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**Gender Diversity Management in Foreign Subsidiaries: A Comparative Study  
in Germany and Japan**

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## **Abstract**

Gender (in-)equality varies strongly across countries. Yet, research has not sufficiently addressed how subsidiaries of multinational companies respond to differences in gender equality between home and host countries. Based on interviews with 34 managers, this study explores how subsidiaries experience gender-related challenges in their home and host country, what kind of practices they implement to increase gender equality and which role headquarters plays for the implementation of these practices. We do so by looking at the cases of German subsidiaries in Japan and Japanese subsidiaries in Germany, two countries that differ vastly in gender equality. Building on our analysis, we systematically compared how subsidiaries respond to the institutional pressures from their home and host country and developed a theoretical model which depicts how gender diversity management in a subsidiary is contingent on the interaction of (1) global integration pressure from the headquarters and (2) the relative level of gender equality in the home compared to the host country linked via different types of collaboration and practice transfer from the headquarters. Theoretical and practical implications of our findings are discussed.

**Keywords:** gender equality; gender diversity management; multinational companies; foreign subsidiaries; Germany, Japan

## **1. Introduction**

Gender equality is still one of the great challenges of today's society and one of the United Nations sustainable development goals (United Nations, 2021). To improve gender equality, many organizations implement gender diversity management (GDM) which relates to policies and programs that aim at attracting, retaining and promoting women and increasing awareness of gender inequalities in the workplace (Martins and Parsons, 2007). GDM is an important topic not only for domestic companies, but for multinational companies (MNCs) in particular because they operate across different host countries and each host country exhibits unique institutional conditions which can be significantly different from the home country and affect the role and experience of women in the workplace, family and society (e.g. OECD, 2019a; Özbilgin, Syed, Ali, and Torunoglu, 2012). Therefore, managing gender equality in subsidiaries across different contexts is a challenging endeavour for MNCs.

International business (IB) literature highlights that subsidiary practices are strongly influenced by institutional conditions of both, the MNCs home country and the host country in which the subsidiary operates (Ferner et al., 2001; Kostova, 1999; Kostova and Roth, 2002; Rosenzweig and Nohria, 1994). Grounded in institutional theory, the IB literature pays special attention to the need of MNCs' subsidiaries to respond to both host country pressures (local responsiveness) by adopting local practices as well as parent company pressure (global integration pressures) by maintaining corporation-wide standards – which are determined by the MNC's home country institutions (Bartlett and Ghoshal, 1987). This paradoxical situation is a particular form of institutional complexity and has become known as “institutional duality” (Hillman and Wan, 2005; Kostova and Roth, 2002) and exists because of the co-existence of multiple, often contradictory, institutional demands (Saka-Helmhout et al., 2016). While IB literature has been very informative how MNCs have responded to conflicting institutional demands of HRM practices (e.g., Stavrou, Casper, and Ierodiakonou, 2015),

corporate social responsibility (e.g., Kim, Kim, Marshall, and Afzali, 2018), or political strategies (e.g. Nell et al., 2015), research on GDM in MNCs is sparse (Cooke, Wood, Wang, and Veen, 2019). However, it is important to address this separately, as research has highlighted that institutions affect each managerial practice differently (Rosenzweig and Nohria, 1994).

When looking at the influence of institutions in the home and host countries, the few existing studies on GDM in MNCs, have mostly covered subsidiaries in host countries with a lower level of gender equality and less institutional pressure on gender equality than the home country (Alhejji et al., 2018; Campos-García et al., 2019; Kemper et al., 2018). All point toward the difficulty of implementing GDM in these subsidiaries. In turn, we do not know whether and how subsidiaries implement GDM when they are located in a context with higher institutional gender equality than in the MNCs home county. Therefore, if we are to develop a more nuanced and differentiated knowledge of context, we need to develop research designs that include comparisons between subsidiaries in countries with higher and lower gender equality than in their home country.

