Japanese Corporate Human Resource Management Impact on Foreign Employees' Engagement

by

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Abstract

This paper sought to explore the significance and relative impacts of Japanese corporate human resource management system on the dependent variable of foreign employee's engagement. It specifically reviews as independent system variables; performance management, rewards system; and organizational culture. This was achieved by a literature research review and confirmatory statistical analysis of field survey conducted foreign employees in Japan. The paper found that the independent variable "performance management" was the singular significantly correlated variable with foreign employee's engagement. Further, the study makes several suggestions for strengthening future foreign employee engagement for example, by improvements in the performance management evaluation system along three others.

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Certification Page

I, EDLEY Cunha Sacramento Menezes hereby declare that the contents of this Master's Thesis are original and true, and have not been submitted to any other university or educational institution for the award of degree or diploma.

All the information derived from other published or unpublished sources has been cited and acknowledged appropriately.

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Chapter 1: Introduction

This chapter introduces the Japanese human resource management (CHRM) system the current situation and the problems that foreign employees face as workers in Japanese enterprises. The issues facing foreign worker and solutions will be the focus of this study. Further, this chapter describes the study objectives, problem, as well as the research questions that will seek to address the stated objectives. Finally, three hypotheses are presented that will be tested by application of a survey, as will be discussed in the following chapters. These are aligned with a modified conceptual model illustration and explanation.

1.1 Background of the study

Jackson & Tomioka (2004) stated that the focal points of Japanese corporate human resource management (CHRM) practices rely on the external recruitment, lifetime employment, in-house training, seniority promotion, and the expectation that employees will be committed and loyal to the organization in all stages for the survival of the organization. They explained that the Japanese CHRM is based on managing employees focalized in a relationship informed by a dynamic of mutual trust. Further, they added that Japanese management promotes more lifetime employment for the employees and

provides training to employees to increase the formation of generalists.

Ono (2018) suggests that performance-based rewards system ensures that the employee is connected to the organization until retirement, however, this system focuses more on the age and seniority of the employees than individual merit. That is, older and more senior employees receive more rewards than younger employees performing on an equal or higher capacity.

Ono (2018) also added that in terms of performance management and evaluation, Japanese organizations concentrate on evaluating employees' level of dedication to the work as an indicator, rather than their individual productivity. That is, long work hours and obedience to company rules are ways to show employee loyalty to the organization, rather than the quality of their work and the levels of their productivity. Based on that assumption, the more "dedicated" the employee is, the higher and more positively the employee is evaluated. The outcome of both formal and informal performance appraisal in Japanese organization rely on the quality of the information available to both employees and employer (Jackson & Tomioka, 2004).

According to Geringe, Frayne& Olsen (1998), the Japanese organization culture is composed of a centralized power at the top level, such as senior executives, who have the power to make decisions among them.

This hierarchy limits the voice of employees and their participation in decision-making. In addition, the collectivist culture of Japanese society is reflected in company subculture. While collectivism in a company is essential for the unity of the whole toward progressing to a single goal, this undermines individual imagination, considering that foreign employees come from different cultures and backgrounds, and may strategize differently.

With these points considered, this study aims to evaluate the impact of Japanese CHRM on the engagement of foreign employees working in Japan. This research selected three aspects to measure foreign employees' engagement: performance management, rewards systems, and organizational culture.

1.2 Statement of the problem

Given the aging population of Japan, many Japanese organizations are facing labor shortages that decrease their productivity. To address the labor shortage, Japan is increasing the number of foreign employees working in local companies. This puts Japanese CHRM under strain to implement changes on its management practices that can better create competitive advantages for these companies in the global market. Changes in the business environment makes it important for these organizations to adapt and adopt new approaches to human resource management strategies that can attract, engage, and

retain foreign employees willing to understand and contribute to the development of these companies.

1.3 Research Objective

The purpose of this research is to determine the relationship between, and the extent of, influence of, performance management, rewards system, and organizational culture on the level of foreign employee's engagement within the context of Japanese CHRM.

1.4 Research Question

To accomplish the objective, the following question will be addressed:

1. Which aspect of the Japanese CHRM such as performance management, rewards system, and organizational culture influence the engagement of foreign employees within Japanese organizations?

1.5 Research Hypotheses

In this research, three hypotheses were formulated and used as guidelines:

The first hypothesis (H_1) was developed based on studies that show that Japanese corporate culture focuses on teamwork, and as a result, there is a lack of proper individual

performance evaluation of employees (Ono, 2018).

H_1: Performance management within Japanese organization influences foreign employees' engagement.

The second hypothesis (H_2) was developed based on another study that indicated that Japanese organizations reward their employees based on their dedication and not necessarily on their level of work productivity (Ono, 2018). Regarding promotion and increasing salary, Japanese organizations tend to focus more on the seniority of the employees rather than merit-based payment (ibid.). As a result, this aspect may influence employees' engagement within the Japanese organization.

H_2: Rewards system in Japanese organizations influences on foreign employees' engagement.

The third hypothesis (H_3) was based on studies that reveal that there is less opportunity for low-level employees in Japanese organizations to participate in decision-making due to its culture-based in the hierarchy (Ono, 2018). Therefore, the organizational culture that offers few opportunities for employees to express their opinion and participate in decision making may influence the engagement of its employees.

H_3: Organizational culture within Japanese organizations influences foreign employees' engagement.

1.6 Significance of the Study

This study adds more elements by showing evidences that foreign employees' engagement within Japanese organization is affected by the performance management. It also reinforces the role that the performance management process plays on the engagement of employees as will be discussed in the following chapters of the study and adds information to understand which aspects of performance management, engaging foreign employees within Japanese organizations.

1.7 Scope and delimitations

This study uses a survey only in English, due to the researcher's lack of capacity to translate to other languages. This limits the sample pool into the English-speaking respondents only.

This research targets only foreign employees working in Japan and does not consult Japanese workers. The impacts of performance management, rewards system, and organizational culture may be a future theme of research.

This research does not analyze the results in relation to the respondents' demographic profile. Differences in age, gender, educational background, nationality, years of work, and tenure may or may not account for differences in perceptions on engagement.

1.8 Conceptual framework

This subsection reviews human resource management and moves to an approach to performance management. Key terms will be explained such as rewards system, followed by organizational culture approach, and employee engagement. Figure 1 displays the conceptual framework and hypothesizes the relationship between aspects of human resource management such as performance management, rewards system, and organizational culture with employees' engagement.

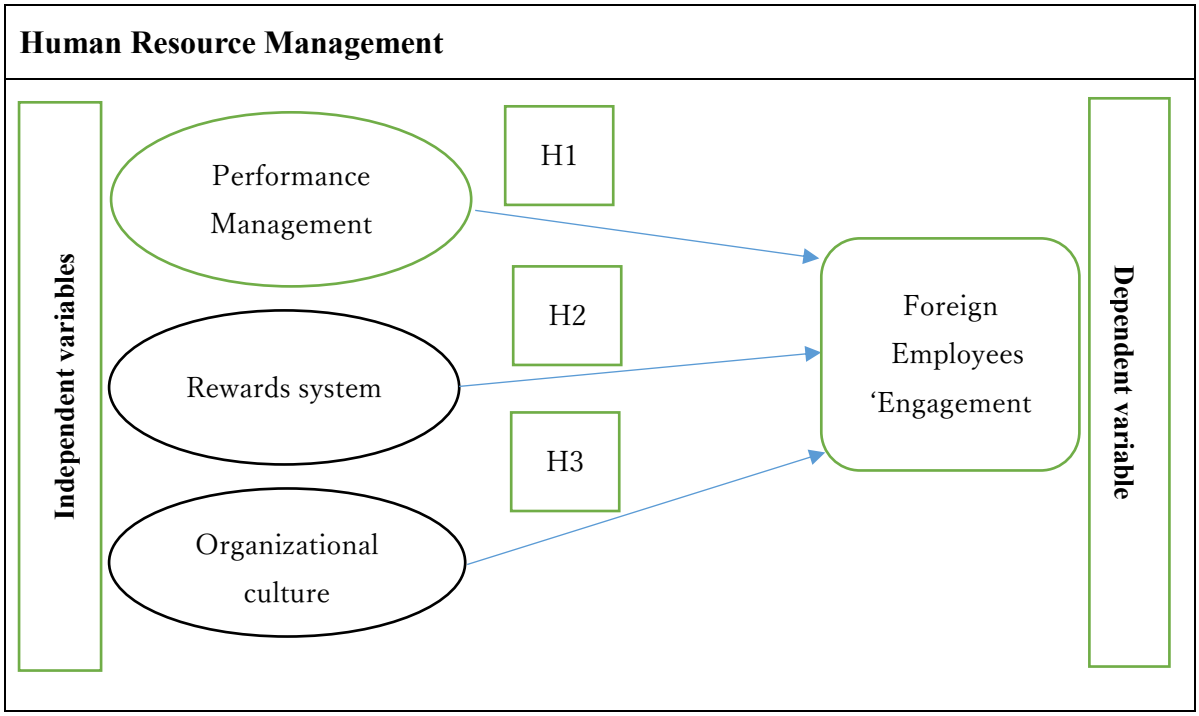

Figure 1. The conceptual framework

1.8.1. Human resource management

According to Pak, Kooij, De Lange, & Van Veldhoven (2018), human resource management is a group of activities connected to the management of people within an organization. Through these activities, the organization stimulates the capacity,

motivation, and opportunity to improve company performance as well as the employee's productivity in the organization they belong to.

Mathis & Jackson (2011) explained that if an organization wants to gain competitive advantages in the market, it must use a different approach to HRM where productive, creative employees work in flexible, effective organizations that reward employees properly for their efforts to help the organization accomplish its goals.

1.8.2. Performance Management

Mathis & Jackson (2011) stated that performance management is a range of activities developed by the organization to motivate their employees to perform well. It contains the creation of elements for motivation and commitment to achieve objectives that benefit the organization by increasing its performance and productivity. It boosts their employees' engagement and involves defined goals, performance reviews, and a deal based on the psychological contract (Verweire and Van Den Berghe, 2004). It is crucial for the organization to clearly set expectations of their employees and provide necessary performance indicators to identify areas of achievement and other areas that need to be improved (Mathis & Jackson, 2011). The information obtained from the employee's performance during the appraisal process must be used for organizational needs and must also be communicated to the employees to encourage higher levels of performance

(Gruman & Saks, 2011; Long, Perumal, & Ajagbe, 2012).

The effectiveness of performance management programs of any organization relies on how the organization connects its goals to the skills of those who are responsible for its successful implementation and operation (Gruman and Saks, 2011; Long et al., 2012). Suharti & Suliyanto (2012) added that performance management links the organizational achievement with the employee's goals to balance both benefits for the company and to the employees.

1.8.3. Organizational culture

According to Xiaoming & Junchen (2012), organizational culture is defined as the values, beliefs, and behaviors which are shared among the employees. It is a set of principles, symbols, and rituals shared by people belonging to a certain organization which include the way things are done in an organization in order to settle both internal management problems as well as those linked to customers, suppliers, and environment (Claver, Llopis, Reyes-Gonzalez, & Gasco, 2001). Similarly, Suharti & Suliyanto (2012) believe that organizational culture is a structure that includes values that are managed by the members of an organization that makes it different from other organizations. Schein (2004), on the other hand, argued that it is a structured process that contains routines and rules that guide and produce certain behavior among those connected to the organization.

For Beljas, Koustelios, Vairaktarakis, & Sdrolias, (2015) however, it is a social construct that is unique to each organization, the employee's location, history, working environment and specific procedures. It influences the employees' shared beliefs, principles, behaviors, and symbols that affect the individual decisions and group actions, and therefore seems like a combination of value structures that lead an organization to run its business (ibid).

Cameron & Quinn (2006) suggested four types of organizational culture that play an important role in relation to employees. The first referred to the hierarchical culture, which is considered to be a well-coordinated structure within the organization and is characterized by formal norms and policies. The second referred to the market culture, where it adopts the culture that intends to be highly competitive by combining the employees and organization together. The third is the clan culture, which consists of a friendly and convenient working environment where the working force is seen as a continuous family and the superiors are considered mentors that facilitate organizational commitment and produce friendly relations. The fourth refers to adhocracy, which is characterized by innovation and risk-taking, due to a highly creative and dynamic working environment.

An effective organizational culture provides honest, supportive attitudes and contributes

to effective communication between the organization and its employees.

Suharti & Suliyanto (2012) explained that the employees' perception of good organizational culture is verified when the employees can show their feeling of being safe psychologically by themselves.

