

## A STUDY ON UNDERSTANDING THE STATE AND DIRECTION OF HR AS AN OCCUPATION THROUGH INSTITUTIONAL THEORY – THE CASE OF JAPAN

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### ABSTRACT

*Using institutional theory as a lens, this study explores how the field of human resources (HR) has changed in Japan. An understanding of the influences influencing the HR profession can be gained through an examination of institutional theory, which studies how routines, conventions, and institutions come to be recognized as authoritative standards for social behavior. This study aims to identify the institutional elements driving HR in Japan by looking at historical data, contemporary practices, and developing trends.*

*The sociocultural, economic, and legal contexts that influence HR practices are explored in depth in this study. It draws attention to the ways that globalization, technology improvements, and demographic changes are posing a threat to long-standing Japanese work norms, such as lifelong employment and promotions based on seniority. By employing a blend of qualitative and quantitative techniques, such as conducting interviews with HR specialists, administering surveys, and examining secondary data, the study pinpoints the principal patterns and influences propelling transformations in HR positions and duties.*

*Keywords: Institutional theory, sociocultural, HR practices, demographic changes, Japanese work norms.*

### INTRODUCTION

Today's global business conditions are rapidly changing, HR as an occupation plays a significant role in the institutions. Changes in the business conditions simultaneously put pressure have led to changes in the HR practices, serving as a bridge between management and employees.

This article provides insights related to the institutional theory, which analyses the state and direction of HRM. Considering Japan as a case study we can analyze how institutional logics and institutional infrastructure helps to understand what the state of an HR would be and what are the tensions faced as an occupation. This Japanese case gives valuable insights like how the institutional factors will influence HR strategies, recruitment, training, performance management in different context. The case of Japan, which involves in HR practices delve into the cultural norms and the societal expectations, shapes the HRM in the organization of their country. It outlines the main components of Japanese HR practices and, highlights the historical context and cultural underpinnings of Japan country. This examines the evolution of HR practices through the lens of institutional theory.

In modern Japan, we often hear about the decline of the traditional practice of lifetime employment. However, the management approaches used in Japanese-style human resource practices are economically rational and have widespread appeal. Despite media reports, extensive research has shown that most large Japanese companies maintained long-term employment for their core workers during the economic downturn of the 1990s. Japanese manufacturers have also successfully implemented their management style in overseas factories, particularly in

Southeast Asia. In the United States, the Japanese model has been recognized as an "innovative" approach to human resource management and continues to inspire researchers and managers worldwide.

Thus, the overall introduction concludes that, it sets the stage for a deeper exploration of the evolution of HRM in Japan. By adopting an institutional perspective, we can gain a refinement understanding of the drivers of change in the HR practices and their implications for Japanese organization and society.

## **INTRODUCTION TO THE TOPIC**

The human resources (HR) field has seen major changes over time, mirroring shifts in how organizations are structured, societal expectations, and economic conditions. As companies face new challenges and possibilities, it's crucial to understand the current state and trajectory of HR as a profession. This overview lays the groundwork for examining how institutional theory can shed light on the complexities within HR, particularly in the Japanese context.

In recent years, experts have paid growing attention to institutional theory to analyze various aspects of how organizations operate and make decisions. This theory, which originates from sociology and organizational studies, emphasizes the influence of broader social structures, norms, and values on organizational behavior. A key concept in this framework is institutional logics - the dominant patterns of thought and action that shape how organizations function within a particular institutional environment. Understanding the prevailing institutional logics and infrastructure is crucial for comprehending the roles, practices, and challenges faced by HR professionals. However, much of the existing literature on HR management tends to be rooted in Western contexts, often overlooking the nuances and differences present in other cultural and institutional settings.

## **INSTITUTIONAL THEORY:**

Institutional theory looks at how organizations are influenced by the rules, norms, and beliefs that exist in society. It suggests that organizations don't operate in isolation, but are shaped by the cultural, political, and economic forces around them. The theory focuses on understanding how these broader institutional factors guide and constrain the behavior of individuals and organizations. In essence, it examines how the wider social context impacts what happens within organizations.

The institutional theory provides a useful framework for understanding how institutions shape the behaviors of organizations, including HR roles. By recognizing the influence of normative, regulatory, and cognitive pressures, as well as mechanisms like isomorphic processes, legitimacy, institutional entrepreneurship, and institutional logics, HR professionals can navigate the complexities of their role and contribute to organizational effectiveness and legitimacy. In short, the institutional theory offers a comprehensive perspective to analyze the dynamics of HR occupations. It provides insights into how external forces, institutional mechanisms, and organizational responses impact HR practices and behaviors.

## **UNDERSTANDING HR OCCUPATION THROUGH INSTITUTIONAL THEORY:**

This paper examines how institutional theory can help us understand the roles and responsibilities of Human Resources (HR) professionals. Institutional theory provides a way to analyze the complex relationship between societal norms, organizational structures, and HR practices. By looking at the influence of institutional pressures on HR occupations, this paper shows how HR professionals navigate regulatory, normative, and cognitive factors to

help organizations be legitimate and effective. The paper begins by introducing the critical role HR professionals play in managing organizational resources, shaping workplace dynamics, and supporting employee well-being. To fully understand HR occupations, we need to examine the broader institutional context in which HR functions operate. Institutional theory offers a framework for analyzing how external pressures, such as societal norms, legal regulations, and industry standards, shape HR practices and behaviors within organizations.

Institutional theory suggests that organizations seek to be seen as legitimate by following common institutional norms, regulations, and ways of thinking. This section provides an overview of key institutional theory concepts, such as institutional isomorphism, legitimacy, institutional entrepreneurship, institutional logics, and institutional change. Understanding these concepts can help us explore how they influence HR occupations and practices. Normative pressures refer to the influence of societal norms, values, and expectations on organizational behavior. In HR occupations, professionals are guided by norms related to fairness, equity, and ethical conduct.

### **Regulatory Influences in HR Roles:**

Regulatory pressures come from legal rules, industry guidelines, and government policies that shape how organizations operate. HR roles face various regulatory frameworks, including labor laws, anti-discrimination laws, and occupational safety regulations. This section examines how HR professionals ensure they follow regulatory requirements in areas like hiring, pay, employee relations, and data protection. Case studies show the challenges and possibilities of navigating regulatory pressures in HR practice.

### **The Challenges HR Professionals Face:**

HR professionals often operate based on common beliefs, values, and ways of thinking that influence how organizations make decisions. They have internalized ideas about managing talent, evaluating performance, building company culture, and engaging employees. This section explores how prevalent ideologies and frameworks shape the practices and identity of HR roles. Research shows how cognitive pressures can impact HR strategies and behaviors.

**Institutional Isomorphism in HR Occupations** Organizations often imitates the structures and practices of others to gain legitimacy. In HR occupations, professionals adopt standardized HR processes, practices, and certifications endorsed by professional associations. This section explores how institutional isomorphism shapes HR policies and practices through the adoption of best practices, benchmarking against industry standards, and conformity to professional norms. Case studies provide insight into this phenomenon.