To fill this gap, we developed a distinctive research design that allows direct comparison of GDM implemented in subsidiaries in host countries with higher or lower gender equality than the home country: subsidiaries headquartered in Germany and Japan operating in the respective other country. We choose Germany and Japan because both countries share key characteristics such as high education and income (OECD, 2020), well-established HRM practices (Pudelko, 2006) and rapid demographic changes (United Nations, 2019). Yet, they differ in terms of the ways and extent to which gender equality and cultural history underpin the role of women at work. Statistics on the gender wage gap, and the share of female managers or female's share of seats on boards, indicate that the level of gender equality is higher in Germany than in Japan (OECD, 2018a; 2018b; 2018c). Such a setting has

the potential to reveal how challenges and ways of managing gender diversity differ according to the specific context of the subsidiaries and will provide fruitful ground for understanding and systematizing GDM in MNCs. Our comparative research is guided by the following research questions:

1. How do German and Japanese subsidiaries experience their host environment compared to the home country of the MNC, and how do they manage gender diversity in this context?
2. What is the role of headquarters in managing GDM in German versus Japanese subsidiaries?
3. How and why does this vary between the subsidiaries in the two host countries (lower versus higher degree of gender equality than in the home country)?

Our study contributes to the literature in three main ways. First, while research on diversity management in MNCs has received increasing attention (e.g., Egan and Bendick, 2003; Ferner et al., 2005; Luring, 2013; Nishii and Özbilgin, 2007), GDM in MNCs remains under-researched (Cooke et al., 2019). Gender needs particular attention, as it is a distinct source of people's identity, but still a cause of inequality and discrimination worldwide (OECD, 2019).

Second, MNCs often disseminate best practices across the globe (Geppert, Matten, and Walgenbach, 2006). In contrast, prior research argued that GDM needs to take account of contextual differences (Hennekam, Tahssain-Gay, and Syed, 2017; Tsui-Auch and Chow, 2019). GDM is particularly interesting in this regard, as the concept of GDM is rooted in the affirmative action and equal opportunities programs of the US in the 1970s (Kalev, Dobbin, and Kelly, 2006). However, the context of the US is very different from Germany and Japan and so are their indigenous HRM practices (Pudelko, 2006). By investigating the type of GDM practices implemented in subsidiaries located in two countries outside the US, we can

therefore shed further light on the global expansion of GDM practices and gain more insights into whether and how context affects the adaptation of GDM.

Third, our unique research setting of subsidiaries in countries with either higher (Japanese subsidiaries in Germany) or lower (German subsidiaries in Japan) gender equality in the host than home country allows us to address an important theoretical concern in IB research. Shenkar (2001) argued that research on management practices in MNCs has been built on the implicit assumption that transferring a practice from country A to country B is the same as in the opposite direction. Shenkar (2001) referred to this as an “illusion of symmetry” and concluded that findings of practice transfer derived from one direction (A to B) must not be generalized to the opposite direction (B to A); yet, research has largely failed to acknowledge that the transfer of practices will critically differ depending on the direction of the transfer. Our study focussed on this critical institutional argument and develops a theoretical model conceptualizing differences in practice transfer and implementation in subsidiaries guided by the interaction of host and home country factors. By doing so, our model systematises subsidiary’s responses to “institutional duality” (Hillman and Wan, 2005; Kostova and Roth, 2002; Kostova and Zaheer, 1999) and highlights that practice transfer and implementation are neither symmetrical nor simply linear. Based on this finding, our research model allows us to integrate prior conflicting findings and explain the mechanisms behind different subsidiary responses.

## **2. Theoretical Background and Literature Review: Gender Diversity Management in MNCs**

Despite many public and organizational attempts to diminish inequalities between genders, gender inequality is still present all around the globe and women face particular challenges in achieving equality in workplace participation and holding managerial positions in

organizations. There are various explanations for why these inequalities persist. Often this is related to different social roles (Eagly, 1989) that are attributed to genders such as the traditional division of labor with men being the breadwinners and women the caretakers. This keeps women in a position where because of their primary task of caring, they are perceived as unable to hold leadership positions. This is exacerbated because many organizational practices have been argued to be “gendered” (Acker, 1990) and give advantage to men who based on their expected roles and behaviors seem to have a better fit with organizational requirements and leadership positions (Heilman, 1983). In a similar tradition, the term “motherhood penalty” (England et al., 2016) has been coined to express discrimination and inequality women experience due to the innate and role-related characteristics of being a woman and having children.