Suharti & Suliyanto (2012) said that organizational culture is a structure that includes value contained that are managed by the members of an organization that make it different from other organization. They add that for an effective organizational culture it should provide honesty, supportive attitude and contribute to creating a good communication between the organization and its employees since organization with good culture can keep its culture if the employees working in the organization are willing to remember both to maintain and pursuit the principles (Suharti & Suliyanto, 2012). Suharti & Suliyanto (2012) elucidate that the employees' perception of good organizational culture is verified when the employees can show their feeling of being safe psychologically by themselves.

1.8.4 Rewards system

Rewards system includes all monetary and nonmonetary rewards supplied by companies to attract, motivate, and retain employees (Mathis & Jackson, 2011). It may be in the form of bonuses commissions, leave recognition programs, flexible working hours, and medical insurance (Sherman & Snell, 1998). It may also be in the form of promotion and

other growth opportunities that employees can receive for their adequate performance and significant achievement (Ghose & Mohanty, 2016).

According to Mathis & Jackson (2011), for an organization to continue to be competitive in the market, it needs to develop a reward system that can satisfy the employees in the organization properly. Attracting potential employees willing to stay in the organization and strengthening their degree of motivation depends on how attractive the rewards system is provided by the organization (Long et al., 2012). Employees prefer a compensation system that they feel is fair and appropriate in accordance to their skills, work experience, knowledge, effort, and expectation (Long et al., 2012; 2014). A good strategic compensation creates an effective organizational commitment due to its accomplishment of psychological contracts that contribute to reducing employee's intention to withdraw from the organization (Long et al., 2012). The employee that receives more compensation and benefits are more willing to be more engaged with the organization that they belong to (Suharti & Suliyanto, 2012). Pay is the main element that provides the tangible rewards to the employees for their services and also serves as a means of recognition for their dedication to work (Long et al., 2012).

Long, Ajagbe, & Kowang. (2014) stressed that the rewards system should be a priority of

the company to ensure that the employees receive fair rewards for the service and recognize their employees' dedication and professionalism. Good management and implementation of a reward system can help the organization to strengthen its business strategy to enhance employee's performance however, it may also have a negative effect on the organization performance, productivity, and competitive advantages in the market, if not well implemented.

1.8.5. Employee engagement

Erdil & Muceldili (2014) indicate that engagement can be defined among terms such as employee engagement, work engagement, job engagement, and organizational engagement. It entails sensations of enthusiasm, focus, and energy, as well as behaviors that include working proactively, working beyond expectations, persistence, and adaptability (Macey, Schneider, Barbara, & Young, 2009). Employee engagement is the level in which the employees are invested emotionally and intellectually to an organization (Lockwood, 2009). It is a commitment that represents the emotional, cognitive, and behavioral elements that engage employees in an organization through their physical presence, mind, and soul (Erdil & Muceldili, 2014).

Khan (1990) explained that when the employees are engaged, they express themselves physically, cognitively and emotionally during the process of performance appraisal.

Employees who show a high level of engagement are more willing to give their best in their work than employees with low engagement (Erdil & Muceldili, 2014). According to Ghose & Mohanty (2016) employees that show the desire to stay in their organization, give extra effort to their organization, promote their organization as a good place to work and feel an emotional connection to their organization are likely to be highly engaged in the organization.

Employee engagement produces a positive outcome on the employees' attitude toward work, their behaviors, and performance (Suharti & Suliyanto, 2012). It also contributes to their work satisfaction and organization commitment (Saks, 2006). It decreases the employee's intention to leave the organization and increases the loyalty of the employees to their company (ibid).

However, Kahn (1990) explained that employees have a different level of engagement in accordance to their perception of the benefits they receive from the organization they belong to. Apparently, they will likely be more engaged when they feel they receive a great number of rewards and recognition for their efforts.

Gruman & Saks (2011) said that in the process of engagement facilitation, the main focus

is identifying and providing employees with the resources needed to become engaged. These resources include job design, coaching, and social support, leadership training (ibid.). Bakker & Demerouti (2007) added that job resources like participation of employees in decision making, payment of salary, career development, job security, support, role clarity and duty itself can provide a deduction of engagement.

In summary, this chapter took a look at the Japanese CHRM and talked about the statement of the problem, followed by the three hypotheses which this research aimed to test. Then it discussed the conceptual framework of this research, along with the definition of key terms such as performance management, rewards system, organizational culture, human resource management, and employee engagement.

The next chapter reviews literature related to this study, such as other research made on the impact of performance management systems on employees' engagement, some models of performance management that enhance employees' engagement, some studies on the rewards system that influence the engagement of employees within the organization, and the effect of organizational culture on the engagement of employees.

Chapter 2: Literature review

This chapter presents the relevant studies connected to this research such as those of performance management and employees' engagement that will be tested in the first hypothesis. It also shows studies on the different models of the performance management process for enhancing employee's engagement. The models are presented here as they had been referred to when formulating the questions to measure the independent variable performance management in the first hypothesis. This chapter also reviews literature on rewards system and employee's engagement as connected to the second hypothesis, as well as organizational culture and employee's engagement related to the third hypothesis. These reviews will be revisited in the discussion and conclusion chapters to address the research question and the three hypotheses tested in this study.

2.1 Performance management and employee engagement

Gruman & Saks (2011) stated that organizations that incorporate and include employee's engagement in the performance management process will boost employee's engagement and achieve competitive advantages. Effective performance management policies will help the organizations to create and maintain a high level of employee engagement leading to elevated performance of the organization (Mone & London, 2010). These

include giving proper incentives and compensation for the employees. Gruman & Saks (2011) illustrate that it will engage them due to the support it can provide to the employees' psychological states.

1.2. Models of the performance management process for enhancing employee' engagement

These models of performance management are used in this study as they will be included in the questions to measuring the performance management in the survey. They also will be used to support the findings in discussing, conclusion and recommendation parts.

2.2.1 Goal setting

Setting goals are very important in the beginning stage of performance management as it connects the employee's skills to the company goals. It directs energy and focus and stimulates the feeling of engagement (Gruman & Saks, 2011). Macey et al. (2009) added that for the employee to be engaged, it is necessary to strike an alliance between individual objectives and organizational goals. This alignment strategy ensures that the employees involve themselves to the work that is vital for the company to achieve its goals and objectives. At the same time, the employees become aware of organizational goals and objectives and are able to link them with their own goals.

Pulakos (2009) revealed that performance agreement is a deal that contains the goals that employees will achieve. Furthermore, he recorded that these goals should be supported by the top-level organizational objectives that is developed with consideration for the needs of the employees. It is necessary that employees' needs, desires, and goals should be connected as part of the company's goals setting processes (Gruman & Saks, 2011). These should also include the accomplishment of the organization objectives and let the employees formulate their own goals within the broader organizational context (Armstrong, 2000).

Providing employees with the opportunity to set their own goals rather than follow the ones imposed by the company gives them the opportunity to express what is favorable for them. Hyyonen, Feldt, Salmela-Aro, Kinnunen, & Makikangas (2009) found in a study that organizations that incorporate employees' personal goals into their corporate objectives promote engagement by including employee's self in goal achievement. This is because it considers the employees' own principles and interests that represent themselves (Gruman & Saks, 2011). Employees are more able to follow goals they set themselves as they feel a sense ownership that may not occur if the goals are imposed on them. Also, researches on self-confidence revealed that when the organizational goals are

connected to the employees' own principles and interests, it contributes to the employees' well-being (Sheldon & Elliot, 1999). Goals that are not integrated with the individual's self-principles and needs do not promote his or her well-being and is likely to produce no effect in his or her engagement (Sheldon & Kasser, 1998).

Kahn (1990) states that goals that are self-concordant produce psychological importance and generate a return on investment by itself. He clarified that when the managers have limited knowledge of the needs and desires of employees, and if the employees have limited participation in goal setting, the organization is considered unattractive. Supervisors play an important role in finding objectives that are relevant for the employee's principles, toward goals that benefit the employees.

According to Schaufeli and Salanova (2007), three steps are necessary for the process of warranting that the goal setting be beneficial for the organization and its employees. The first is to give the employees opportunity to express their own values, needs, and goals. Second, implement an Employee Development Agreement (EDA) design that includes these goals and guarantee the necessary organizational resources to implement. Finally, monitor the EDA in terms of goals achievement and adjust goals and resources as necessary to implement it effectively.

2.2.2. Psychological contracts

Parzefall & Hakanen (2010) states that the psychological contract is positively connected to employees work engagement and that the same engagement fully mediates the relationship between supposed contract fulfillment and effective commitment. These behaviors shown by the employees where they give their best in the work increase the performance of the organization when the employees show a feeling of loyalty to the organization.

Rousseau (1990) argue that employees are inclined to have implicit and explicit expectations regarding what they want from the organization. These expectations can be the core of psychological contracts which is based on mutual obligation between the employee and the organization. According to Kann (1990), the three psychological conditions that contributes to engagement are psychological meaningfulness, psychological safety, and psychological availability. He asserted that that individuals are more willing to choose contracts that are beneficial to them such as protective guarantees.

Cartwright & Holmes (2006) said that transitional contracts are connected to stable term exchange such as financial rewards, while relational contracts are connected to the open-ended relationship between the organization and the employees. It is linked to emotional

exchange such as the employee personal growth and development.

These contracts are part of the psychological contract. Furthermore, Turnley & Bolino (2003) added that psychological contracts are connected to both task-related and non-task related obligations which also lead to a higher level of engagement as will be explained in the social exchange theory.

Gruman & Saks (2011) in their social exchange theory states that obligation comes from a sequence of interactions between the parties involved in the same state of mutual independence. Cropanzano & Mitchell (2005) said that the core value of the social exchange theory is that the relationship between the parties involve trust over time, loyalty, and mutual commitments based on certain rules of the exchange. These rules of exchange are normally based on mutuality rules in a way that the action of party is compensated by another party and vice versa. Therefore, when employees receive financial and socio-emotional benefit from their organization, their work engagement is increased, and they feel obliged to reciprocate by contributing work for the development of the organization (ibid). Gruman & Saks (2011) found that employees repay the organization that treats them well by being highly engaged in their work.

Furthermore, the social exchange theory argues that employees are willing to engage

themselves if their psychological contracts have been satisfied (Gruman & Saks, 2011). Schaufeli & Salanova (2007) state that when the organization fails to accomplish the agreement set in the contract, the company violates the agreement and may lead the reduction of employee's engagement in their work.

2.2.3. Job design

Gruman & Saks (2011) reported that one of the characteristics of performance management is the ability of the employees to perform the tasks related to their jobs. These tasks occupy the central point in the performance management procedures. They suggested that a different approach to performance management let the parts and task linked to a specific job to be modified.

Gruman & Saks (2011) stated that for effective engagement, managers in the organizations must involve employees regarding the design of their work, as well as the function and tasks they perform. By doing so, it will promote emotional investment for employees and increase their engagement because they are allowed to carry their own beliefs and give their own contribution to the process.

Gruman & Saks (2011) clarified that when managers attribute employees to duty and works, they should be aware of task features. Tasks that are central to their work

description offer employees with spaces and incentive that make employees more dedicated to their work. Autonomy or job control and performance feedback are shown to be correlated to positive work results (Bakker & Xanthopoulou, 2007). According to Gruman & Saks (2011) employees feel secure when they have some control over their work.

The final approach is that when the managers assign employees to a certain task, they must ensure that the employee's skills, needs, and values fit with the organization goals, needs and values (Gruman & Saks, 2011). Kahn (1990) states that when employees are sure that they can fit in well with an organization, they will become more engaged, but if they feel insecure of their match within the organization, they are likely to feel insecure in their position and be less psychological available.

2.2.4. Coaching and social support

Schaufeli & Salanova (2007) reveal in the job demands-resources (JD-R) model that managers influence the employees' engagement. Resources provided by managers such as supervising, coaching, and support influence employees' engagement (Hakanen & Schaufeli, 2006) and that these should be done continuously by the companies, rather than be limited to a quarterly or annual performance evaluation (Gruman & Saks 2011). Schaufeli & Salanova (2007) say that coaching employees and helping them with

planning their work, acknowledge the difficulties they face. Offering employees advice and emotional support will help boost their engagement.

2.2.5. Leadership

According to Elicker, Levy & Hall, (2006) the leadership in the organization plays an important role in performance management. An exchange of good relationship between the leaders and employees within an organization produces positive results on the employees' satisfaction, their performance evaluation, and improves motivation. Consequently, as mentioned in the previous subsection, the leadership in an organization influences employees' engagement as they show supportive conduct (Gruman & Saks, 2011).