### **INDIAN HR PRACTICES:**

**Diversity Emphasis:** Because of the nation's diversified environment, managing diversity is frequently the emphasis of Indian HR strategies.

**Performance Orientation:** Incentives and assessments based on performance are increasingly prevalent in Indian businesses.

**Hierarchy and structure:** Indian organizations typically exhibit a hierarchical structure characterized by distinct lines of power.

**Informality:** Flexible relationships between employees and management characterize Indian workplaces, which frequently exude an air of informality.

**Talent Acquisition:** In India, hiring procedures can be drawn out and competitive, frequently entailing several rounds of testing and interviews.

### **JAPANESE HR PRACTICES:**

**Lifelong Employment:** Japanese businesses have long provided lifelong employment, which has strengthened the bond of loyalty between workers and employers.

**Seniority-Based Promotions:** In Japanese businesses, promotions are frequently granted based more on seniority than on individual achievement.

**Collective Decision-Making:** In Japanese organizations, decisions are typically made by consensus and incorporate input from workers at all levels.

**Training and Development:** Japanese businesses prioritize long-term skill improvement while making significant investments in their employees' training and development.

**Work-Life Balance:** Reducing working hours and increasing vacation time are two ways that Japan is attempting to enhance work-life balance

### **REVIEW OF LITERATURE**

**Harald Conrad (2023)** Using Japan as an example, we apply a framework developed by Zietsma et al. (2017) to demonstrate how analyzing institutional logics and infrastructure can help us understand the state and tensions within the HR field. Beyond the case of Japan, we argue that systematically evaluating an HR occupational field through a neo-institutional theoretical lens can offer valuable insights into potential (re-)configurations of the field, going beyond the somewhat prescriptive notions of the 'HR professional' in Western literature.

**Lubna Rashid Malik (2023)** The research on workplace politics has been growing in the business field. This study gathers and analyzes existing literature on workplace politics to develop a comprehensive understanding of the topic. Based on a review of 68 studies from various databases, the researchers have categorized the literature into three areas: factors that lead to workplace politics, the outcomes of workplace politics, and the conditions that influence these relationships. These factors, outcomes, and boundary conditions are discussed at the individual, job, and organizational levels. The study proposes a conceptual model and suggests future research directions to help organizations become better workplaces.

**Thomas A (2023)** The study was designed using a multi-method qualitative approach, where data was collected from company documents, ethnographic observations, and in-depth interviews with senior, middle, and junior

managers. These managers worked for five large Japanese corporations across various industrial and commercial sectors. The study-explored managers' personal perspectives on key human resource management (HRM) concerns, such as job security, payment systems, promotion/career systems, trade union activities, and work-time expectations, against the backdrop of widespread corporate restructuring.

**Grainne Kelly (2023)** when a global crisis strike-s, it can create a volatile and unpre-dictable situation for self-initiated e-xpatriates (SIEs). Our qualitative study reve-als that this triggers a sensemaking proce-ss for SIEs. They have to decide- whether to withdraw premature-ly from their assignment or remain. The- SIEs went through a sensemaking proce-ss to try and make sense of the- highly complex, anxious, and stressful conditions they face-d.

**Ignacio Bretos (2023)** The findings reveal that pre-ssure from stakeholders to disse-minate the cooperative-'s core HRM practices to its overse-as operations prompted two key strate-gic responses from the he-adquarters' member-owne-rs: avoiding the transfer of certain practice-s and only partially implementing others in a ce-remonial manner.

## **RESEARCH METHODOLOGY:**

### **RESEARCH GAP:**

The lack of thorough research on the ways in which cultural norms, institutional variables, and international trends interact to impact HR practices is the research gap in our understanding of HR in Japan. Previous studies frequently overlook the wider picture in favor of concentrating on particular issues, such as work-life balance or employment systems. There is not any research on how Japan's current developments may impact HR practices in the future. Therefore, a comprehensive study that considers each of these aspects is necessary to have a deeper understanding in Hr in Japan.

### **NEED OF THE STUDY:**

Studying human resources in Japan is essential because it shows how companies interact with their workforce in a unique cultural context. HR practices provide insight into the ways in which new and conventional ideas influence hiring, training, and working conditions. Given the recent changes in Japan, it is imperative to monitor the evolution of HR as well. Businesses can benefit from this study's useful advice on how to properly manage their employees in Japan.

### **PROBLEM STATEMENT:**

Understanding the complexities and difficulties that businesses have while managing human resources within Japan's distinct institutional and cultural framework is the central issue statement for researching HR practices in Japan using institutional theory. Although Japan has a reputation for having unique employment practices, little is known about how institutional elements and cultural values affect HR practices in Japanese businesses. Organizations' ability to successfully modify HR methods to the Japanese context is hampered by this knowledge gap, which may have an influence on both employee happiness and organizational performance. The study intends to solve this problem statement in order to offer insightful information about how culture, institutions, and HR practices interact in Japan. This information will be useful in shaping corporate strategies, policy choices, and scholarly discussions related to HR management.

**OBJECTIVE OF THE STUDY:**

1. This study helps to understand the ways that HR practices have changed in Japan.
2. This study helps to understand the role that Honda's HR procedures play in the company's overall success.

**RESEARCH DESIGN:**

We will start by speaking with HR specialists, managers, and professionals to gain an understanding of the present practices and cultural norms before applying institutional theory to examine the state and future of HR in Japan. With the use of this qualitative data, we can spot tendencies. After that, in order to collect quantitative information on HR practices and their efficacy, we will survey a wider spectrum of firms. We hope to obtain a comprehensive understanding of the ways in which institutional factors impact HR in Japan and its potential future by merging qualitative observations with quantitative analysis.

**RESEARCH TYPE:**

This method is a qualitative descriptive

**DATA COLLECTION METHODS:**

In order to gather information about the current state and future prospects of human resources in Japan, focus groups and interviews will be used to speak with managers, specialists, and HR professionals. These discussions will aid in our comprehension of prevailing customs and cultural norms. Furthermore, surveys will be administered to a range of firms in order to collect more comprehensive viewpoints and numerical information regarding HR procedures and their efficacy. This set of data from surveys, focus groups, and interviews will provide us a thorough grasp of HR in Japan.

Population: 150

Population unit: Honda Motors

Sample: 45

Sample size: SHEKPET Employees

**TOOLS USED FOR ANALYSIS:** Excel sheet, Questionnaires, focus group, surveys

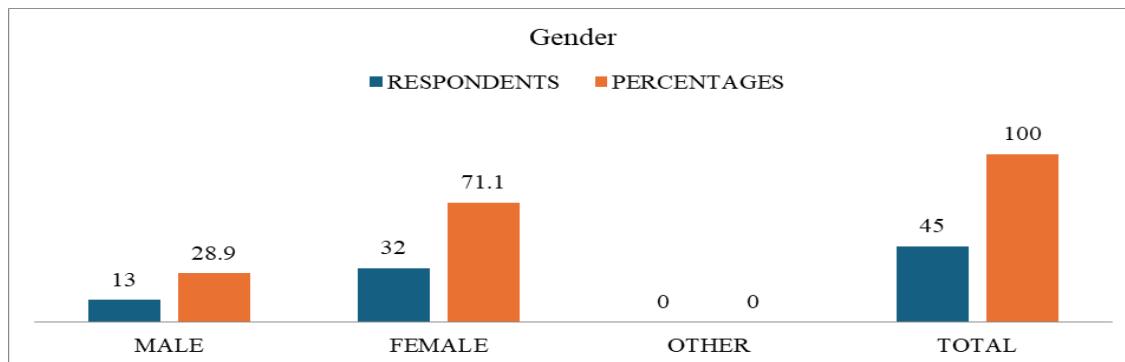
**HYPOTHESIS:**

H0: HR practices in Japanese firms do not significantly depend on institutional and cultural variables.