To countervail such effects and foster women’s workforce participation and careers, organizations have started to implement GDM practices (Martins and Parsons, 2007). Today, GDM covers a comprehensive spectrum of initiatives, including targeted gender recruiting, anti-discrimination/ equal employment opportunity programs, mentoring and development, work-family friendly policies, quotas, and performance evaluation systems that hold management accountable (Ali, Metz, and Kulik, 2015; Kalev et al., 2006; Olsen, Parsons, Martins, and Ivanaj, 2016), and has spread globally as an important area of HRM.

One driver of this global expansion is MNCs. They are considered to be the vehicles to transfer practices across countries (Geppert, Matten, and Walgenbach, 2006) and play an important role in influencing the institutional arrangements for employment systems of their host countries (Song, 2021). Prior research has shown that when HQ place a high level of importance on an HRM practice (Myloni, Harzing, and Mirza, 2007), or seek to enhance coordination, efficiency and a common corporate culture (Budhwar and Sparrow, 2002), they are likely to require global standards across their subsidiaries and do not adjust them to the

host context. However, the institutional context of the subsidiaries in their host country are also important factors that shape such practices (Geppert et al., 2006; Kostova, 1999) as prior research has highlighted that the institutional environments of the subsidiary need to be taken into account when practices are implemented (Björkman and Lervik, 2007; Edwards et al., 2007). Institutional theory proposes that if practices do not fit the institutional environment, the legitimacy and acceptance of these practices will be in question (Kostova, 1999). Accordingly, literature has pointed at tensions deriving from competing pressures on globalization versus localization in MNCs which is often referred to “institutional duality”. Duality researchers propose that firms face conflicting pressures both towards and away from local practices as they aim at harmonizing home and host country conditions (Ashforth and Reingen, 2014; Graetz and Smith, 2008; Tsoukas, 2017). At the same time, they face countertendencies to acknowledge local differences (Edwards et al., 2016) with a compromise as an outcome, in which MNCs incorporate both national and global dimensions (Brewster et al., 2008).

Indeed, recent research supports a rather complex and diverse picture in the transfer and implementation of HRM practices (Björkman and Lervik, 2007; Brewster et al., 2008). Brookes, Brewster and Wood (2017, p.1690) found that, instead of being “the predicted norm entrepreneurs, MNCs tended to follow the lead of local firms in adjusting HRM policies and practices.” Their study further highlighted the strong influence of specific regulatory features such as wage coordination or employment protection in determining HRM practices. Geary and Aguzzoli's (2016) study of the implementation of a new pay and performance management system revealed the interplaying role of institutions, organizations, and actors in and beyond the MNC. Adding to this, other research has pointed toward the meaning of reversed or horizontal transfer of HRM practices, allowing the MNC to learn new practices across contexts (Edwards, Snchez-Mangas, Belanger, and McDonnell, 2015; Ferner and

Varul, 2000), in particular when the host context is economically more developed than the home context (Zhang, 2003).

Early research on GDM indicates that MNCs tended to localize gender-related aspects and adjust them to the host context (Rosenzweig and Nohria, 1994). In line with institutional arguments, it was proposed that GDM is an area particularly affected by local institutions and was therefore left at the discretion of the local subsidiaries. In contrast, more recent research suggests that MNC headquarters (HQ) have started applying more control over gender diversity in the host countries and implementing global policies and practices to manage gender diversity abroad. This echoes the growing relevance of gender issues and the wide-ranging call for the increase of gender equality across the globe (United Nations, 2020). Consequently, existing research underlines the responsibility of MNCs for increasing gender equality in their host countries (Koveshnikov et al., 2019). However, this process has not been without challenges, and difficulties of implementation have been frequently reported (Alhejji, Ng, Garavan, and Carbery, 2018; Campos-García, Olivas-Luján, and Zúñiga-Vicente, 2019). For instance, Özbilgin et al. (2012) investigated challenges when transplanting GDM practices to Muslim-majority countries. They showed how institutional and cultural factors shape gender equality (or the lack of it) and highlighted specific challenges that each context poses when MNCs plan to transfer GDM. Similarly, Moore (2015) showed how different understandings of gender roles in Germany and the UK impaired German managers' success in increasing the number of women in a subsidiary in the UK. On the other hand, Kemper et al. (2018) showed that even in the absence of HQ control, some subsidiaries engaged strongly in GDM, as Scandinavian managers transferred their more egalitarian values from their home to the host country. The heterogeneity of effort applied by MNCs when facing institutional duality points toward the need to better understand the specifics of each host and home context and a lack of generalizability of findings. Therefore, a better understanding is needed