Regarding transformation leaders, according to Schaufeli and Salanova (2008), it is effective at producing employee's engagement due to their capability to inspire and be visionary. In addition, Lyons & Schneider (2009) suggested transformation leaders can help to promote engagement by elevating employee's view of social support. Bono & Judge (2003) added that this type of leadership also promotes engagement when it involves the employees' self-concordance because they are guided by the transformation leaders toward the achievement their goals more independently. Leaders in the organization can improve employees' engagement by providing them with challenging

tasks and experiences, granting them some control over their work, presenting performance feedbacks, and allowing them to contribute in decision making (Gruman & Saks, 2011).

Suharti & Suliyanto (2012) argued that leadership styles should be adopted by the leaders in the companies in a way that would foster interaction with the employees and produce good outcome for the organization. Furthermore, they said that leaders that are communicative with the employees facilitates a higher level of employees' engagement as compared to authoritarian leaders (ibid). According to Kwon, Ferndale, & Park, (2012) empowering leadership through top management creates an opportunity for the employees to take part in decision making. This will increase the employees' motivation when they feel more involved. Consequently, empowering leaders can stimulate the employees' sense of independence in looking for solutions and taking action without constant direct supervision (Van Dijke & Mayer, 2012).

Holbeche & Springett (2004) reveal that it is important for leaders to show transparency when sharing information with employees, and to treat them with fairness and respect to promote better human relationships within the organization. Upholding transparency builds trust and cultivates great relationship between the leadership and the employees.

Avolio & Gardner (2005) explained that contemporary leaders should focus on reestablishing the sureness, hope, and positivism at work to enable employees to recover quickly from difficulties and help them find meaning and connection to the work.

2.2.6. Trust and justice during performance appraisals

In order to make employees feel comfortable with their work and make them express freely during performance evaluations, the employees must trust that the organization, as well as their supervisor, will treat them fairly and justly during the appraisal (Gruman & Saks, 2011). Trust is an essential element in the engagement process and enables the employee to believe that in investing their time, energy, and hard, they will be compensated (Schneider and Macey, 2008).

For performance appraisal procedures be just, it must follow three important measures, such as (1) adequate notice must be sent to the employees, (2) they must listen to the voice of the employees, and (3) they must make judgements based on clear evidence (Gilliland, & Cropanzano, 2007). The implementation of correct performance appraisal results in employees understanding that the entire procedure had been that of fairness and accuracy, which elevates employees' satisfaction with the process (Gruman & Saks, 2011). Bustaman, Teng, & Abdullah, (2014) stated that the lack of performance appraisal in an organization can influence the employee's work motivation and therefore it may influence

the employee's engagement.

Furthermore Macey et al. (2009) explained that engagement is connected to the employees' sense of trust and justice in their organization, which, in turn, make them feel engaged in their work. Collie et al. (2000) explained that justice is an important element for making the employees show positive behavior, but if they had been treated unfairly, they may react negatively and affect their relationship and loyalty for the organization. Therefore, for an effective performance management system to exist, the employees must feel that it is fair, and that the elements that contribute to this justice must include the voice of employees to listen, procedural justice, interactional justice, distributive justice (Lathan, Almost, Mann & Moore, 2005). According to Gilliland & Cropanzano (2007) interactional fairness, distributive fairness, and procedural fairness are related to task performance and contextual performance. The voice can be seen as an opportunity for the employees express their ideas and points of view, and that these are considered by the organization.

2.2.7. Feedback

According to Salanova and Schaufeli (2007), positive feedback can promote an employee's engagement by touching the socio-emotional climate of people in an organization, but when feedback produces destructive criticism it can damage the

receptor's self-image. A successful feedback system should include actions that ensure trust, providing employees with support, being sensitive with the employees' differences and concerns. This increases their sense of self-efficacy and promotes psychology safety to raise engagement (Atwater, Brett & Cherise-Charles, 2007).

2.2.8. Career Development plan

According to (Taufek, Zulkifle, & Sharif, 2016) career development is a set of learning experiences that enhance employees' applied skills and competencies. It should connect the expectations of the managers and the employees' needs and expectations, together with the organization's goals (Long et al., 2012).

Long et al., (2012) asserted that the organization should implement a career progress that provides clear information connected to the organization's mission, policies, as well as have a system that would inform employees regarding the opportunities that the organization can offer to support their self-assessment, training, and development, and their growth in the organization. The organization that provides a great career opportunity to its employees aligned with the organization's goals will make them more engaged to perform better (Taufek et al., 2016). Consequently, the organization that invests in its employees' growth will lead to an increase in the productivity and profitability of the organization (Ghose, & Mohanty, 2016).

Managers play an important role in promoting their employees' career development when they offer the employees continuous support. For example, giving employees positive feedback encourages them to work toward their personal career development.

2.2.9. Employees Relationship

Long et al. (2012) describe employee relationship as a way to create a healthy, collaborative working relationship between the organization management and the employees. This generates sustainable productivity, increases employee motivation, and establishes a good work environment which boosts job satisfaction for the employees and ensures that organization goals are met.

Long et al. (2012) explained that the attitudes and behaviors showed by the employees are affected by how they feel they are treated by the organization. When employees feel that they receive favorable support and care from their organization, they will feel obliged to respond positively through their loyalty and work engagement (Eisenberger et al., 2001). Employees' relationship should be a process to instruct, correct, mold, master the knowledge, and regulate attitudes and behaviors of the employees with proper discipline strategies. This means improving poor employee performance instead using of punishment tools (Long et al., 2012).

Supervisors in the organization can play an important role in managing employees because they spend more time with them. In consequence, their attitudes affect the organization positively or negatively. Beatrice (2009) added that the top managers in an organization also plays an important role boosting good relationship management in the workplace. If there is low support from the work environment and weak leadership quality in an organization, this can create a poor relationship between the organization and employees. Therefore, if an organization promotes a supportive leadership in the work environment and encourages employees to express their concerns with their work, it can improve the employees' trust in their organization (Long et al., 2012).

2.2.10. Voice of employee

Voice of the employee can be any kind of practice that allows the employees to express their opinions freely which can change the work actions and decision-making processes in the organization that those employees belong. (Lavelle et al., 2010, as cited by Kwon et al., 2016; Wood & Fenton, 2005). If the company takes into consideration the voice of their employees, and if the employees perceive it as such, it is likely that the employee will give their full cooperation and engagement to the organization (Kwon et al., 2016). Therefore, the employee voice is an important requirement for engaging employees that will respond positively to the organization, (Holland, Pyman, Cooper, & Teicher, 2011).

According to JD-R model, employees will be willing to spend more energy in their work with an increase in their engagement if they feel that their organization provides them with opportunities to participate in the decision making that will be beneficial for them (Kwon et al., 2016).

According to Beugre (2010) the value of the voice, the level to which voice is taken into consideration, the level to which voice is anticipated, and the level to which voice is represented in the different cultural rule, will influence the relationship between voice and engagement. He added that in cultures with high power distance, a person in position will govern the level of the decision-making power among the members of a society or organization. Once the employee voice promotes the input of employee's opinion, the high-power distance culture will create low-level opportunity for employee voice be taken into account. On the other hand, cultures with low power distance will accept implementation of voice practice and the managers in these organization are willing to share concerns and suggestions with their subordinates to bring constructive changes within the organization (Botero & Van Dyne, 2009).

According to Appelbaum, Bailey, Berg, & Kalleberg, (2000) the importance of giving the employees voice is to enhance organizational performance based on the organization's perception of benefits that the employee will give a great contribution to decision making. By giving the employees voice to speak, the company provides the employees an important resource that will make the employees feel a sense of fair treatment and also, they feel valued by their organization (Kwon et al., 2016)

2.3. Rewards systems and employee engagement

LePine, Erez, & Johnson, (2002) stated that rewards or compensation are one of the powerful indicators of employee engagement within the organization.

Bhattacharya & Mukherjee (2009) added that reward contributes to attracting and keeping employees and making them feel more valued, thus increase engagement and connection to their organization. Good implementation of reward policy and compensation ensures that employees will perform better, stay long in the organization, and advocate their company values. The right reward and compensation provided to employees lead to engaging them in the organization and as well it creates a competitive advantage for the company by improving the employees' productivity (Taufek et al., 2016).

However, Maslach, Schaufeli, & Leiter (2001) explain that the lack of proper reward and recognition can lead to making the employees feel that they do not receive proper recognition for their effort and consequently feel less engaged. The payment provided by an organization to its employees for the work they pour their efforts and skills into will lead to an increase or decrease in the level of employee engagement and performance (Taufek et al., 2016).

2.4. Organization culture and employee engagement

Lockwood (2007) emphasize that organizational culture is one of the aspects that influence employee engagement. He further explained that a work environment with a supportive culture provides employees with a friendly workplace and makes the employees feel engaged (Lockwood, 2007; Mathis & Jackson, 2011). On the other hand, an organization that lacks positive culture leads to employee disengagement (Mathis & Jackson, 2011).

Meanwhile, Lockwood (2007) said that the organization's mission and vision, work policy, and work with equilibrium, play an important role in employee engagement due to it create supportive actions for the employee to be engaged.

According to Suharti & Suliyanto (2012) the social exchange theory says that the employee engagement with their organization results in two ways of communication between the employees and the organization, where the first provides the employee with comfortable accommodation and another that pays attention to the employees' feeling which will make the employees respond by doing their best in the work.

In summary, this chapter presented significant literature on the topic which describes previous research on the area of this study. The next chapter will discuss the methods of the field research and findings.

Chapter 3: Methodology

This chapter describes the methods used in this research to collect the data, the respondents and other sources of information, the type of measures and tools used, and the types of analyses applied to process the data collected.

3.1. Research design

This study followed the quantitative research design. It is quantitative because it used a questionnaire as tool in the collection of data (Creswell, 2014) regarding the aspects that influence foreign employee engagement.

3.2 Subjects/Participants

The participants of this research consisted of 35 foreign employees working in Japanese organizations in Japan. These were randomly respondents from a Japanese professional networking, workshops in Tokyo, and across Japan.

3.3 Instrumentation: Pre-testing, final instrument

Pre-testing

The questions were constructed by the researcher from elaboration found in academic

journal references.

For example, as enumerated in Chapter 2, key concepts concerning the independent variable performance management such as **goal setting** (Gruman & Saks, 2011; Macey et al., 2009; Pulakos, 2009; Armstrong, 2000; Hyvonen et al., 2009; Sheldon & Elliot, 1999; Sheldon & Kasser, 1998; Kahn, 1990; Schaufeli & Salanova, 2007), psychological contracts (Parzefall & Hakanen, 2010; Rousseau, 1990; Cartwright & Holmes, 2006; Sheldon & Kasse, 1998; Kahn, 1999; Schaufeli & Salanova, 2007; Turnley & Bolino,2003; Gruman & Saks, 2011; Cropanzano & Mitchell, 2005), **job design** (Gruman & Saks, 2011; Bakker & Xanthopoulou, 2007; Kahn,1990) , **coaching and social support** (Schaufeli & Salanova, 2007; Hakanen & Schaufeli, 2006; Gruman & Saks, 2011), Leadership (Elicker, Levy & Hall, 2006; Gruman & Saks, 2011; Schaufeli & Salanova, 2008; Lyon & Schneider, 2009; Bono & Judge, 2003; Suharti & Suliyanto, 2012; Know, Ferndale & Park, 2012; Van Dijke & Mayer, 2012; Holbeche & Springett, 2004; Avolio & Gardner, 2005), **trust and justice during performance appraisals (**Gruman & Saks, 2011; Schneider & Macey, 2008; Gilliland & Cropanzano, 2007; Bustaman, Teng & Abdullah, 2014; Collie et al., 2000; Lathan, Almost, Mann & Moore, 2005), **feedback** (Salanova & Schaufeli,2007; Atwater, Brett & Cherise-Charles, 2007) **career development plan** (Taufek, Zulkifle & Sharif, 2016; Long et al., 2012; Ghose & Mohanty, 2016) **employee relationship** (Long et al., 2012; Eisenberger et al., 2001;

Beatrice, 2009) and **voice of employe**e (Lavelle et al, 2010; Kwon et al., 2016; Wood & Fenton, 2005; Holland, Pyman, Cooper & Teicher, 2011; Beugre, 2010; Botero & Van Dyne, 2009; Appelbaum et al., 2000) had been considered in the formulation of the survey questions.

Meanwhile, the questions included in the independent variable reward system and dependent variable foreign employee's engagement were constructed by the researcher from elaboration found in academic journals references from Wong, Wan, & Gao (2017) and Bustaman et al., (2014).