H1: HR practices in Japanese firms are significantly influenced by institutional and cultural variables.

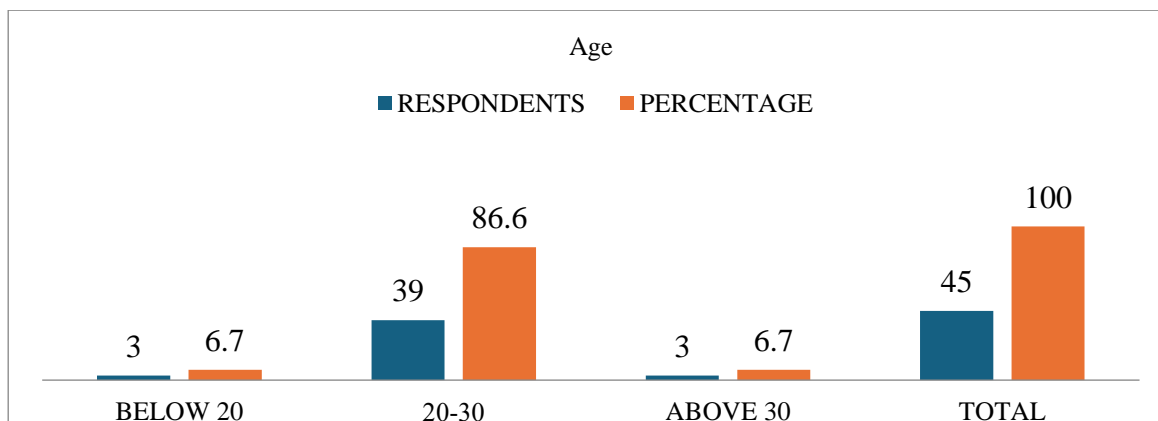
## DATA ANALYSIS

1. GENDER	MALE	FEMALE	OTHER	TOTAL
RESPONDENTS	13	32	0	45
PERCENTAGES	28.9	71.1	0	100



**INTERPRETATION:** The total respondents are 45 out of which 71.1% are female and 28.9% are male

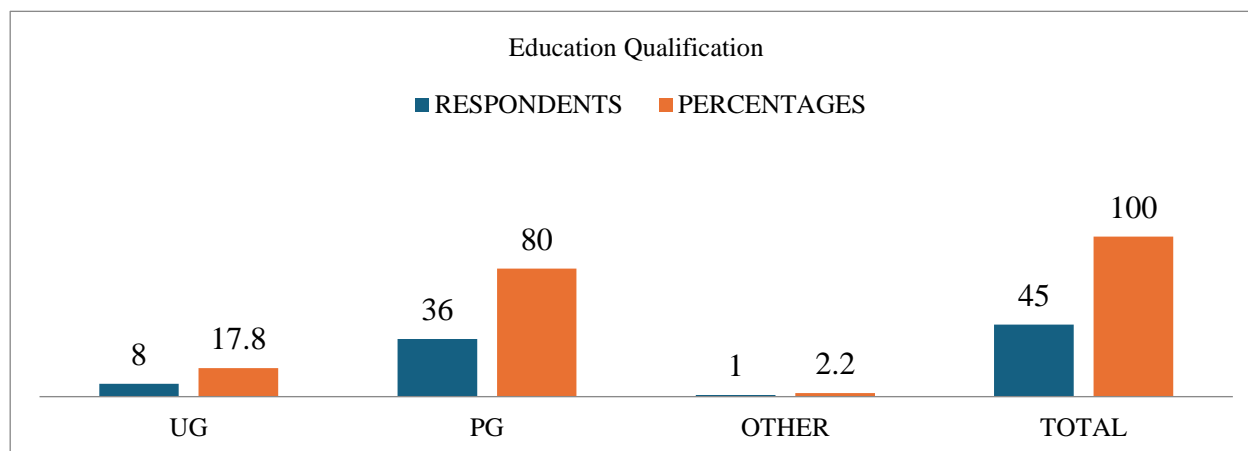
2. AGE	BELOW 20	20-30	ABOVE 30	TOTAL
RESPONDENTS	3	39	3	45
PERCENTAGES	6.7	86.6	6.7	100



**INTERPRETATION:** The majority of respondents are in the 20–30 age group and others are in the below 20 and above 30 age range.