of how particular contexts shape the experience and approach to GDM of the subsidiary. Furthermore, while this research has helped us to understand the challenges of transferring GDM to countries with lower levels of gender equality, less is known about whether and how subsidiaries address gender equality if they operate in a context with higher gender equality than the home country. Therefore, using a unique research design, in our study we were interested in understanding: 1) how interviewees experience challenges in their host country and how they engage in GDM to overcome these; 2) to what extent this is influenced by the HQ; and 3) whether the findings differ depending on whether the home (German subsidiaries in Japan) or the host country (Japanese subsidiaries in Germany) are more advanced in terms of gender equality.

### **3. Methodology**

#### ***3.1 Research design and interview guide***

In our study, we adopted a qualitative approach and conducted semi-structured interviews. Employing a qualitative approach is particularly beneficial for illuminating meanings and contextual influences on people's perspectives and actions (Maxwell and Maxwell, 2013). In this matter, Birkinshaw, Brannen, and Tung (2011, p.575) argue that qualitative methods are appropriate for researching phenomena that require "contextual understanding to be meaningful." We chose semi-structured interviews that aim at a certain degree of consistency, while allowing space to explore new phenomena (Myers, 2008). Problem-centred techniques aim at revealing respondents' perceptions of a problem and fostering reflections in which prior theoretical considerations influence data collection and analysis (Witzel, 2000). Therefore, we developed an interview schedule consisting of three parts: the first part covered general information about the interviewee, the MNC, and the subsidiary, to open the conversation and create a good atmosphere. The second part consisted of questions regarding

the meaning of diversity, with a specific focus on gender diversity and questions regarding implemented diversity and GDM practices. The third part comprised questions on institutional differences related to gender diversity between the home and host country, and the role of headquarters for the local implementation of GDM. Follow-up questions were asked to deepen the information where necessary (Witzel, 2000).

### ***3.2 Interviewing Strategy***

In Japan, we collaborated with the German chamber of commerce to gain access to firms, which would otherwise be difficult for foreign researchers without local ties, as found in other Asian countries (Woodhams, Xian, and Lupton, 2015). In Germany, we obtained a list of Japanese companies from the Japanese chamber of commerce and contacted representatives of the subsidiary personally. In both countries, we interviewed CEOs, HRDs, or senior HR managers of the subsidiaries, since we assumed that they had frequent exchanges with the HQ and were able to outline the relationship between these two parties.

To avoid industry or size-related biases of GDM practices, we targeted managers from a broad range of companies spanning different industries and sizes and stopped interviewing after saturation was achieved and no new information was produced. This resulted in a sample of 19 representatives of 15 German subsidiaries in Japan (in four companies we had the chance to talk to two interviewees, e.g., CEO and HRD) and 15 representatives of 15 Japanese subsidiaries in Germany (see Table 1). Interviews lasted 46 minutes on average. Interviews were conducted either in English or in German. Core passages and quotes of the German interviews were translated into English.

### ***3.3 Data Analysis***

All interviews were audio-recorded and transcribed verbatim. To analyse our data, we

developed a coding scheme that was refined in the course of coding (Ryan and Bernard, 2000). To answer our first research question, we coded how interviewees described their host country in terms of gender equality. This was guided by social role theory (Eagly, 1987), gender discrimination and tokenism (Kanter, 1987) and the theory of gendered practices (Acker, 1990). Subsequently, we analysed whether and how subsidiaries responded to these challenges through GDM practices. The identification of practices was also informed by prior research and pre-knowledge of the researchers. We then organized and coded these practices into four categories: awareness-raising and training; gender-targeted recruitment and promotion; work-life balance and flexibility; and female networks and role models.