Pretesting of the questionnaire was conducted on APU students as pretest respondents who commented on the ease of reading and comprehension of each item. The questionnaire was revised and refined based on their feedbacks. The final version of the questionnaire was sent by e-mail to the participants attached with a letter of consent. The letter of consent is attached in the Appendix. A final version of the questionnaire with details of the items used is included in Appendix B.

Quantitative division

The questionnaire was divided into two sections: The questionnaire comprises of 24-item 5-point Likert scale. The first twelve (12) items measured the respondents' perceptions of

their respective companies' performance management (independent variable), six (6) items on the rewards system (independent variable), five (5) items on organizational culture (independent variable), and one (1) item for foreign employee's engagement (dependent variable).

The items are close-ended statements in which respondents were requested to express the level of their agreement by choosing from 1 to 5, where 1 = "strongly disagree" and 5 = "strongly agree." In some items, 1 = "very dissatisfied" and 5 = "very satisfied," and 1 = "very disengaged" and 5 = "very disengaged."

Table 1 shows each variable connected to its hypotheses and the respective item numbers included in the survey.

Table 1. Variables, research hypotheses and corresponding items on the questionnaire.

Variable name	Research hypotheses	Items numbers
Independent variable 1: Performance Management	**H_1:** Performance management within Japanese organization influences foreign employees' engagement.	1.1 to 1.12
Independent variable 2: Rewards system	**H_2:** Rewards system in Japanese organizations influences on foreign employees' engagement**.**	2.1 to 2.6
Independent variable 3: Organizational culture	**H_3**: Organizational culture within Japanese organizations influences foreign employees' engagement.	3.1 to 3.5
Dependent variable: Foreign employee engagement		4.1

The second section is the *demographic questionnaire* which comprises of seven (7) close-ended questions that ascertained respondent information such as nationality, gender, education, and age, type of employment contract, job tenure, and position.

3.4 Data validation and analysis: scheme of variables, their operationalization and measurement; analytical schemes

This study applied; (1) descriptive analysis, (2) reliability analysis, (3) correlation analysis, and (4), regression analysis. These analyses followed the series of analyses conducted by Bustaman, Teng, & Abdullah, (2014) on ‘’Reward management and job satisfaction among frontline employees in industry in Malaysia’’.

To examine the data collected this study used the Statistical Package for the Social Sciences (SPSS version 25) in which the variables were coded into nominal, ordinal, and scalar data. Some raw data results are attached in the Appendix C.

The chapter above exposed the main methodologies such as the type of research design, the sample size, data collection methods used to gather the information, the tool used for examining the data, and the type of analyses used in this study. The results obtained from the survey will be presented and analyzed in the next chapter.

Chapter 4: Results

This chapter introduces the findings obtained from the survey where the respondents' demographic information is presented in the descriptive analysis. The results of the mean and frequencies results for each item measured in the independent variables performance management, rewards system and organizational culture will be displayed in this chapter. The results on reliability analysis, correlations analysis, and regression analysis will be illustrated later.

4.1 Demographic profile

1. Gender

The results presented in Table 2 indicates that out of 35 respondents, 18 respondents (51.4%) were male while 17 respondents (48.6%) were female respondents. This shows that majority of the participants in this survey were male. Table 2 illustrates the frequency of respondents by gender.

Table 2. Frequency of respondents by gender

Classification	Frequency (n)	Percentage %
Male	18	51.4
Female	17	48.6

2. Nationality

Ten (10) respondents (28.6 %) were from the Philippines, while Syria and Vietnam each had four (4) respondents (11.4%), respectively. Three respondents (8.5%) were from Korea. Kenya and Spain each had two (2) respondents (5.7%) respectively. Mexico, France, China, Nepal, South Africa, Uganda, and Uzbekistan each had one participant corresponding to 2.9% of the total number of respondents respectively. Table 3 illustrates the frequency of respondents by nationality.

Table 3. Frequency of respondents by nationality

Classification	Frequency (n)	Percentage %
Philippines	10	28.6
Korea	3	8.6
Kenya	2	5.7
Spain	2	5.7
Vietnam	4	11.4
Syria	4	11.4
South Africa	1	2.9
United States	1	2.9
Mexico	1	2.9
Sudan	1	2.9
Uganda	1	2.9
Uzbekistan	1	2.9
Nepal	1	2.9

France	1	2.9
China	1	2.9
Myanmar	1	2.9

3. Age

The data collected indicated that the large part of the participants had been between the ages 21 and 30, with 19 respondents corresponding to 54.3%. Participants whose age ranged between 31 and 40 are 11 respondents, corresponding to (31.4%) The last age group was the smallest, ranging from 41 and older, were 5 respondents corresponding to 14%. Table 4 illustrates the frequency of respondents by age.

Table 4. Frequency of respondents by age

Classification	Frequency (n)	Percentage %
21-30 years	19	54.3%
31- 40 years old	11	31.4%
41 years or more	5	14.3%

4. Educational attainment

As depicted in Table 5, most of the foreign employees have a university degree. Foreign employees with a university degree constituted to 29 participants or 74.3%. Nine (9) of the participants represented the 25.7% with college or equivalent degree. Table 5

illustrates the frequency of respondents by educational attainment.

Table 5. Frequency of respondents by educational attainment

Classification	Frequency (n)	Percentage %
University	26	74.3%
College or equivalent	9	25.7%

5. Job tenure

Fourteen (14) participants or 40.0% are those with one to three years of work experience. Thirteen (13) participants or 37.1% had one year or less of work experience.

Four (4) participants or 11.4% have been working at least three to six years in their current organization, whereas two (2) respondents or 5.7% have been working for six to nine years. Another two (2) respondents or 5.7% have been working for nine years or more in their current organization. Table 6 illustrates the frequency of respondents by years of work in their current organizations.

Table 6. Frequency of respondents by job tenure

Classification	Frequency (n)	Percentage %
1 or less	13	37.1%
1-3	14	40%
3-6	4	11.4%
6-9	2	5.7%
9 or more	2	5.7

6. Position in the organization

When it comes to the position in their organization, 28 respondents (80.0%) occupy the position of supervisor or below, followed by three (3) respondents (8.6%) occupying the position of managers or above. Two (2) respondents (5.7%) occupy the position of manager or below, and another two (2) respondents are at the executive level. Table 7 illustrates the frequency of respondents by their position in their respective organizations.

Table 7. Frequency of respondents by position in the organization

Classification	Frequency (n)	Percentage %
Executive level	2	5.7%
Manager or above	3	8.6
Manger or below	2	5.7%
Supervisor or below	28	80%

7. Type of employment

Regarding the type of contract employment, 16 respondents (45.7%) are employed in a permanent contract, 11 respondents (31.4%) are in contract-based employment, seven (7) respondents (20.0%) are outsourced or are temporary contract workers, and the remaining 1 respondent (2.9%) indicated "others." Table 8 illustrates the frequency of respondents by the type of employment.

Table 8. Frequency of respondents by the type of employment

Classification	Frequency (n)	Percentage %
Permanent contract	16	45.7%
Contract employee	11	31.4%
Outsourced or temporary	7	20%
others	1	2.9%

4.2 Performance management items frequency results.

Table 9 displays the ranked result of the mean scores of each item, and the standard deviation. The mean values range from 3.43 to 2.43.

Table 9. Items ranked mean, standard deviation for items measured on variable Performance Management

Rank	Item	Mean	Standard deviation
1	You receive respect and support from your supervisor	3.43	1.267
2	You receive recognition and appreciation from your supervisor	3.29	1.319
3	Your level of satisfaction with relationship with your supervisor	3.23	1.215
4	Your suggestion and concern are valued by your supervisor	3.2	1.232
5	Your duties and responsibilities are clearly defined in the workplace	3.11	1.345
6	Your satisfaction level with being part of your organization	3.11	1.255
7	You would recommend other people to work in your organization	3.03	1.361
8	The evaluation of your work is fair, and you trust in the outcome	3.00	1.188
9	The feedback you receive help you to improve your work	2.94	1.349
10	Your satisfaction level with feedback you receive in the workplace.	2.89	1.301
11	your satisfaction level with the evaluation of you work by the organization	2.86	1.264
12	Your organization provides you clear career route with opportunity for your professional career	2.43	1.335

1. *You receive respect and support from your supervisor*

The results indicated that overall, 28.6% of the respondents agreed, 28.6 were neutral, 22.9% strongly agreed, 11.4% strongly disagreed and 8.6% disagreed that they receive respect and support from their supervisor within their organization. **Figure 2** illustrates frequency results for item rank 1.

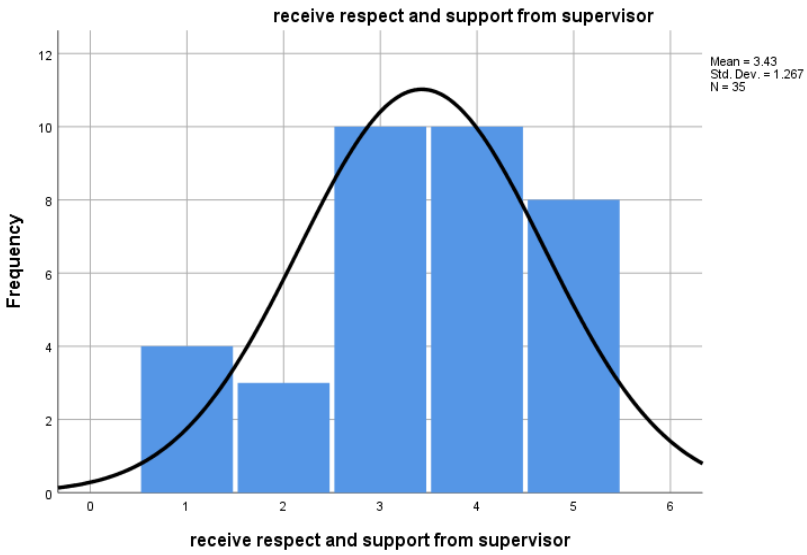

Figure 2. Frequency results for item rank 1

2. *You receive recognition and appreciation from your supervisor*

The results indicated that overall 28.6 % of the respondents agreed, 25.7% were neutral, 20.0% strongly agreed, 14.3% strongly disagreed, and 11.4% disagreed that they receive recognition and appreciation from their supervisor. **Figure 3** illustrates frequency results for item rank 2.

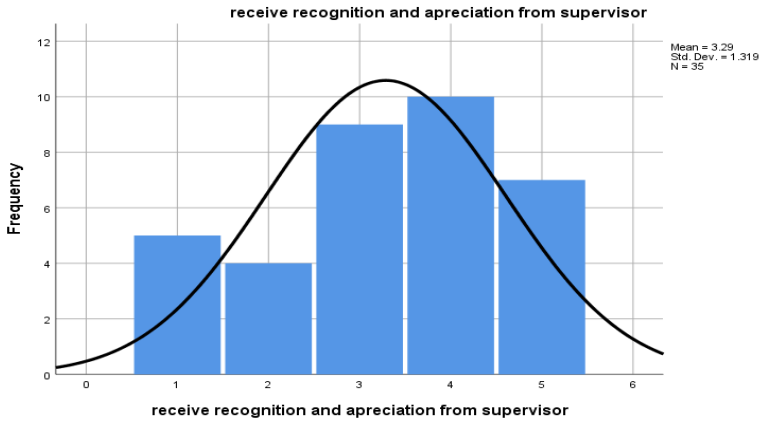

Figure 3. Frequency results for item rank 2

3. *Your level of satisfaction with relationship with your supervisor*

The results indicated that overall 31.4% of the respondents were satisfied, 28.6% were neutral, 14.3% were very dissatisfied, 14.3% were very satisfied, and 11.4% were very dissatisfied with the evaluation the company does to their work. **Figure 4** illustrates frequency results for item rank 3.

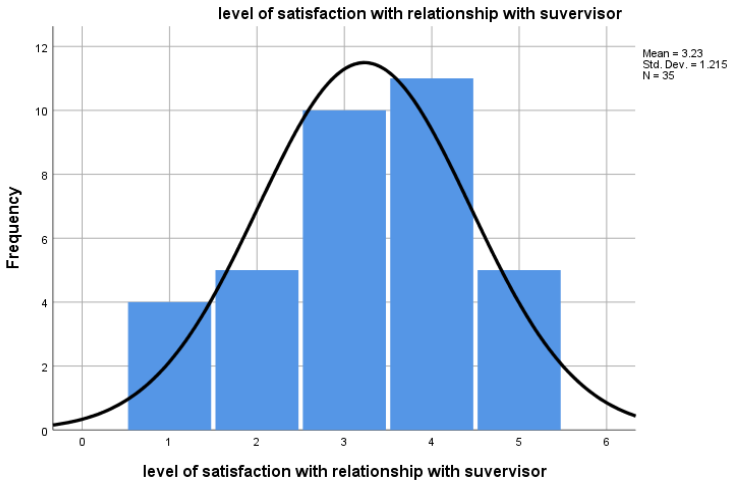

Figure 4. Frequency results for item rank 3

4. *Your suggestion and concern are valued by your supervisor*

The results for this item indicated that overall 34.3% of the respondents agree, 25.7%

disagreed, 17.1% were neutral, 14.3% strongly agreed, and 8.6% strongly disagreed that their suggestions and concerns are valued by their supervisors. **Figure 5** illustrates frequency results for item rank 4.