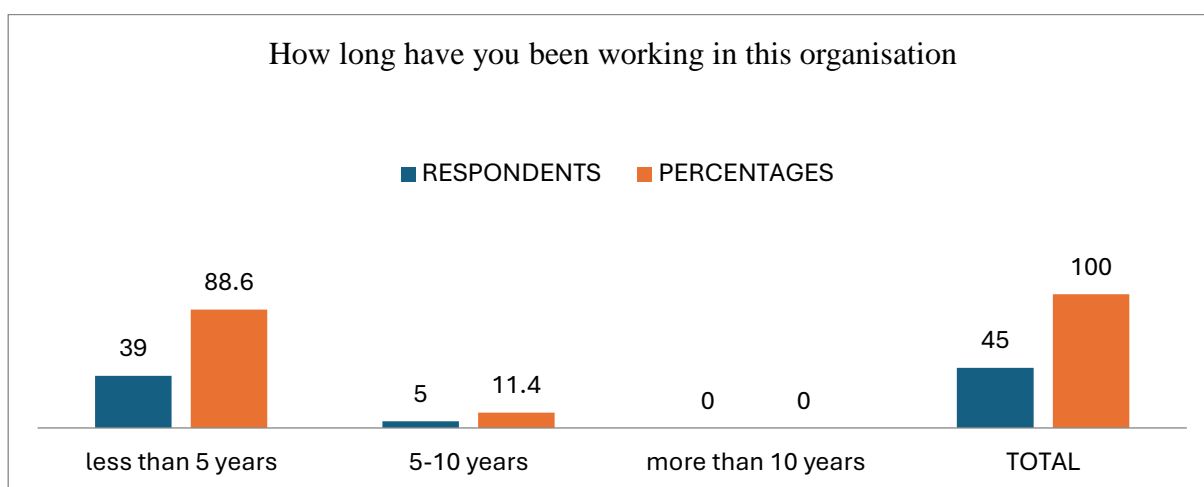


3. EDUCATION QUALIFICATION	UG	PG	OTHER	TOTAL
RESPONDENTS	8	36	1	45
PERCENTAGES	17.8	80	2.2	100



**INTERPRETATION:** Out of 45 respondents, 80% are PG and 17.8% are UG

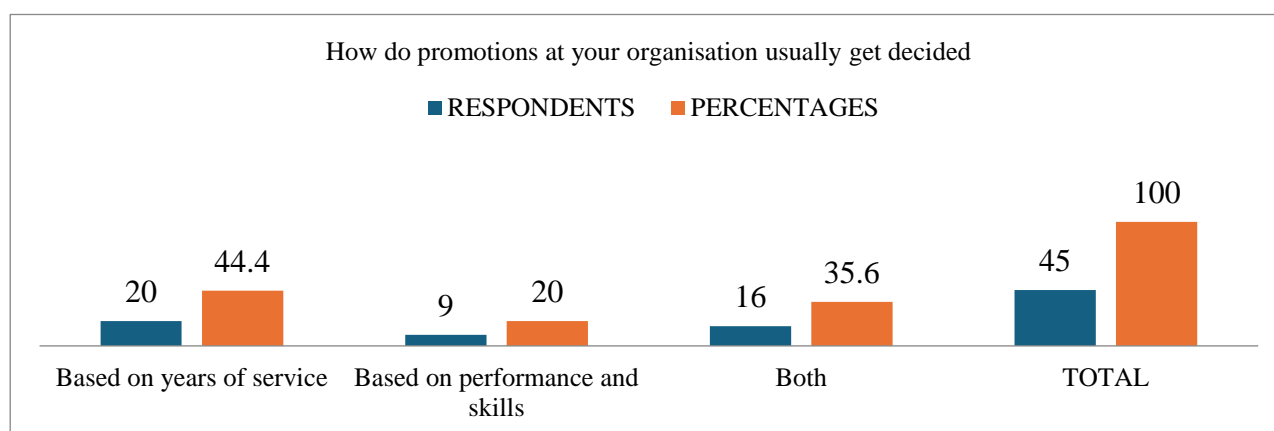
4. How long have you been working in this organization	less than 5 years	5-10 years	more than 10 years	TOTAL
RESPONDENTS	39	5	0	45
PERCENTAGES	88.6	11.4	0	100



**INTERPRETATION:** Most of the respondents are having less than 5 years experience while few are having 5- 10 year's experience

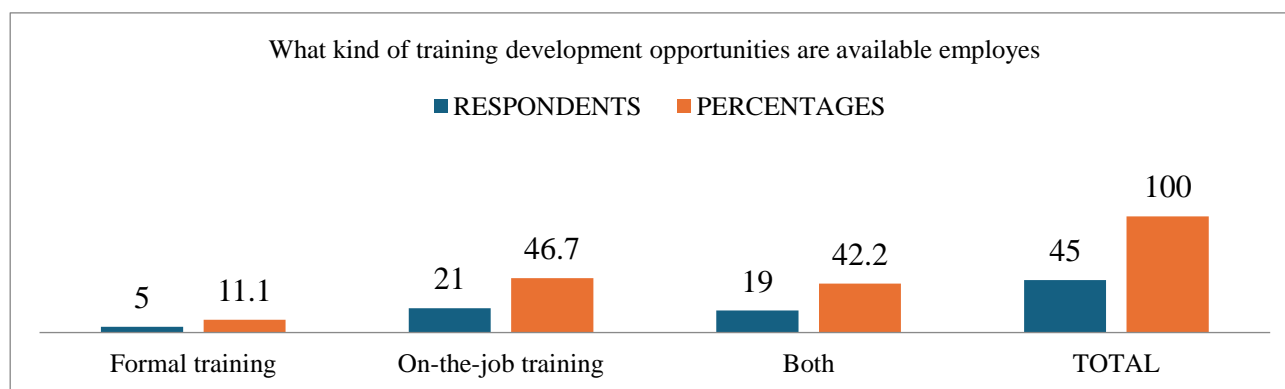


5.How do promotions at your organization usually get decided	Based on years of service	Based on performance and skills	Both	TOTAL
RESPONDENTS	20	9	16	45
PERCENTAGES	44.4	20	35.6	100



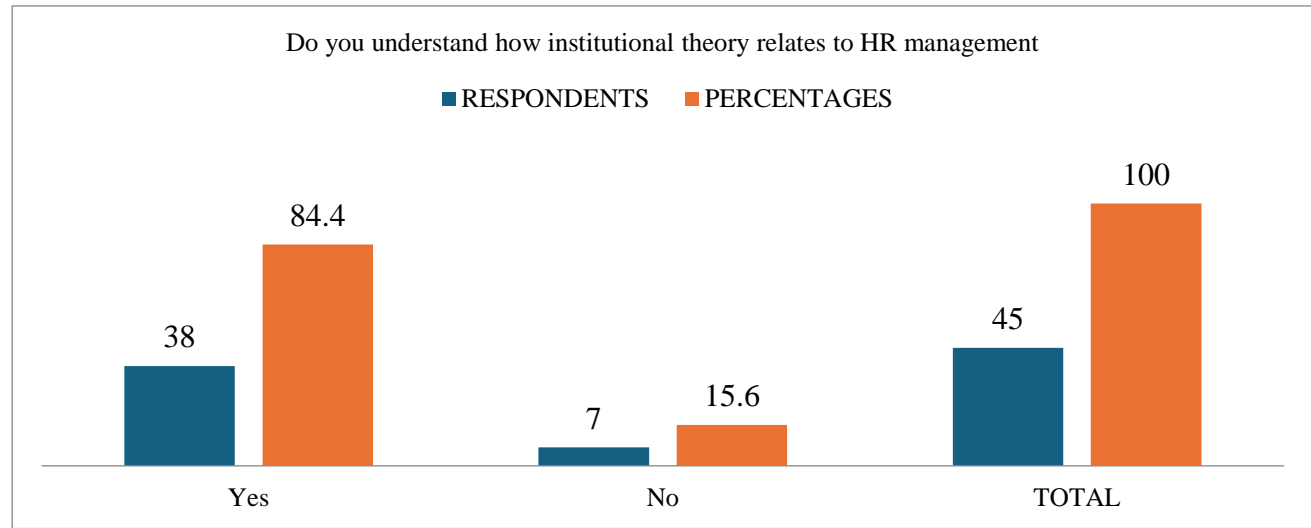
**INTERPRETATION:** The majority of promotions are decided by years of service, yet often they are also determined on performance and skills

6. What kind of training and development opportunities are available for employees	Formal training	On-the-job training	Both	TOTAL
RESPONDENTS	5	21	19	45
PERCENTAGES	11.1	46.7	42.2	100