To answer research question two, we coded incidents where interviewees spoke about headquarter involvement and organized these events in three categories: standardized (gender) diversity training and initiatives; information sharing and education through global committees/ groups; and control through policies, quotas and reporting. To answer research question 3, we then compared the findings across the two countries and explored commonalities and differences in their approach to GDM, and reasons for these. While the answers to questions one and two are more descriptive in nature to provide background information about the context and responses, based on our analysis of answers to question three, we develop testable propositions and a research model.

## **4. Findings**

### ***4.1 Gender-related challenges in the host country and how subsidiaries respond***

The relevance and prevalence of gender roles and their effect on women at work surfaced in all interviews. Most interviewees highlighted that in both countries women still take the main responsibility for childcare, however, Germany was perceived to be more progressive than Japan in this regard. As one interviewee remarked: “*the role of females in Japan is the same*

*as in Germany ten or fifteen years ago” (J\_SUB\_in\_GER\_#3; Male; German). For instance, it is still a common practice in Japan that women serve tea at meetings even if they have the same rank or profession as their male colleagues. Women in lower ranks would often be referred to as “office flowers “(GER\_SUB\_in\_J\_#6; Male; German), that is, good looking young women who do mainly administrative work and serve the beverages and are often assigned inferior work tasks: “At the plant we don't have a cleaning lady, so the employees have to clean the toilet and the kitchen. But only female workers are asked to do that” (GER\_SUB\_in\_J\_#12; Female; Japanese).*

However, in both countries, due to the attributed role and the resulting conflict between care work and work at the office, women were seen as less interested in careers as well as less suitable for managerial positions. Consequently, in both countries, the need for flexibility of work to increase women’s participation were of great concern. This is, however, at odds with the norm of long working hours, a well-known phenomenon particularly in Japan, as it is expected that employees work full time and dedicate their whole life to their work.

*People tend to stay with the same company and the company becomes a family in a way. Thus, you cannot have another part in your life, and going home early because of the family is unthinkable. That hinders the promotion of women.*

(GER\_SUB\_in\_JP\_#7; Male; Japanese)

This issue was important in Germany as well, but less severe than in Japan. In Germany, it has become more common that mothers work, while women in Japan are expected to leave their job once they have a family. However, this need for flexibility still has a detrimental effect on their careers:

*The main issue is that our employees work in projects and with clients. Of course, the clients dictate whom they want to work with. And this makes it difficult for part-time*

*employees. If you are not available and visible, you cannot perform.*

(J\_SUB\_in\_GER\_#11; Male; German)

Furthermore, interviewees in both countries also explained that due to their role and socialization, women often do not apply for promotions or do not take on managerial roles which echoes Kanter's (1997) arguments. One of the interviewees in Germany shared a story in which a woman displayed this lack of confidence, which eventually led to her rejection by the interviewer:

*Once, we had three applicants for a leadership position. The woman was the absolutely best candidate, but at one time she said that she was not sure and she might not have the right qualification for this one thing. Males would never voice their doubts, they would never do this.* (J\_SUB\_in\_GER\_#6; Male; German)

Interestingly, the interviewee not only attributed the failure to be recruited to the woman, but also suggested that if the interviewer had been a woman, the decision might have been different. Similarly, other instances showed the tendency of men to hire men. This exemplifies how the lack of women in higher ranks reproduces inequality in organizations (Kanter, 1977). All these characteristics lead to a high drop-out quote (Japan) or high rate of women working part-time (both countries) and created what Grogan (2019) coined a "leaky pipeline".

On the other hand, there were specifics in Japan which the interviewees did not mention in Germany which were related to inherently gendered practices (Acker, 1990). One aspect was the meaning of seniority, which is still one of the main pillars of career progression in Japan. This pattern has damaging implications for women, because their seniority is usually low due to maternal career breaks. Another relic in Japanese organizations was the existence of different career paths for male and female employees.

*Not all, but some Japanese companies continue to have institutionalized discrimination in their HR policy especially for new female employees. ... So, if a woman takes it [the female or non-career path], there is no chance to make a career.*

(GER\_SUB\_in\_J\_#4; Male; Japanese)

This system was not implemented in the foreign subsidiaries, but interviews mentioned that it is still influencing women's career opportunities despite gender discrimination being illegal in Japan. Such explicit discriminatory practices and mindsets did not exist in the German context. In contrast, many interviewees highlighted the positive effect of gender diversity in teams. However, to a certain extent this seemed to be “window dressing” to creating a good appearance for internal and external communication and mirrored changed societal expectations rather than full gender equality in the organization.