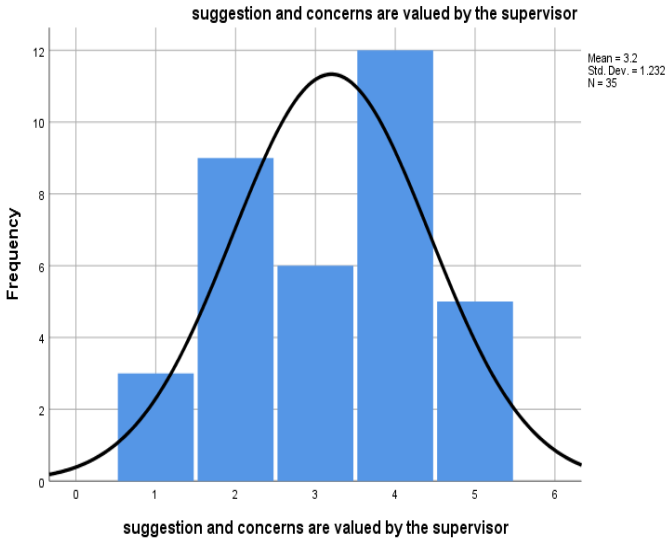

Figure 5. Frequency results for item rank 4

5. *Your duties and responsibilities are clearly defined in the workplace*

The results for this item indicated that overall 25.7% of the respondents were neutral, 20% disagreed, 20% agree, 20% strongly agreed, and 14.3% strongly disagreed that their duties and responsibilities are clearly defined in the workplace. **Figure 6** illustrates frequency results for item rank 5.

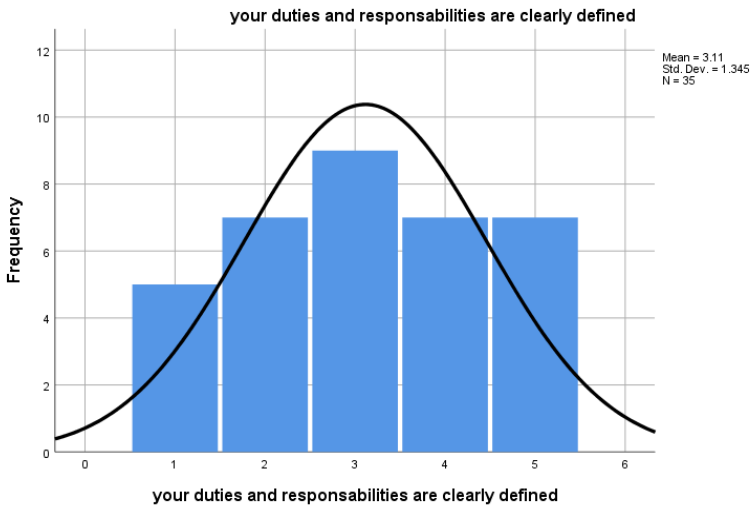

Figure 6. Frequency results for item rank 5

6. *Your satisfaction level with being part of your organization*

The results for this item indicated that overall 31.4% of the respondents were neutral, 20% were dissatisfied, 20% were satisfied, 17.1% were very satisfied, and 11.4% were very dissatisfied on being a part of their respective organizations. **Figure 7** illustrates frequency results for item rank 6.

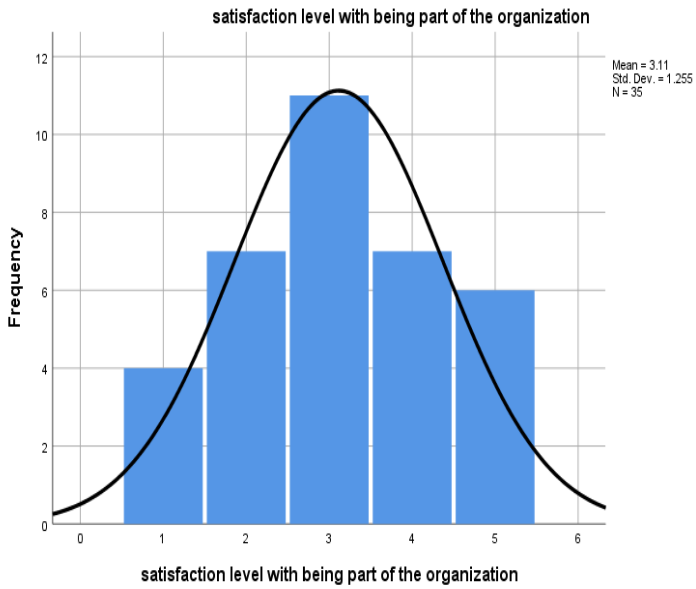

Figure 7. Frequency results for item rank 6

7. You would recommend other people to work in your organization

The results for this item indicated that overall 31.4% of the respondents agreed, 22.9% disagreed, 17.1% strongly disagreed, 14.3% were neutral, and 14.3% strongly agreed that they would recommend other people to work in their respective organizations. **Figure 8** illustrates frequency results for item rank 7.

Figure 8. Frequency results for item rank 7

8. The evaluation of your work is fair, and you trust in the outcome

The results for this item indicated that overall 34.3 % of the respondents agreed, 31.4.3% were neutral, 17.1% strongly disagreed, 11.4% disagreed, and 5.7% strongly agreed that the evaluation of their work is fair, and that they trust in the outcome. **Figure 9** illustrates frequency results for item rank 8.

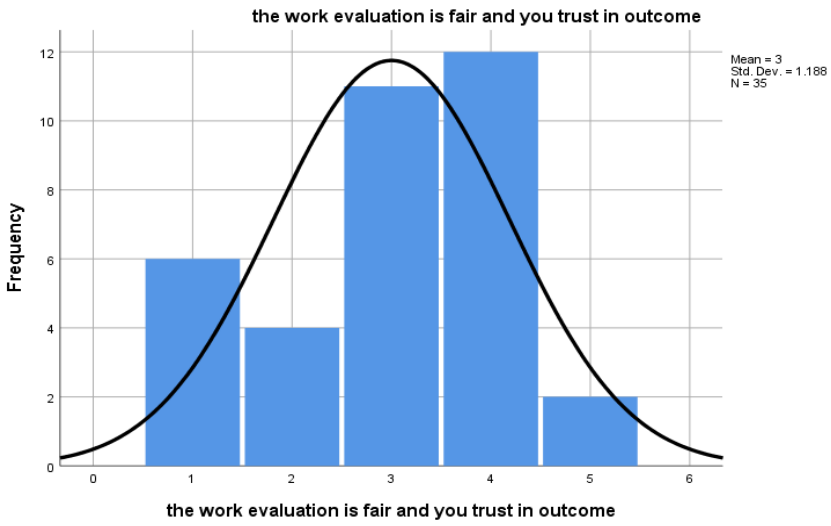

Figure 9. Frequency results for item rank 8

9. *The feedback you receive help you to improve your work*

The results for this item indicated that overall 31.4% of the respondents agreed, 20% strongly disagreed, 20% disagreed, 17.1% were neutral, and 11.4% strongly agreed that the feedback they receive help them improve their work. **Figure 10** illustrates frequency results for item rank 9.

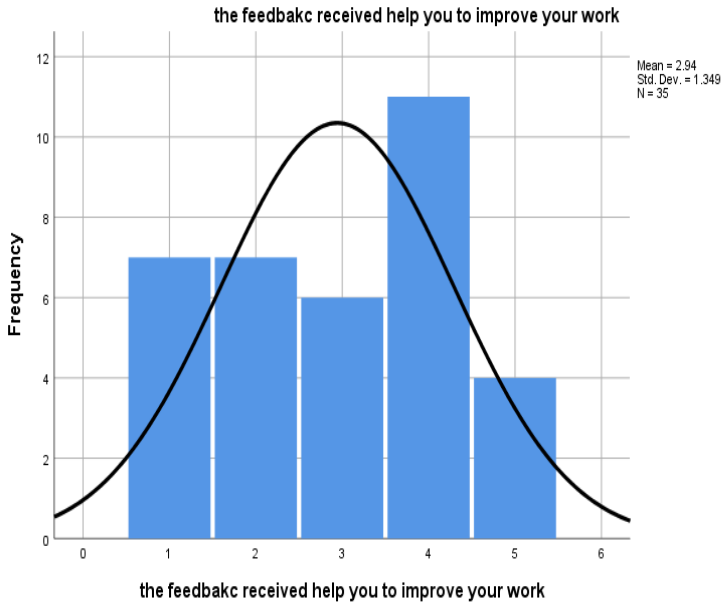

Figure 10. Frequency results for item rank 9

10. Your satisfaction level with feedback you receive in the workplace

The results for this item indicated that overall 28.6% of the respondents were neutral, 22.9% were satisfied, 20% were very dissatisfied, 17.1% were dissatisfied, and 11.4% were very satisfied with the feedback they receive in the workplace. Figure 11 illustrates frequency results for item rank 10**.**

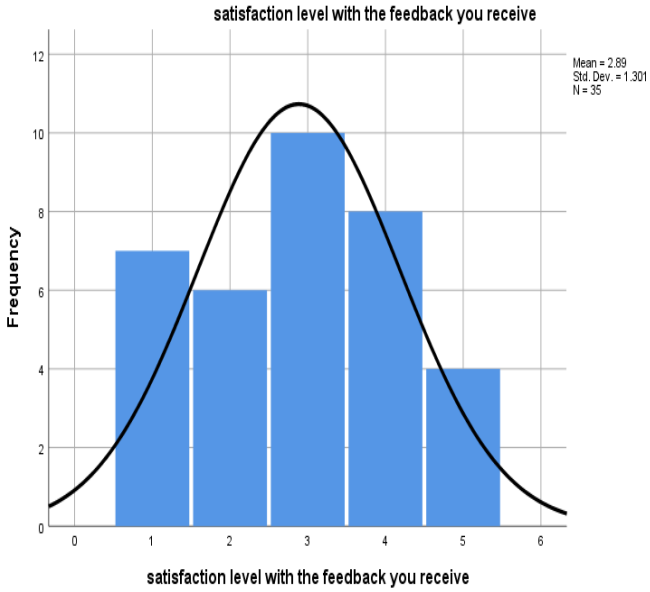

Figure 11. Frequency results for item rank 10

11. Your satisfaction level with the evaluation of your work by the organization

The results for this item indicated that overall, 31.4% of participants were satisfied, 28.6% were neutral, 22.9% were very dissatisfied, 11.4% were dissatisfied and 5.7% very satisfied with the evaluation of their work by the organization. Figure 12 illustrates frequency results for item rank 11**.**

Figure 12. Frequency results for item rank 11

12. Your organization provides you clear career route with opportunity for your professional growth

The results for this item indicated that overall 34.3% of the respondents strongly disagreed, 22.9% were neutral, 20% disagreed, 14.3% agree, and 8.6% strongly agreed that the organization provided them clear career route, with opportunity for their professional growth. Figure 13 illustrates frequency results for item rank 12**.**

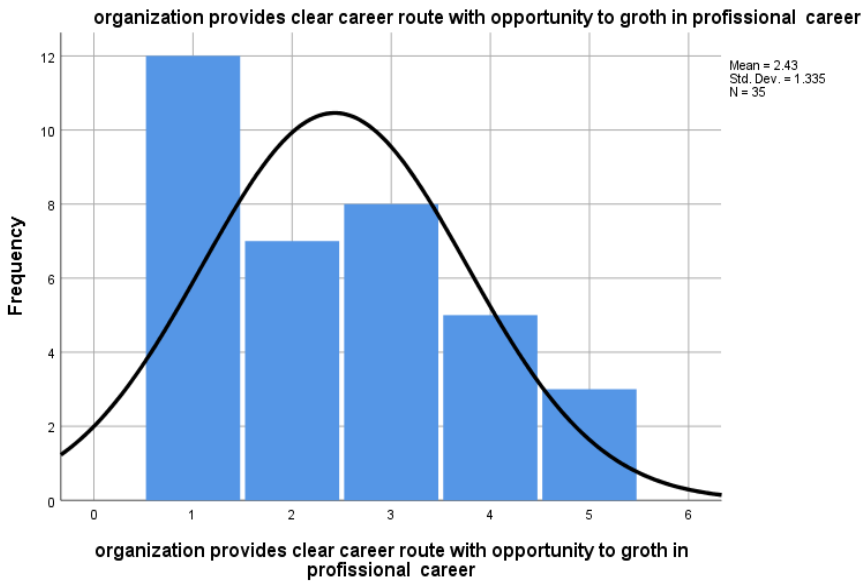

Figure 13. Frequency results for item rank 12

4.3 Reward system items frequency results

The table above displays the ranked result of the mean scores of each item, and standard deviation. The mean values range from 3.20 to 2.40.