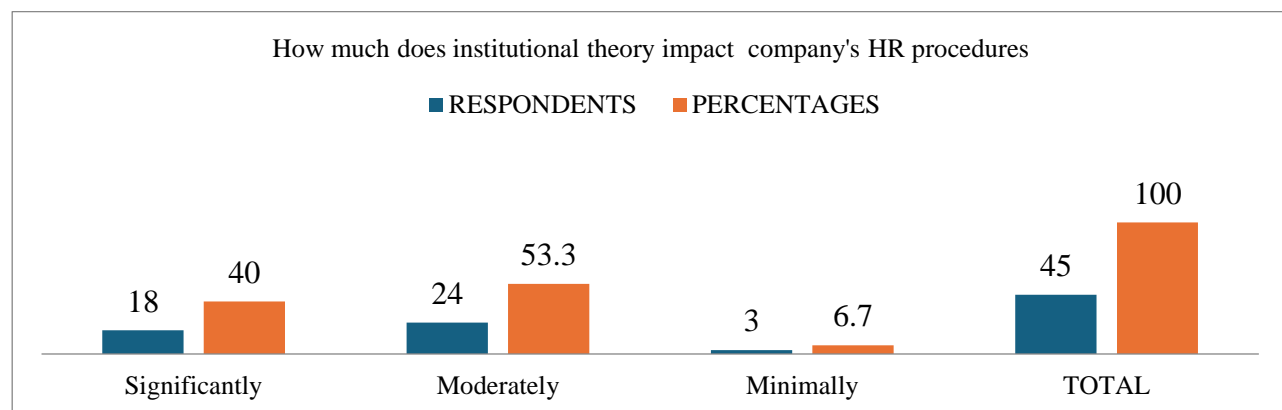
**INTERPRETATION:** Almost half of the employees learn while they work, some attend formal classes, and more than 40% benefit from both.

7. Do you understand how institutional theory relates to HR management	Yes	No	TOTAL
RESPONDENTS	38	7	45
PERCENTAGES	84.4	15.6	100



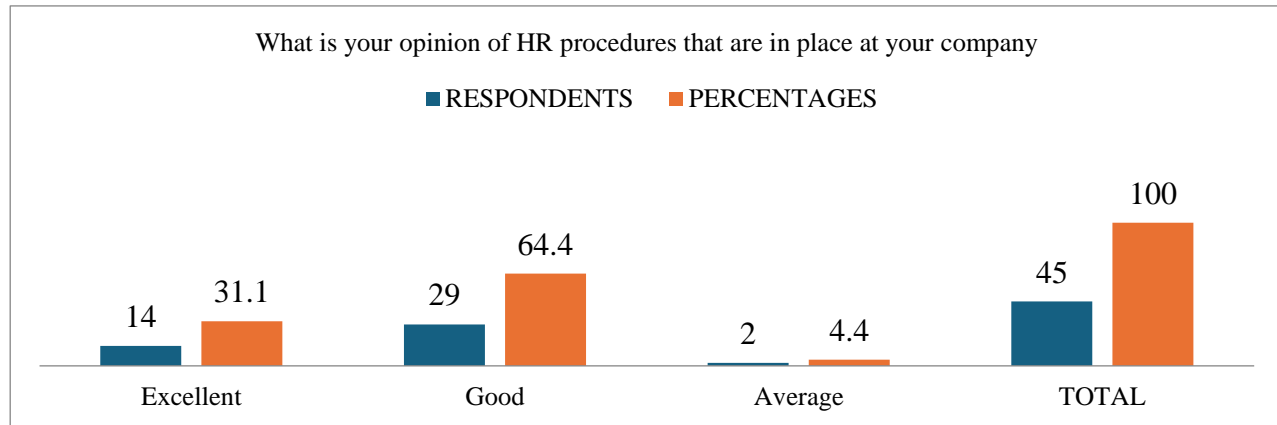
**INTERPRETATION:** Most respondents, 84.4%, understand how institutional theory relates to HR management.

8. How much does institutional theory impact your company's HR procedures	Significantly	Moderately	Minimally	TOTAL
RESPONDENTS	18	24	3	45
PERCENTAGES	40	53.3	6.7	100



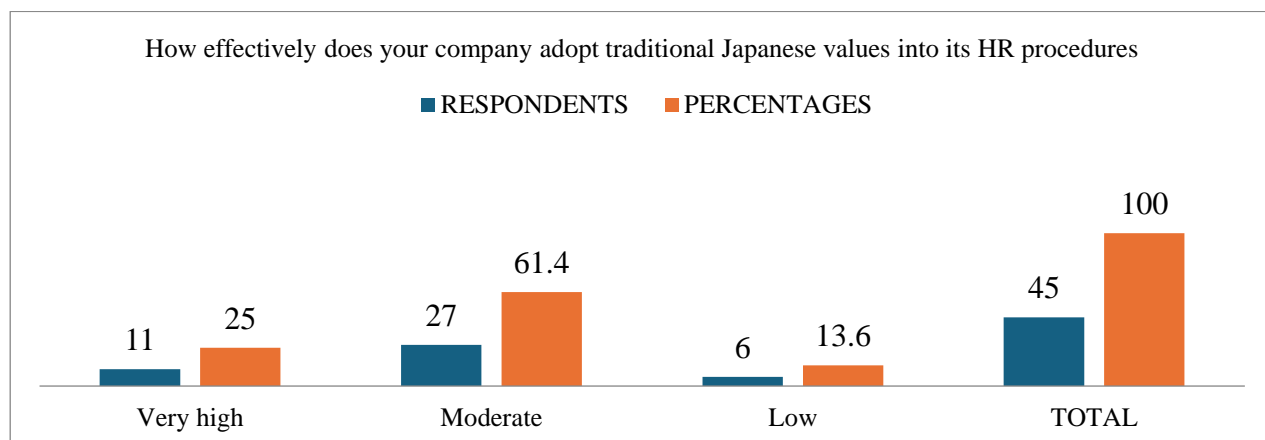
**INTERPRETATION:** Most respondents, 53.3%, feel institutional theory moderately impacts the company's HR procedures.

9. What is your opinion of HR procedures that are in place at your company	Excellent	Good	Average	TOTAL
RESPONDENTS	14	29	2	45
PERCENTAGES	31.1	64.4	4.4	100



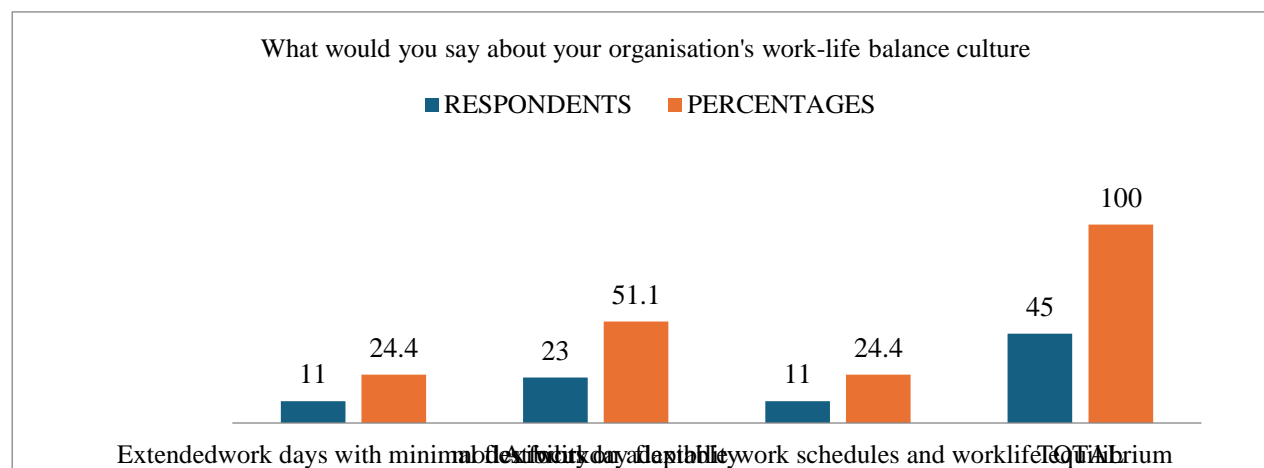
**INTERPRETATION:** Most respondents, 64.4%, have a positive opinion of the HR procedures at their company, rating them as good.

