their factor loadings are low ( $< 0.5$ ) and they are loaded into 2 factors. In the second EFA running, all criteria are satisfied and the final results could be summarized in the following table.



**Table 2. Descriptive Statistics For Sample Data**

Category		Frequency	Percent	Cumulative Percent
Gender	Female	228	62.5	62.5
	Male	137	37.5	100.0
Age	< 20	19	5.2	5.2
	20-25	251	68.8	74.0
	26-35	95	26.0	100.0
Year of experience	< 1	46	12.6	12.6
	1-2	85	23.3	35.9
	2-3	53	14.5	50.4
	3-4	169	46.3	96.7
	4-5	9	2.5	99.2
	> 5	3	.8	100.0
Company Type	Manufacturing	322	88.2	88.2
	Trading / Service	12	3.3	91.5
	Others	31	8.5	100.0

**Table 3. Cronbach Alpha Analysis Of The Measurement Scales**

		Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted	Cronbach's Alpha	
Cultural background	BCVH1	5.77	1.808	.589	.440	.667	
	BCVH2	5.70	1.718	.532	.498		
	BCVH3	6.15	1.943	.342	.760		
Communication ability	KNGT1	10.01	4.343	.632	.734	.797	
	KNGT2	10.10	4.213	.681	.710		
	KNGT3	10.37	4.464	.528	.787		
	KNGT4	9.75	4.472	.597	.751		
Cultural distance	KCVH1	5.53	2.392	.506	.658	.713	
	KCVH2	5.68	2.141	.529	.628		
	KCVH3	5.44	1.934	.569	.578		
Cultural openness	SCM1	10.36	5.721	.726	.858	.883	
	SCM2	10.48	5.492	.775	.839		
	SCM3	10.36	5.582	.779	.837		
	SCM4	10.49	5.811	.705	.866		
Knowledge Transfer	CGTT1	6.75	2.311	.707	.827	.859	
	CGTT2	6.69	2.378	.711	.824		
	CGTT3	6.78	2.045	.788	.750		

Note: See the appendix for the coding of the measurement scales

Based on the EFA results for independent factors, after removing 2 variables (BCVH3, KNGT4), there were four remaining factors: “Cultural openness”; “Manager’s communication ability”; “Perceived cultural distance”; and “Manager’s cultural background” that could be used for the next step. The EFA results for these factors showed that all variables satisfied the criteria and belonged to separate factors.

#### **5.4. The Revised Model**

In general, the research model could be revised as follows.

#### **5.5. Multiple Regression Analysis**

The study used regression analysis to test the impact of the four independent factors on the effectiveness of knowledge transfer in Japanese enterprises. The result showed that the significance values for “Manager’s Cultural Background” and “Perceived cultural distance” were  $> 0.05$ , suggesting that H1 and H5 were not supported. The significance values for other factors were  $< 0.05$ , suggesting that H2, and H3 were supported by the sample data (at a 95% significance level). The adjusted R-square is 0.505, which means that the independent variables in the model could account for nearly 51% of the variance in knowledge transfer in Japanese enterprises. In general, these regression analysis results can be summarized by the following formula: Knowledge Transfer =  $0.546 * \text{Cultural Openness} + 0.260 * \text{Manager’s Communication Ability}$ .

### **6. DISCUSSION AND IMPLICATIONS**

In this research, cultural openness was found to have the strongest impact on knowledge transfer effectiveness. This means that establishing an open organizational culture is very important in ensuring the success of knowledge transfer in Japanese enterprises. An open culture requires the company to pay more attention to creating a friendly environment for sharing, conversation and collaboration between Japanese managers and Vietnamese employees. This result is similar to the findings of Pham & Luu (2016). In that study, cultural openness was found to play an important role in encouraging knowledge sharing between employees. Cultural openness also helps to reduce the communication gap, which is necessary for changing Japanese management style and ensuring the success of Japanese multinationals as in previous study (Nakagawa et al., 2018).

Based on this result, another factor to be considered is the manager’s communication ability. In the context of this research, manager’s communication skills were very important in ensuring effective communication and knowledge sharing between managers and foreign employees. This result is similar to previous result of Pham & Hara (2011) about the impact of communication ability on knowledge management of Vietnamese enterprises. It suggests that managers should be required to improve their verbal and non-verbal communication skills, as well as their foreign language skills. Mean analysis for survey questions related to managers’ communication ability showed that Japanese managers are not strong in communication skills (3.2 on a five-point Likert scale). These communication skills must be improved to achieve better understanding and effective knowledge transfer.