Table 10. Items ranked mean, standard deviation for items measured on variable reward system

Rank	Item	Mean	Standard deviation
1	Your work is respected and valued by the organization	3.20	1.106
2	Your satisfaction level with the reward system in your current organization	3.11	1.105
3	The reward you receive is fair for the work you do	3.06	1.305
4	Bonus is fairly determined, and you are satisfied.	2.63	0.973
5	Merit-based payment is fully implemented in the organization	2.34	1.259
6	You are satisfied with the policy of increasing salary based on seniority	2.40	1.311

1. *Your work is respected and valued by the organization*

The results for this item indicated that overall 31.4% of the respondents agree, 28.6% were neutral, 22.9% disagreed, 11.4% strongly agree, and 5.7% strongly disagree that their work is respected and valued by their respective organizations. Figure 14 illustrates frequency results for item rank 1.

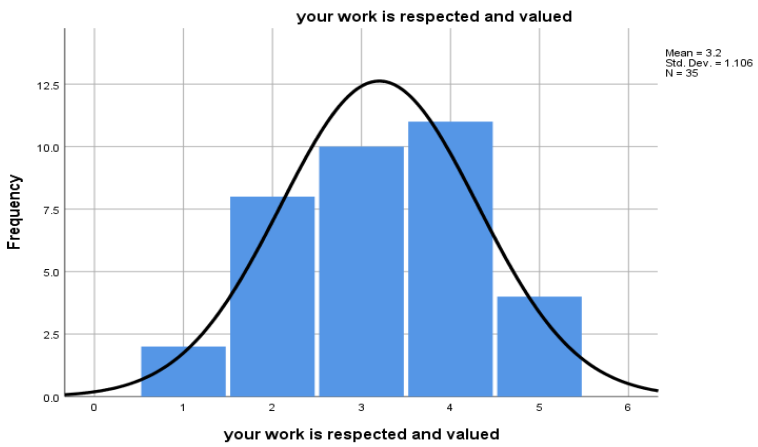

Figure 14. Frequency results for item rank **1**

2. *Your satisfaction level with the reward system in your current organization*

The results for this item indicated that overall 37.1% of the respondents were satisfied, 31.4% were neutral, 14.3% were dissatisfied, 11.4% were very dissatisfied, and 5.7% were very satisfied with the rewards system of their current organizations. **Figure 15** illustrates frequency results for item rank 2.

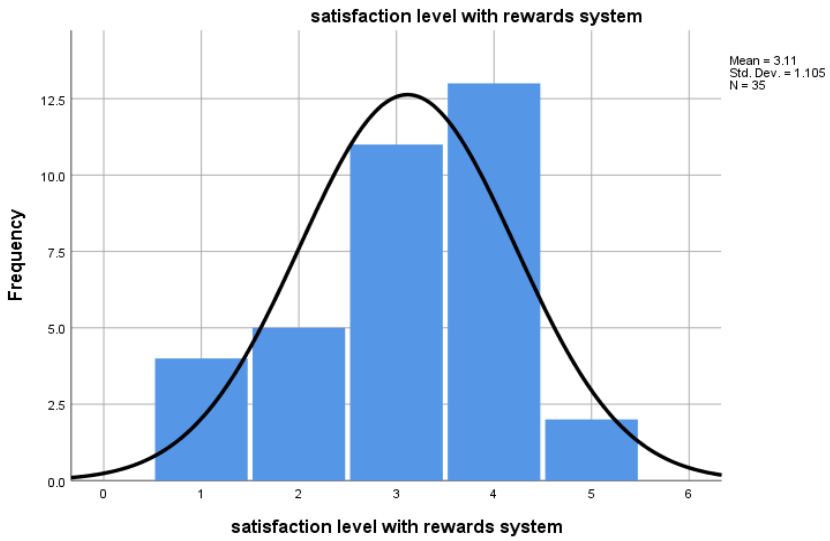

Figure 15. Frequency results for item rank **2**

3. *You receive fair rewards for you work effort*

The results for this item indicated that overall 34.3% of the respondents agreed, 20% were neutral, 17.1% strongly disagree, 17.1% disagreed, and 11.4% strongly agreed that they receive fair rewards for their work efforts. **Figure 16** illustrates frequency results for item rank 3.

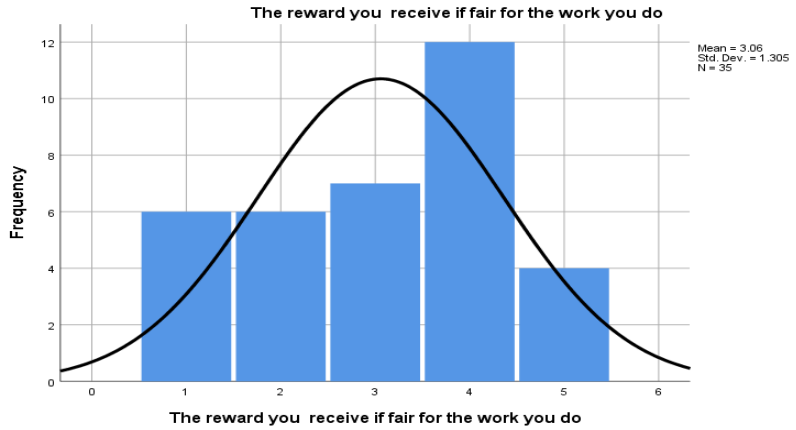

Figure 16. Frequency results for item rank 3

4. *Bonus is fairly determined, and you are satisfied*

The results for this item indicated that overall 45.7% of the respondents were neutral, 25.7% disagreed, 14.3% strongly disagree, 11.4% agree, and 2.9% strongly agreed that bonuses are fairly determined in their current organization and that it is satisfactory for them. **Figure 17** illustrates frequency results for item rank 3.

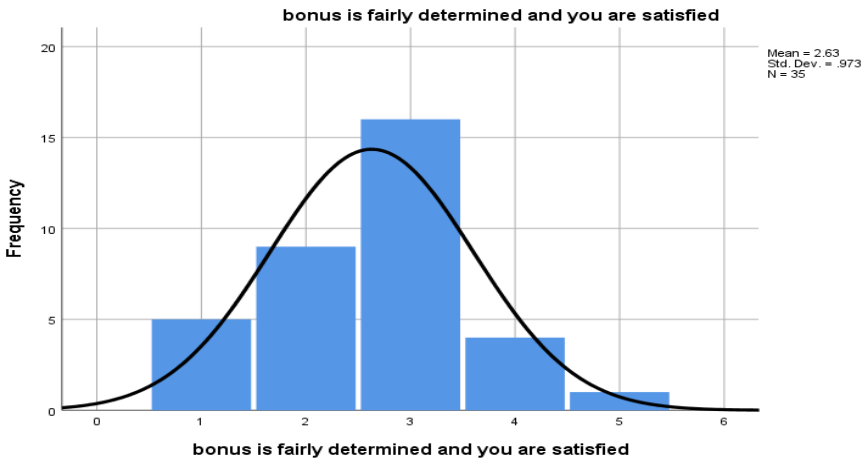

Figure 17. Frequency results for item rank 4

5. *Merit-based payment is fully implemented in the organization*

The results for this item indicated that overall 34.3% of the respondents strongly disagree, 31.4% were neutral, 20% disagree, 8.6% strongly agreed, and 5.7% agreed that the merit-

based payment if fully implemented in their current organizations. **Figure 17** illustrates frequency results for item rank 5.

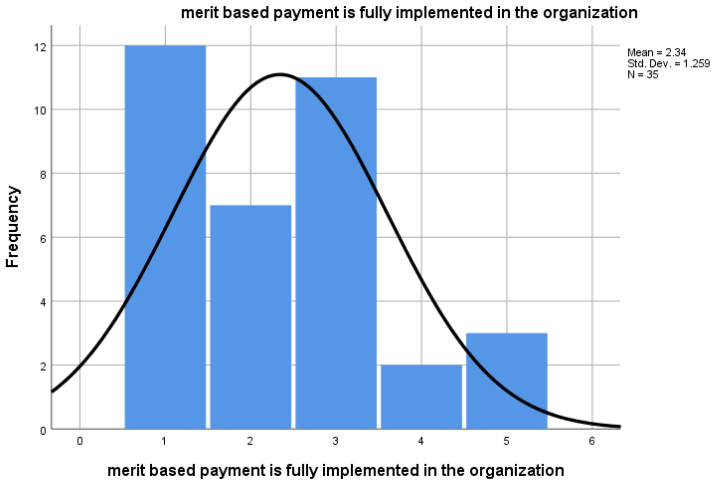

Figure 18. Frequency results for item rank 5

6. *The policy of increasing salary based only in seniority is satisfactory for you.*

The results for this item indicated that overall 34.3% of the respondents strongly disagreed, 25.7% were neutral, 20% disagree, 11.4% agree, and 8.6% strongly agreed that the policy of increasing salary based only in seniority is satisfactory for them. **Figure 19** illustrates frequency results for item rank 6.

Figure 19. Frequency results for item rank 6

4.4 Organizational culture items frequency results.

Table 11 displays the ranked result of the mean scores of each item, and the standard deviation included in organizational culture. The mean values range from 3.20 to 2.80.

Table 11. **Items ranked mean scores and standard deviation for items measure organizational culture**

Rank	Item	Mean	Standard deviation
1	Your working hours affect your wellness	3.20	1.389
2	Your working hours practices are flexible for you to do other things	3.06	1.552
3	Organization culture provide opportunity for you to express opinions and participate in decision making	2.94	1.371
4	Working culture provide you satisfactory work autonomy in your work	2.83	1.224
5	Satisfaction level with the working culture	2.80	1.106

1. *Your working hours affect your wellness*

The results for this item indicated that overall 28.6% of the respondents agreed, 20% were neutral, 20% strongly agree, 17.1% strongly disagreed, and 14.3% disagreed that the working hours affect their wellness. **Figure 20** illustrates frequency results for item rank1

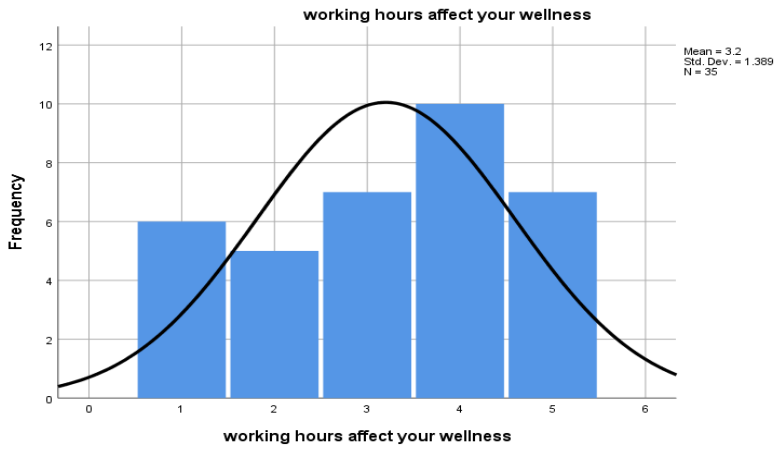

Figure 20. Frequency results for item rank 6

2. *Your working hours practices are flexible for you to do other things*

The results for this item indicated that overall 25.7% of the respondents strongly disagree, 22.9% strongly disagree, 20% disagree, 20% agree, and 11.4% were neutral, that their working hours, enabling them to do another thing. **Figure 21** illustrates frequency results for item rank 2.