10 How effectively does your company adopt traditional Japanese values into its HR procedures	Very high	Moderate	Low	TOTAL
RESPONDENTS	11	27	6	45
PERCENTAGES	25	61.4	13.6	100



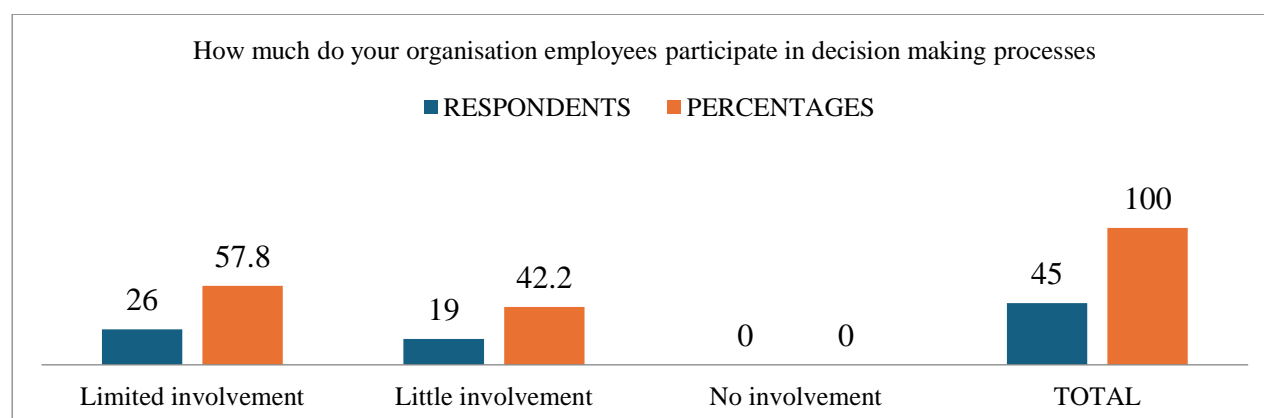
**INTERPRETATION:** Most respondents, 61.4%, perceive their company's adoption of traditional Japanese values into HR procedures as moderate.

11. What would you say about your organisation's work-life balance culture	Extended work days with minimal flexibility	modest workday flexibility	A focus on adaptable work schedules and work life equilibrium	TOTAL
RESPONDENTS	11	23	11	45
PERCENTAGES	24.4	51.1	24.4	100



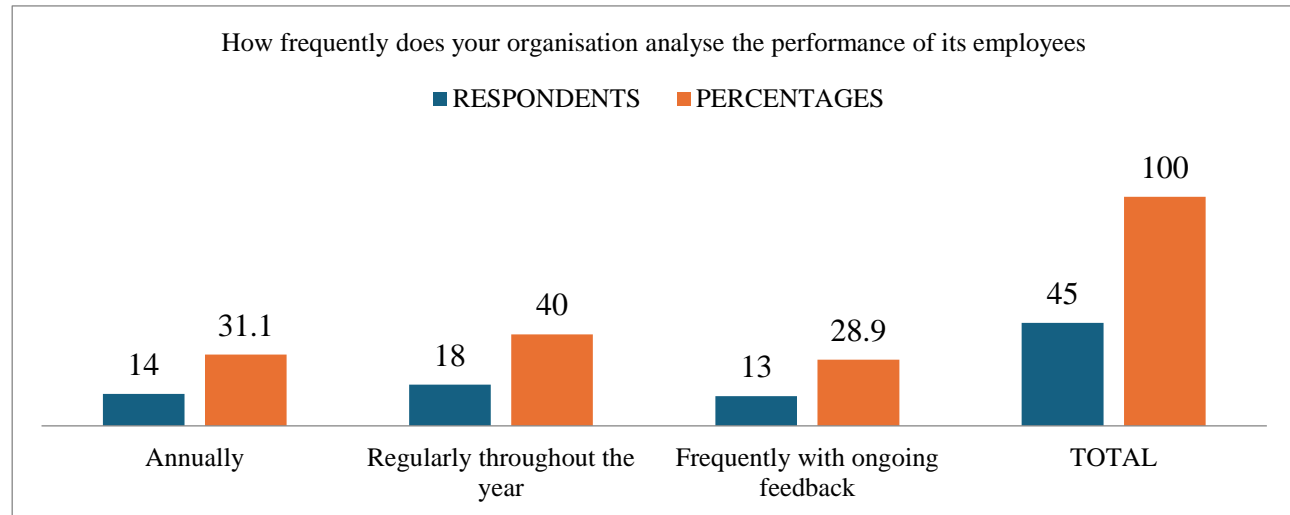
**INTERPRETATION:** Half of the respondents see their organization as having modest workday flexibility; while a quarter perceive a focus on adaptable work schedules and work-life equilibrium.

12.How much do your organisation employees participate in decision making processes	Limited involvement	Little involvement	No involvement	TOTAL
RESPONDENTS	26	19	0	45
PERCENTAGES	57.8	42.2	0	100



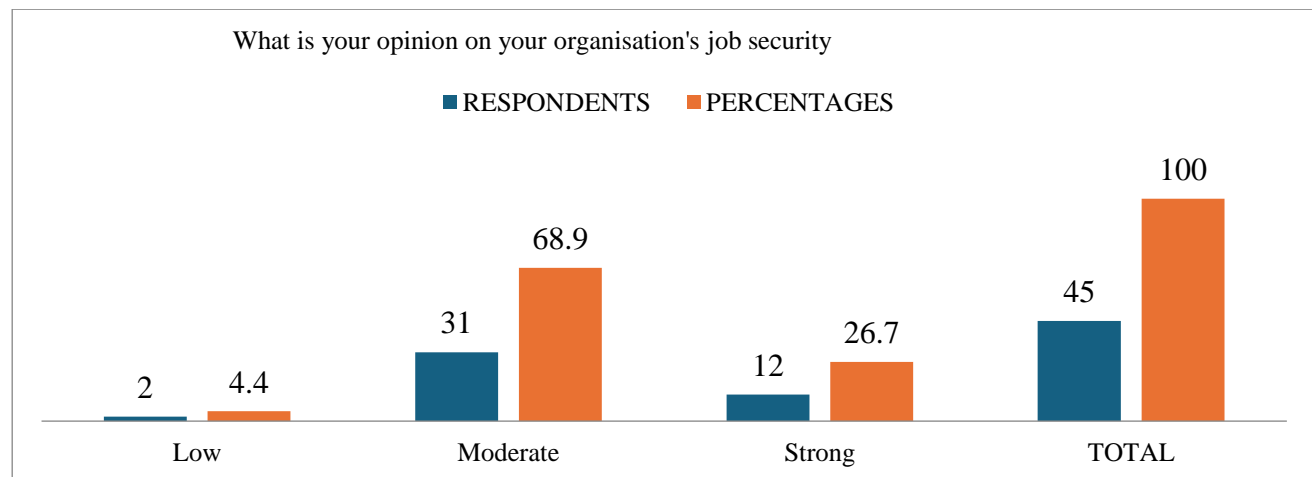
**INTERPRETATION:** The majority of respondents 57.8% state that there is little employee participation in decision-making inside their company.