The results of this study are different from those found by Le and Felicitas (2007), who focused on the role of cultural distance and cultural background in knowledge transfer. According to De-long and Fahey (2000), cultures heavily influence what is perceived as useful, important, or valid knowledge in an organization, so cultural distance could be a barrier to knowledge management. However, in this research, the impact of this factor was not significant. The reason could be that there are similarities between Japanese and Vietnamese culture. Moreover, in this study, the impact of the “Manager’s Learning Style” factor on knowledge transfer was not supported by the sample data. The reason could be that Vietnamese employees lacked information on the learning styles of their Japanese managers.

Based on the above results, some managerial implications for improving the effectiveness of knowledge transfer in Japanese enterprises could be suggested as follows:

Table 4. Exploratory Factor Analysis Results

<b>KMO and Bartlett's Test for independent variables</b>					
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.792	> 0.5		
Bartlett's Test of Sphericity	Approx. Chi-Square	1679.932			
	Df	66			
	Sig.	.000	< 0.05		
<b>Rotated Component Matrix<sup>a</sup></b>					
	1	2	3	4	Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. a. Rotation converged in 6 iterations.
SCM1	.845				
SCM2	.845				
SCM3	.833				
SCM4	.819				
KNGT3		.824			
KNGT2		.809			
KNGT1		.693			
KCVH3			.826		
KCVH2			.800		
KCVH1			.726		
BCVH2				.902	
BCVH1				.850	
<b>KMO and Bartlett's test for dependent variables</b>					
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.717	> 0.5		
Bartlett's Test of Sphericity	Approx. Chi-Square	513.396			
	Df	3			
	Sig.	.000	< 0.05		
<b>Component Matrix<sup>a</sup></b>					
1					
CGTT3			.913	Extraction Method: Principal Component Analysis. a. 1 component extracted.	
CGTT2			.870		
CGTT1			.867		

*Establishing an open organizational culture:* Open culture requires both sides (employees and managers) to celebrate the cultural traits they share, as well as accepting their differences and practicing mutual empathy in the workplace. The two countries have had historical exchanges, and enjoy cultural similarities such as the practice of ancestor worship, wet rice cultivation, as well as shared traditions in silkworm raising, cloth weaving, and festivals. This is due to the influence of Confucianism, which is common to both Japan and Vietnam. As Japanese culture is characterized by politeness, Japanese people are known to be very good at controlling their emotions. The value of harmony in a group is elevated in Japan, so Japanese people will try to not to hurt the feelings of

Figure 2. The revised research model

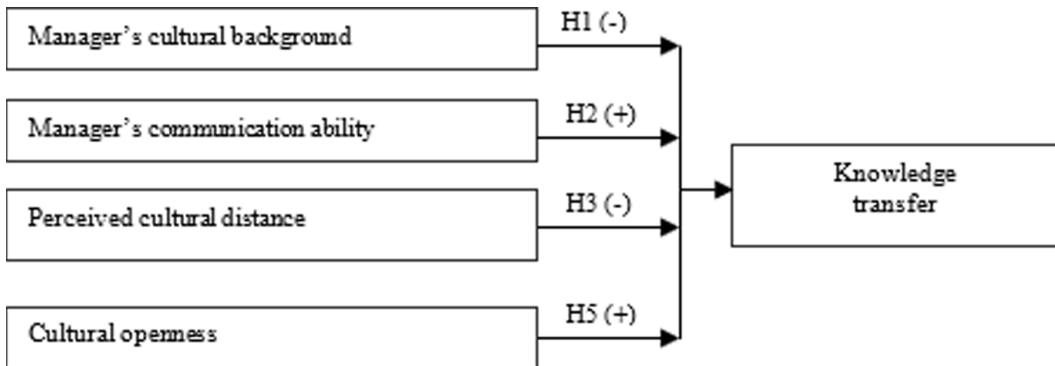


Table 5. Regression Analysis Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.760	.199		3.822	.000
	Cultural background	.016	.041	.015	.392	.696
	Communication ability	.267	.044	.260	6.117	.000
	Cultural openness	.509	.040	.546	12.785	.000
	Cultural distance	-.026	.041	-.025	-.639	.523

a. Dependent Variable: Knowledge transfer

others. Vietnamese employees should learn to adapt to this Japanese relating style to improve the cultural openness of Japanese enterprises.