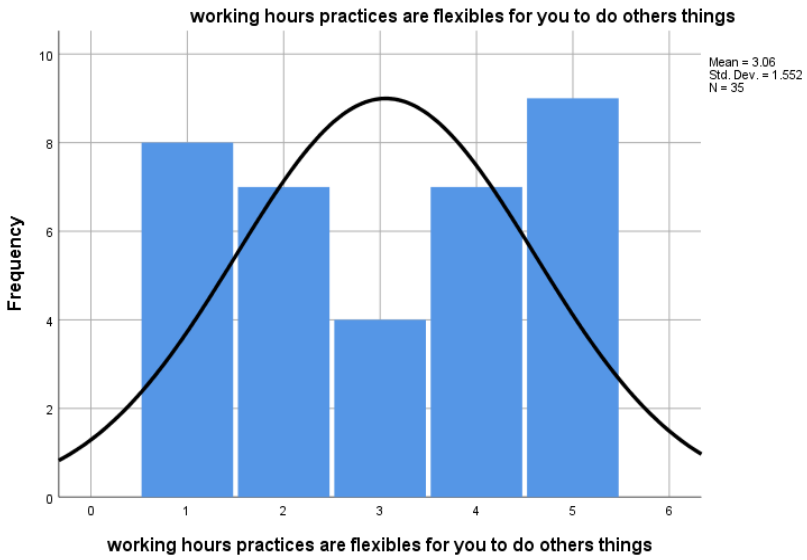

Figure 21. Frequency results for item rank 2

3. *Organization culture provide opportunity for you to express opinions and participate in decision making*

The results for this item indicated that overall 28.6% of the respondents disagreed, 28.6% agreed, 17.1% strongly disagreed, 14.3% strongly agree, and 11.4% were neutral that their organization give them opportunities to express their opinions and participate in decision making. **Figure 22** illustrates frequency results for item rank 3.

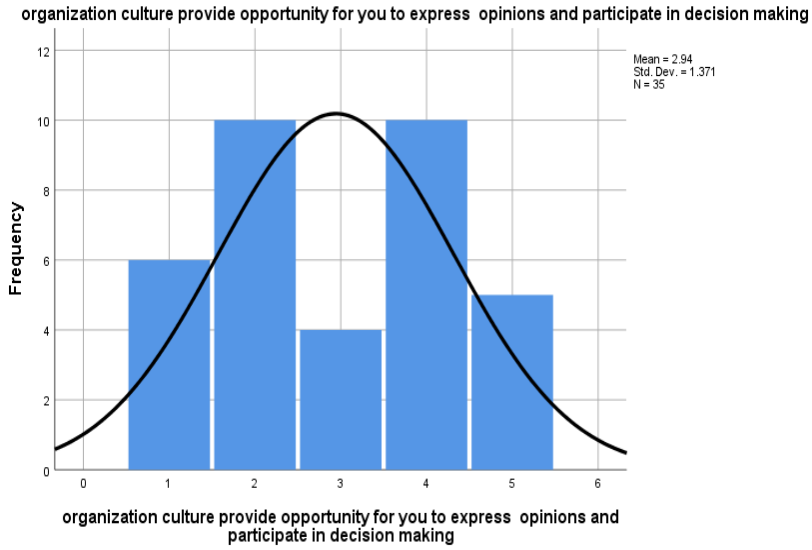

Figure 22. Frequency results for item rank 3

4. *Working culture provides you satisfactory work autonomy in your work*

The results for this item indicated that overall 28.6% of the respondents disagreed, 28.6% were neutral, 17.1% agreed, 14.3% strongly disagreed, and 11.4% strongly agree that the working culture within their organizations give satisfactory work autonomy in their respective work. **Figure 23** illustrates frequency results for item rank 4.

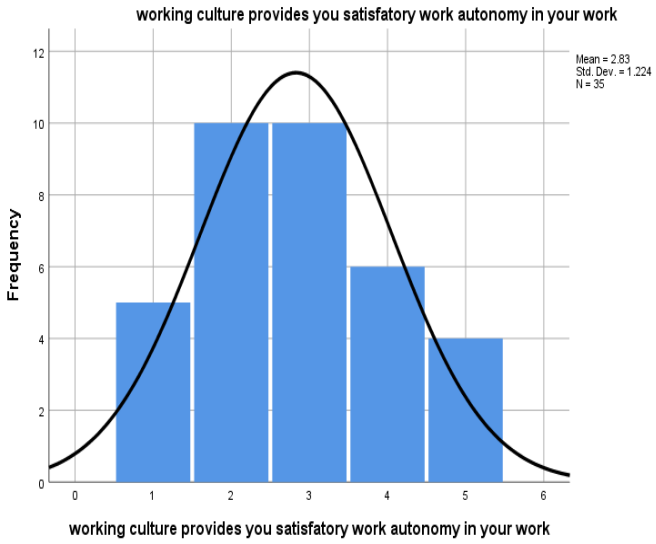

Figure 23. Frequency results for item rank 4

5. *Satisfaction level the working culture*

The results for this item indicated that overall 37.1% of the respondents were dissatisfied, 28.6% were neutral, 17.1% were satisfied, 8.6% were very dissatisfied and 8.6% were very satisfied with the working culture in their respective organizations. **Figure 24** illustrates frequency results for item rank 5.

Figure 24.Frequency results for item rank 5

4.5 Foreign employee engagement items frequency results.

Table 12 displays the result of the mean score, and standard deviation for item measure foreign employee engagement. The mean value was 3.14 and standard deviation was 1.287.

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Table 12. Mean score, and standard deviation for item measure foreign employee engagement

Rank	Item	Mean	Standard deviation
1	Overall, how engaged you feel toward your current organization and your job	3.14	1.287

1. Overall, how engaged you feel toward your current organization and your job

The results for this item indicate that overall 31.4% of the participants were neutral, 28.6% were engaged, 17.1% were very disengaged, 14.3% were very engaged, and 8.6% were disengaged within their current organization. **Figure 25** illustrates frequency results for item rank 1.

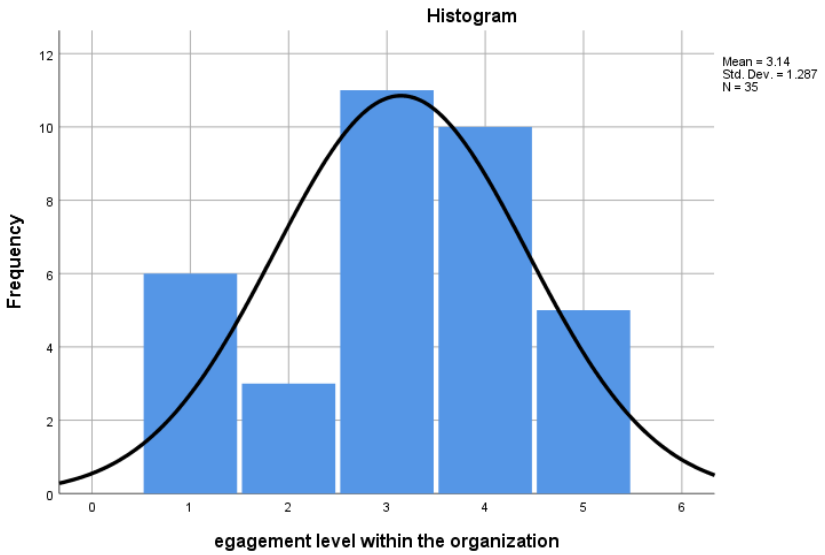

Figure 25. Frequency results for item rank 1

4.6 Reliability analysis

Cronbach's alpha was applied in this research to verify the measurement of the research instruments internal consistency and variables reliability coefficient. The total reliability coefficient result for all 3 independent variables was **0.914**. The standard value of

Cronbach's alpha ranges from 0.7 to 0.9. (Field, 2005).

In conclusion, this reliability results indicates that the research instrument using in the 3 independent variables was internally consistent with Cronbach's alpha value approaching 1.0 (Field, 2005).

Table 13. Alpha coefficient of reliability of the independent's variables.

Independent variables	**Cronbach's Alpha**	**Number of items**	**Cronbach's alpha for 3 variables**
Performance Management	.966	12	**0.914**
Rewards systems	.884	6	
Organizational culture	.806	5	

4.7 Correlation analysis

For verifying the relationship between independents variables, the correlation analysis was applied. The outcome of the examination shows that the variables are significant correlated with a Pearson value lower than 0.01. The following Table 14 displays the correlation levels and the values related to it.

Table 14. Correlation level and values range

Range	Strength of association
0	No association
0 to ±0.25	Negligible association
±0.25 to ±0.50	Weak association
±0.50 to ±0.75	Moderate association
±0.75 to ±1	Very strong association
±1	Perfect association

Table 15 presents the independents variables internal cross correlation results for (Performance management, Rewards System, and Organizational culture). Person correlation results shows that all **r** values were above 0.7 which suggest a strong positive correlation between the three independent variables (performance management, Rewards System, and organizational culture.

Table 15. Cross correlation results the independent variables

Correlations

		Performance Management	Reward system	Organization culture
Performance Management	Pearson Correlation(**r**)	1	.774**	.829**
	Sig. (2-tailed)		.000	.000
Reward system	Pearson Correlation **(r)**	.774**	1	.742**
	Sig. (2-tailed)	.000		.000
	N	35	35	35
Organization culture	Pearson Correlation(**r**)	.829**	.742**	1
	Sig. (2-tailed)	.000	.000	
	N	35	35	35

**. Correlation is significant at the 0.01 level (2-tailed).

4.8 Regression analysis

As a next step, regression analysis was applied in this research to test the combination among the independent variables and verify which of them has more impact on dependent variable foreign employee engagement. The regression results are shown in the Table 16.

As displayed in the **model summary**, the initial three independent variables, performance management, rewards system, and organizational culture accounted for 52.6% of variance on engagement of foreign employee engagement. In the column Beta (β), the value of the standardized coefficient presented in the **coefficients section** indicates the level of contribution of each independent variable to the dependent variable foreign employee's engagement.

These results demonstrated that foreign employee's engagement is positively affected by performance management **(β=.636)** and organizational culture **(β=.221).** However, foreign employees' engagement is negatively affected by rewards system **(β= -.137)**

The results presented in significance (**Sig)** with P-value= **0.014,** showed that only the independent variable performance management as being a significant predictor of foreign employee's engagement. Consequently **H_1** (Performance management within Japanese organization influences foreign employees' engagement) is accepted. However, the results of significance **(Sig)** on rewards system, P-value=**0.057** and organizational culture, P-value=0.345 shown lack of significance to foreign employee's engagement. Therefore, **H_2** (Rewards system in Japanese organizations influences foreign employees' engagement) and **H_3** (Organizational culture within Japanese organizations influences foreign employees' engagement) are rejected.

Table 16. Regression analysis

Model Summary

Model	R	R Square	Adjusted R Square	St. Error of the estimate
1	.725	**.526**	.480	.928

a. Predictor :(constant), organizational culture, rewards system, performance management.

b. Dependent variable: engagement level within the organization.

ANOVA

Model		Sum of Squares	df	Mean square	F	Sig.
1	Regression	29.587	3	9.862	11.451	**.000**
	Residual	26.699	31	.861		
	Total	56.286	34			

a. Dependent variable: engagement level within the organization

b. Predictors :(Constant), organizational culture, rewards system, performance

Coefficients

Model		**Unstandardized coefficients'**			**t**	
		B	**St. Error**	**Beta(β)**		**Sig**
1	Constant	.551	529		1.042	.305
	Rewards system	-.187	278	-.137	-.672	.507
	Performance management	.747	286	**.636**	2.607	**.014**
	Organizational culture	284	296	.221	.960	.345

a. Dependent variable: engagement level within the organization

The next step, Table 17 illustrates the items of independent variable performance management ranked in order with significance to foreign employee engagement. See all the results of 12 items in the Appendix C.

Table 17. Independent variable: Performance management items ranked according to significance to the dependent variable foreign employee's engagement

Rank	Description	Sig(P)
1	you receive recognition and appreciation from your supervisor	**0.000**
2	your satisfaction level with the evaluation of you work by the organization	**0.000**
3	you receive respect and support from your supervisor	**0.001**
4	Your level of satisfaction with relationship with your supervisor	**0.001**

The chapter above presented the results of the descriptive analysis, the alpha coefficient of the reliability of variables, and the linear correlation and multiple regression analyses using SPSS version 25 to answer the research question, and to verify the three hypotheses introduced in this study.

Chapter 5: Discussion

This chapter discusses the outcome to answer the research question and as well to confirm the results of the three hypotheses tested in this research with the relevant literature included in this study.

To review the research question established in the first section of this study:

> Which aspect of the Japanese CHRM such as performance management, rewards system, and organizational culture influence the engagement of foreign employees within Japanese organizations?