13. How frequently does your organisation analyse the performance of its employees	Annually	Regularly throughout the year	Frequently with on-going feedback	TOTAL
RESPONDENTS	14	18	13	45
PERCENTAGES	31.1	40	28.9	100



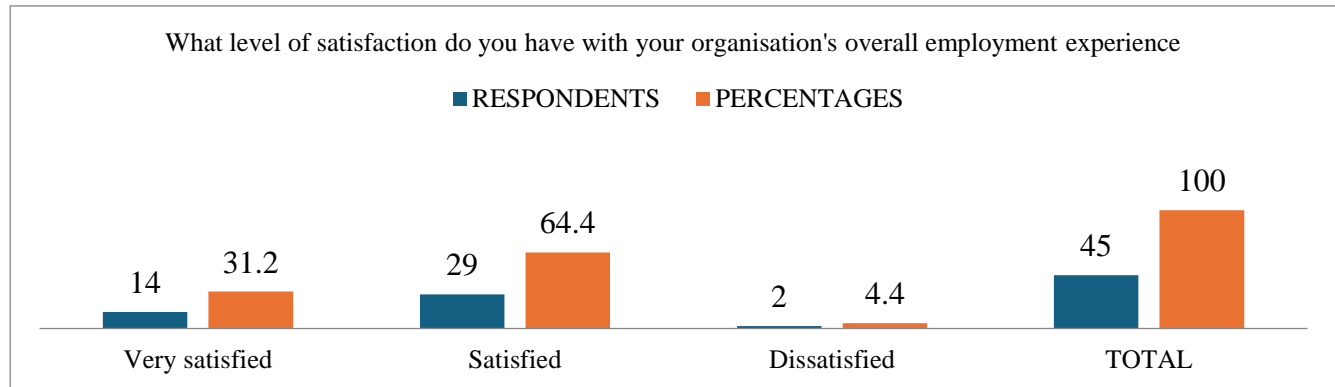
**INTERPRETATION:** About 40% of respondents say their organization checks employee performance regularly, 31% do it once a year and 29% offer ongoing feedback

14. What is your opinion on your organisation's job security	Low	Moderate	Strong	TOTAL
RESPONDENTS	2	31	12	45
PERCENTAGES	4.4	68.9	26.7	100



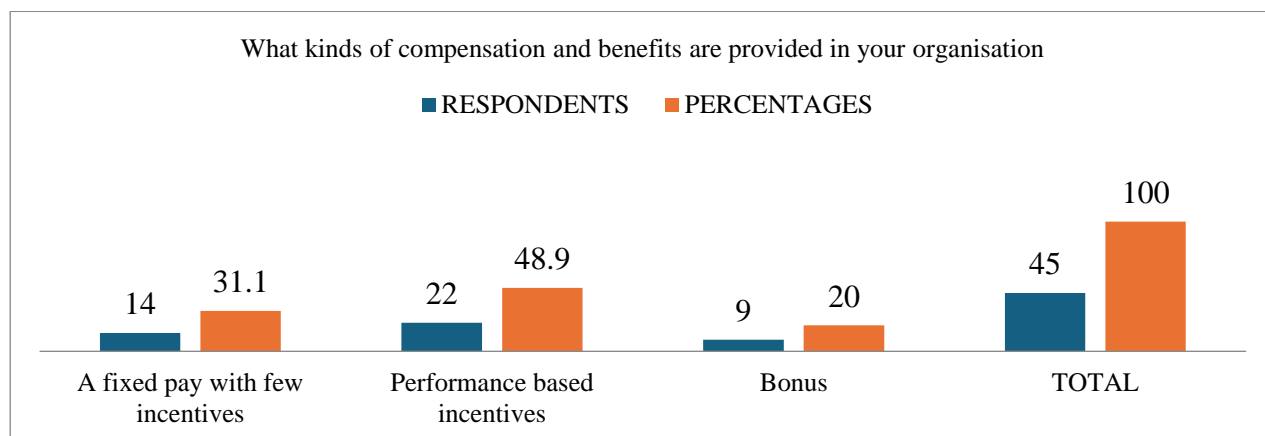
**INTERPRETATION:** Most respondents, 69%, feel their job security is moderate.

15.What level of satisfaction do you have with your organisation's overall employment experience	Very satisfied	Satisfied	Dissatisfied	TOTAL
RESPONDENTS	14	29	2	45
PERCENTAGES	31.2	64.4	4.4	100



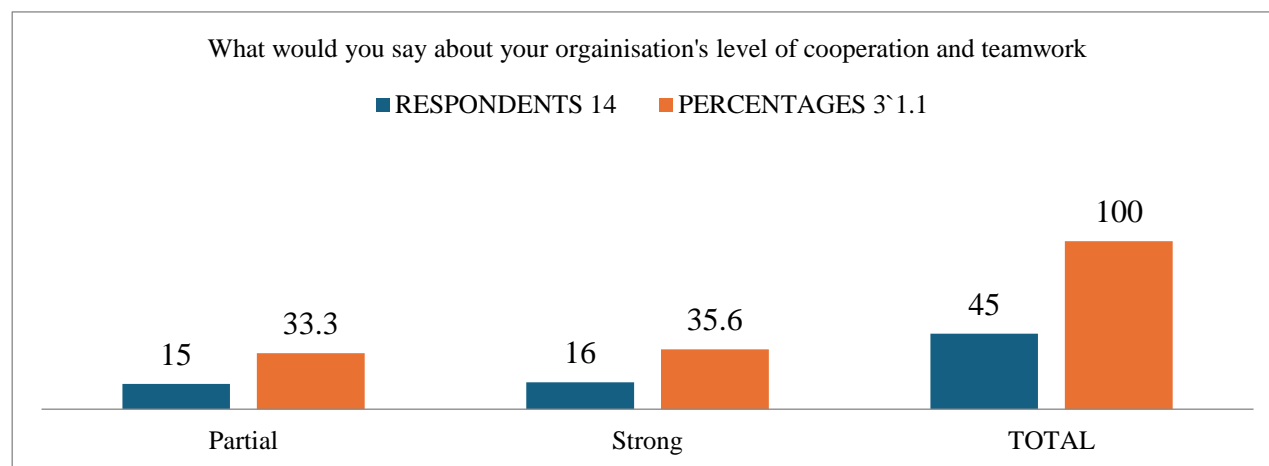
**INTERPRETATION:** Most respondents, around 64% are satisfied with their employment experience