In addition, organizing shared sports activities, social events, and team-building events may help to create a friendly workplace culture and connections between Japanese managers and non-Japanese employees. These events and activities, if managed well, could help to establish an open culture gradually. Special seasonal events should be used to connect people from disparate backgrounds and to encourage a shared workplace culture. Managers should encourage new ideas from all employees, and accept a certain level of failure as progress is made.

*Improving Japanese managers' communication ability:* Communication ability is very important for improving the effectiveness of knowledge transfer and work performance. The company should institute training programs for improving the language ability of both managers and employees. Japanese managers are encouraged to improve their communication skills, and Vietnamese employees are encouraged to learn Japanese, in addition to English. Japanese enterprises should support their employees in practical ways so they can improve their language ability. This would involve financial support and work hours allocated to language acquisition. Organizing an English Speaking or Japanese Speaking Club could be a good option for improving the language skills of both managers and employees.

## 7. CONCLUSION AND FUTURE RESEARCH

This study drew on the work of Parissa (2003), to identify five cultural factors with the potential to have an impact on the effectiveness of knowledge sharing in Japanese enterprises. These factors were the manager's cultural background, the manager's communication ability, perceived cultural distance, the manager's learning style, and cultural openness. After quantitative data analysis with a sample of 365 Vietnamese employees in Japanese enterprises, two factors were confirmed to have impact on knowledge sharing in Japanese enterprises. Arranged by descending beta coefficient values, these factors were cultural openness ( $\beta=0.546$ ), and the manager's communication ability ( $\beta=0.260$ ).

According to this result, these results have certain implications for Japanese enterprises employing Vietnamese employees. They suggest that changes to managerial practices may improve the effectiveness of knowledge transfer in Japanese enterprises. These suggestions can be summarized as follows: (1) establishing an open organizational culture by organizing social activities and cultural events, and (2) improving Japanese managers' communication ability, especially their cross-cultural skills.

The limitations of this research are as follows: (1) The convenience sampling method and limited coverage to some areas in Japan could reduce the ability to generalize from the results; (2) The adjusted R-square value after regression analysis is 0.505, indicating that some other factors should be included to increase the explanatory possibilities of the model.

Some recommendations for future research can be summarized as follows: (1) Conduct a study with a larger sample size, or that gathers data from a wider range of geographic areas in Japan; (2) Examine some other factors affecting knowledge transfer, including human resource management (HRM), business processes, leadership, technological factors, and individual factors (Al-Nuaimi & Jabeen, 2020).

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## APPENDIX

Table 6. Final Questionnaire

Factor	Code	Measurement scales
Cultural Background	BCVH1	The difference in the habit of local manager and foreign employees is high
	BCVH2	Difference in traditional customs of local manager and foreign employees is high
	BCVH3	Difference in communication style of local manager and foreign employees is high
Communication Ability	KNGT1	Speaking skills of the manager are good
	KNGT2	Listening skills of the manager are good
	KNGT3	Writing skills of the manager are good
	KNGT4	Verbal communication skills of the manager are good
Cultural Distance	KCVH1	The perceived difference in cultural distance is high
	KCVH2	The perceived communication gaps are high
	KCVH3	The shared information in the organization is inconsistent
Cultural Openness	SCM1	Open conversion chance between local manager and foreign employee is high
	SCM2	The willingness in knowledge sharing of the local manager is high
	SCM3	The shared information from the local manager is in the details
	SCM4	The collaboration in finding an effective communication method is good
Learning Style	PCHT1	The difference in learning style of the local manager is high
	PCHT2	Learning style of manager focusing more on listening (rather than talking)
	PCHT3	The learning style of manager based on practical experience (rather than an abstraction)
	PCHT4	Learning style of manager focusing on lifelong working (rather than task specific)
Knowledge transferring	CGTT1	Satisfaction in receiving new knowledge
	CGTT2	Feel easy in doing tasks according to the local manager's requirements
	CGTT3	Feel easy in applying acquired knowledge in various contexts

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