Regression analysis results shown in the **Table 16** demonstrated that the independent variable performance management has a greater impact on foreign employee's engagement with the highest beta value **(β = .636)** which means that this variable bears the higher contribution to engagement of foreign employees. Additionally, the results in the significance **(Sig)** found in independent variable performance management with P-value=**0.014,** indicates, this variable as being a significant predictor of foreign employee's engagement. This result confirms Mone & London's (2010) assertion that implementing an effective performance management policy will help the organization to increase the level of employees' engagement.

This research presented three hypotheses as shown earlier and repeated here in the Figure

26.

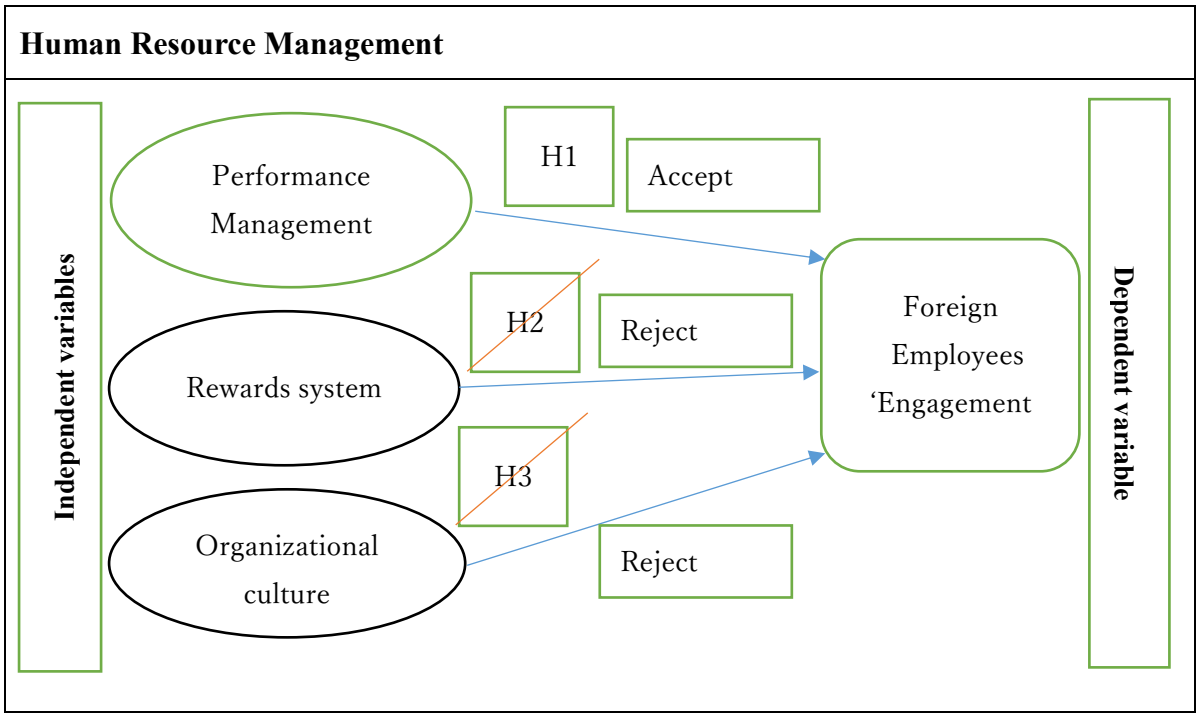

Figure 26. Conceptual framework results

The results presented on the **Table 16** in significance **(Sig)** P. value indicates that only the independent variable, performance management is shown to be a significant predictor on foreign employee engagement within Japanese organizations. Therefore, H_1 **(Performance management within Japanese organization influences foreign employees' engagement)** is accepted as valid. Meanwhile, H_2 **(Rewards system in Japanese organizations influences foreign employees' engagement)** and H_3 **(Organizational culture within Japanese organizations influences foreign employees' engagement)** are rejected as they shown lack of significance to foreign employee' engagement.

5.1 Ranked items in performance management that show significance to foreign employee's engagement.

Among the total 12 items that measured in the independent variable, performance management, four items demonstrated significance to foreign employee's engagement as was shown in T**able 17** These items will be discussed below in order, ranked from the most significance to foreign employee's engagement.

Item rank 1: You receive recognition and appreciation from your supervisor.

In this question overall, the participants responded that they did receive recognition and appreciation from their supervisor in the organization. This result is confirmatory of Long, Perumal & Ajagbe's (2012) statement that supervisors play an important role in engaging employees with their attitude toward the employees within an organization. Therefore, any positive or negative attitude from the supervisor can influence the level of engagement of employees within an organization.

Item rank 2: Your satisfaction level with the evaluation of your work by the organization.

In this question, overall, the participants responded that they were satisfied with their

organization's evaluation of their work. This result is confirmatory of Abdullah et.al. (2011) argument that performance evaluation influences employees' work motivation and their engagement within the company.

Item rank 3: You receive respect and support from your supervisor.

In this question, the results indicated that overall, the foreign employees receive support and respect from their supervisor. This is confirmatory of Gruman & Sacks' (2011) assertion that supervisors that show supportive conduct toward employees will encourage employees' engagement.

Item rank 4: Your level of satisfaction with relationship with your supervisor.

In this question, the results illustrated that overall, the foreign employees were satisfied with their relationship with their supervisor. This research concluded that supervisors in the Japanese organizations played an important role in engaging foreign employees.

The chapter above discussed the remarkable points from the analyses of the results presented in the previous chapter, and revisited the research question and the hypotheses, as well as the conceptual framework. It also compared the results of this study with previous studies included in the literature review explored in Chapter 3. The next chapter will present the conclusion and summary of the study and provide recommendations.

Chapter 6: Conclusion and Recommendations

This chapter summarizes the results that were presented in the findings, confirmatory of other studies to support the research question and the hypotheses tested. In addition, this chapter concludes that study, provides the recommendations, and routes of future research.

6.1. Conclusion

The research question in this study was: Which aspect of the Japanese CHRM such as performance management, rewards system, and organizational culture influence the engagement of foreign employees within Japanese organizations?

The answer for this question reveals that the independent variable "performance management" plays a major role in influencing the dependent variable foreign employee's engagement within Japanese organizations.

In conclusion, it is important for Japanese organizations to include employee's engagement in the performance management process, where supervisors in the Japanese organizations play an important role in engaging foreign employees.

The improvement of foreign employees' engagement will contribute to Japanese organizations' success and increase its competitive advantages in the global market.

6.2 Recommendations

Following the changes in the global economy, as well in the international business environment, it is important for Japanese organizations to continue implementing changes on their traditional human resources management practices. In so doing, this brings more competitive advantages for local companies by adapting to the increased diversity in the workforce and attracts and retains foreign employees willing to contribute to the growth of the company and the local economy.

This research recommends that Japanese organizations to act to improve foreign employee's engagement thought the following significant results of performance management. The study suggests: (1) improvements in the performance management evaluation system be made, (2) Japanese organization should improve the feedback provided to the foreign employee so that they may better enhance their work and increase their level of engagement, and (3) Japanese organizations should provide a clear career path within the organization and give more opportunity for employees to grow in their professional career, (4) the suggestion and concerned of the foreign employees should take more in consideration by the supervisors within the Japanese organization.

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Appendix A

Letter of consent

Dear (name)

I have been kindly introduced you by the 2019 Tokyo workshop

I wish to ask your participation in a research project to improve the understanding of Japanese Human Resources Management practices with foreign employees' engagement working in Japanese organizations. This research is being conducted by the graduate school of management of Ritsumeikan Asia Pacific University and will importantly contribute to broader HRM issue and current affairs.

I thank you in advance for your response by completing the short survey found by selecting the below statement URL.

If you are interested in a copy of the summarized generic results or my report, you may add your detail to the end of the survey.

Kind regards,

Edley Manezes,
Graduate student
Graduate School of Management
Ritsumeikan Asia Pacific University.

Appendix B

Survey questionnaire

1.Performance Management

	1=Strongly Disagree/ very dissatisfied	**2=disagree/ dissatisfied**	**3=neutral**	**4=Agree/ satisfied**	**5=Strongly Agree/Very Satisfied**
1.1Your satisfaction level regarding your relationship with your supervisor	1	2	3	4	5
1.2. Do you feel that your supervisor show respect and he or she give necessary to support you need to improve your work	1	2	3	4	5
1.3. Do you think that your concerns and suggestions are taken into consideration by your supervisor in your current organization	1	2	3	4	4
1.4. Do you feel that your supervisor show appreciation for your contribution to the	1	2	3	4	5

team and to the organization success					
1.5. Choose your satisfaction level with the evaluation your organization does to your work.	1	2	3	4	5
1.6. Do you believe that the evaluation of you by the organization is fair and that you trust in the outcome?	1	2	3	4	5
1.7. Your satisfaction level with the feedback you receive in your current workplace.	1	2	3	4	5
1.8. Do you feel that the feedback you receive in your workplace help you to improve your work?	1	2	3	4	5
1.9. Your satisfaction level of being part of your current organization.	1	2	3	4	5
1.10. Do you feel that you would recommend other people to work for your current organization?	1	2	3	4	5

1.11Do you think that your current organization provides you a clear career route for your professional development?	1	2	3	4	5
1.12. Do you think that your work duties within your current organization are clearly defined and you know your responsibility?	1	2	3	4	5
2. Rewards System					
	1=Strongly Disagree/ very dissatisfied	**2=disagree/ dissatisfied**	**3=neutral**	**4=Agree/ satisfied**	**5=Strongly Agree/Very Satisfied**
2.1. Your satisfaction level with the rewards policy in your current organization.	1	2	3	4	5
2.2. Do you feel that your work is respected and valued in your current organization	1	2	3	4	5
2.3. Do you think that you receive fair rewards for work you do in your current organization	1	2	3	4	5

2.4. Do you think that increasing salary based on age and seniority of employees is satisfactory for you?	1	2	3	4	5
2.5. Do you think that merit-based payment is fully implemented in your organization?	1	2	3	4	5
2.6. Do you think that the bonus is fairly determined in your current organization and it is satisfactory for you?	**1**	**2**	**3**	**4**	**5**
3. **Organizational culture**					
	1=Strongly Disagree/ very dissatisfied	**2=disagree/ dissatisfied**	**3=neutral**	**4=Agree/ satisfied**	**5=Strongly Agree/Very Satisfied**
3.1. Your satisfaction level with the culture in your current organization	1	2	3	4	5
3.2. Do you feel that your organization provides you opportunities to express your opinions freely and participate in decision making?	1	2	3	4	5

3.3. Do you think that the work culture in your current organization provides you satisfactory work autonomy in your work?	1	2	3	4	5
3.4. Do you think that the working hours' practices in your organization provides you opportunity to do other things (enjoying your personal life)?	1	2	3	4	5
3.5. Do you feel that the working hours' practices in your current organization affect your wellness?	1	2	3	4	5

4. Engagement					
	1=very disengaged	**2=disengaged**	**3=neutral**	**4=Engaged**	**5=Very engaged**

4.1.Overall, how engaged you feel toward your current organization and your job	1	2	3	4	5
5.personal information					
Nationality					
Gender	Male	Female			
Education level	University	College or equivalent			
Age	20 or less	21-30	31-40	41 or more	
Type of employment	Permanent	contract	temporary		
Job tenure	1 or less	1-3	3-6	6-9	9 or more
Position	Executive	Manager	Supervisor or below		

Appendix C

Table 1. Performance management items and their Sig (P) significance levels to foreign employee's engagement

Rank	Description	Sig(P)
1	you receive respect and support from your supervisor	**0.001**
2	you receive recognition and appreciation from your supervisor	**0.000**
3	Your level of satisfaction with relationship with your supervisor	**0.001**
4	Your suggestion and concern are valued by your supervisor	0.004
5	Your duties and responsibilities are clearly defined in the workplace	2.815
6	Your satisfaction level with being part of your organization	4.279
7	You would recommend other people to work in your organization	4.299
8	The evaluation of your work is fair, and you trust in the outcome	5.823
9	The feedback you receive help you to improve your work	5.332
10	Your satisfaction level with feedback you receive in the workplace.	8.467
11	your satisfaction level with the evaluation of you work by the organization	**0.000**
12	Your organization provides you clear career route with opportunity for your professional growth.	0.006

Table 2. Total reliability result for the 3 independent variables (performance management, rewards system, and organizational culture)

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.914	.915	3

Table 3. Reliability result for independent variable performance management

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.966	.966	12

Table 4. Reliability result for independent variable rewards system

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.884	.890	6

Table 5. Reliability result for independent variable organizational culture

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.806	.822	5