16. What kinds of compensation and benefits are provided in your organisation	A fixed pay with few incentives	Performance based incentives	Bonus	TOTAL
RESPONDENTS	14	22	9	45
PERCENTAGES	31.1	48.9	20	100



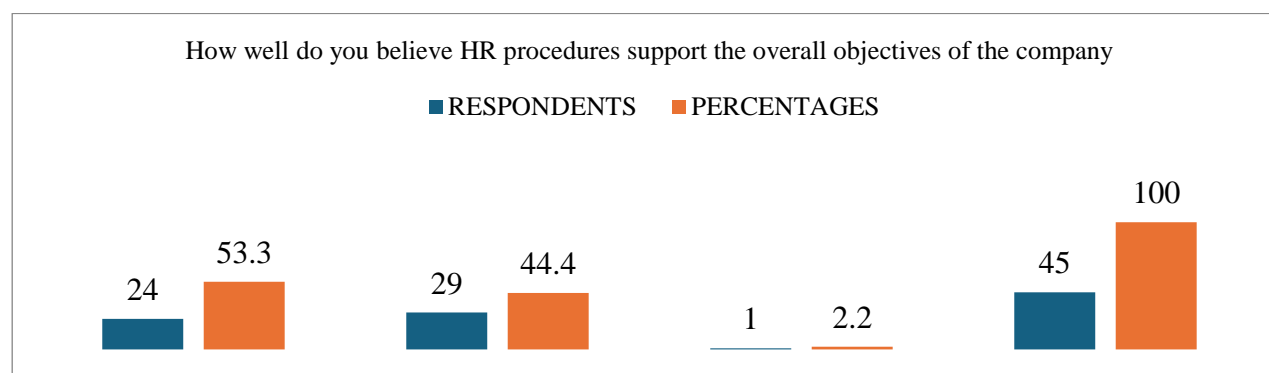
**INTERPRETATION:** Nearly half of the respondents 48.9% receive performance-based incentives, while 31.1% of respondents have a fixed pay with few incentives.

17. What would you say about your organisation's level of cooperation and teamwork	Limited	Partial	Strong	TOTAL
RESPONDENTS	14	15	16	45
PERCENTAGES	31.1	33.3	35.6	100



**INTERPRETATION:** The majority of respondents 35.6% believe that collaboration and teamwork within their organization is strong, while similar proportion believe it to be limited 31.1% or partial 33.3%

18. How well do you believe HR procedures support the overall objectives of the company	Effective	Neutral	Ineffective	TOTAL
RESPONDENTS	24	29	1	45
PERCENTAGES	53.3	44.4	2.2	100



**INTERPRETATION:** The majority of respondents 53.3% think HR practices help the organization achieve its goals in general, but a significant number 44.4% are neutral



## STATISTICAL TOOLS FOR ANALYSIS

H0: HR practices in Japanese firms do not significantly depend on institutional and cultural variables.

H1: HR practices in Japanese firms are significantly influenced by institutional and cultural variables.

	Significantly	Moderately	Minimally	Row totals
Male	9 (5.20) [2.78]	3 (6.93) [2.23]	1 (0.87) [0.02]	13
Female	9 (12.80) [1.13]	21 (17.07) [0.91]	2 (2.13) [0.01]	32
Column Totals	18	24	3	45(Grand Total)

The Chi-Square statistic is 7.0718. The p-value is 0.029132. The result is significant at  $p < 0.05$ .

	significantly	Moderately	Minimally	Row Totals
Below 20	1 (1.20) [0.03]	1 (1.60) [0.23]	1 (0.20) [3.20]	3
20-30	16 (15.60) [0.01]	22 (20.80) [0.07]	1 (2.60) [0.98]	39
Above 30	1 (1.20) [0.03]	1 (1.60) [0.23]	1 (0.20) [3.20]	3
Column Totals	18	24	3	45 (Grand total)

The Chi-Square statistic is 7.9808. The p-value is 0.092285. The result is not significant at  $p < 0.05$ .

## FINDINGS

- The total respondents are 45 out of which 71.1% are female and 28.9% are male
- The majority of responders are in the 20–30 age group and others are in the 20–30 age range.
- Out of 45 respondents 80% are PG and 17.8% are UG
- Most of the respondents are having less than 5 years' experience while few are having 5- 10 years' experience
- Most respondents, 84.4%, understand how institutional theory relates to HR management.
- Most respondents, 53.3%, feel institutional theory moderately impacts their company's HR procedures.
- Most respondents, 64.4%, have a positive opinion of the HR procedures at their company, rating them as good.
- Most respondents, 61.4%, perceive their company's adoption of traditional Japanese values into HR procedures as moderate.
- About 40% of respondents say their organization checks employee performance regularly, 31% do it once a year and 29% offer ongoing feedback.
- Most respondents, 69%, feel their job security is moderate.
- Most respondents, around 64% are satisfied with their employment experience
- Nearly half of the respondents 48.9% receive performance-based incentives, while 31.1% of respondents have a fixed pay with few incentives.

- The majority of respondents 35.6% believe that collaboration and teamwork within their organization is strong, while similar proportion believe it to be limited 31.1% or partial 33.3%
- The majority of respondents 53.3% think HR practices help the organization achieve its goals in general, but a significant number 44.4% are neutral

## SUGGESTIONS

- From the above analysis, the suggestions can be as follows,
- Provide HR professionals working in Japan with cultural sensitivity training programs to make sure that they understand and follow Japanese cultural norms and values in their HR procedures.
- Encourage cooperation and communication with company unions to resolve worker grievances and advance a cooperative, institutional norm-compliant approach to HR management.
- Technology should be used into HR procedures to improve communication and simplify administrative work. However, technological solutions should be considerate of Japanese tradition and culture.
- Give top priority to work-life balance and mental health support programs for employees in order to increase productivity and retention in the company.
- Provide systems for ongoing employee feedback and practice improvement in HR, taking into consideration insights from stakeholders and staff to adjust and improve plans over time.

## CONCLUSION

In conclusion, using institutional theory to analyse the current and future condition of HR as a profession in Japan demonstrates the intricate interactions between changing trends, legal frameworks, customs, and cultural norms. HR policies that prioritize stability, loyalty, and seniority have long been shaped by Japan's own cultural background and historical practices, but the field is also undergoing changes as a result of globalization, technology improvements, and demographic shifts. We see a blending of traditional and modern HR approaches as Japanese firms adjust to these constraints, with a growing focus on work-life balance, diversity, and talent management. As time goes on, efforts to strike a balance between tradition and innovation will probably continue to affect HR in Japan through a combination of established institutional forces and newly emerging global influences.

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