To increase the representation of women and mend the “leaky pipeline” (Grogan, 2019), the subsidiaries implemented different types of GDM. First, interviewees described practices which were intended to create understanding of the needs and raise awareness as an important first step of change. These initiatives included corporate communication, surveys, committees, and training and education. Awareness training or educational events were among the most frequently named initiatives. One interviewee mentioned that they “*organized some town hall meetings to invite all employees to raise awareness regarding diversity topics*” (GER\_SUB\_in\_J\_#13; Male; Japanese). Another subsidiary (GER\_SUB\_in\_JP\_#8; Male; Japanese) had been part of a global campaign where all subsidiaries were asked to post pictures of diverse employees in the entrance hall in order to raise awareness.

Another area of GDM that challenges the impeded workforce participation and careers of women are recruiting and promotion practices; for instance, having at least one female candidate on the shortlist for a job. Efforts were made to ensure that there was sufficient

female talent in the succession planning in German subsidiaries. German subsidiaries generally put more effort into identifying and recruiting female talent. For example, in Germany, interviewees mentioned attending special fairs to broaden the pool of female talent for recruiting. In Japan, there was less emphasis on it and it was frequently mentioned how difficult this endeavour of increasing female workforce participation and career progression was. It was argued that the assumption prevailed that women will quit their job once they have a family, and that, due to their socialized role, women lacked self-esteem which creates a self-confirming cycle.

To break these routines and socialised roles as well as to help women develop confidence, subsidiaries increased the exposure of female role models, networking and mentoring. For instance, one German subsidiary in Japan established a working parents' network (GER\_SUB\_in\_J\_#13; Male; Japanese). Another subsidiary in Japan highlighted that they offered networking events with key female speakers in order to bring women together and present role models.

*She is one of the top female leaders in the Asia Pacific region. So, when she visited Japan, we asked her to have a discussion with our female employees.*

(GER\_SUB\_in\_J\_#10; Male; Japanese)

The last type of practices targeted at flexibility needs of women which was considered one of the core challenges. Often this related to flexible working hours, which were offered by all subsidiaries in Germany, and were of great importance in Japan as well.

*We have reduced working hours for health care reasons and also parental care, and we have flexible working time and also several leaves after childbirth. These kinds of policies or systems are installed. And the ratio of women who quit the company after childbirth is really low compared to Japanese companies.* (GER\_SUB\_in\_J\_#4; Male; German)

Other practices adopted in subsidiaries in Germany included part-time solutions, job sharing, flexible workplaces, and support of return from maternity leave. A small number of subsidiaries even facilitated females by providing childcare support. However, it should be noted that in most organizations these practices were dominantly based on the assumption that women will do the majority of care work without explicitly questioning the role assumption underlying this practice. However, some subsidiaries did stress the relevance of this practice for both genders.

#### ***4.2 The role and influence of the HQ***

While some interviewees felt strong pressure from their HQ, others reported higher levels of autonomy regarding gender issues. A key element defining the influence of the HQ is control via policies and quotas. However, it was reported that some subsidiaries in Japan really struggled and admitted that they were not able to fulfil the quota. One interviewee explained:

*I think 32% is not feasible here. This means that we have to give some thought to the question of which initiatives we can implement, not to ensure goal achievement, but to build a basis to ever get there. I mean, a female manager does not appear from nowhere, she has to be developed.* (GER\_SUB\_in\_J\_#1; Male; German)

One subsidiary had even negotiated for a local exemption and reduced the global target, as it seemed too unrealistic to them in the Japanese context (GER\_SUB\_in\_J\_#12; Female; Japanese). Other interviewees, however, observed less intense forms of control from the HQ; as one interviewee remarked: “*we wouldn’t call it control, only a way of reporting. But we don’t perceive high control in terms of this topic*” (J\_SUB\_in\_GER\_#5; Male; German).

There is evidence of HQs exerting softer forms of control. Many interviewees reported that their HQ globally aligned diversity management by, for example, rolling out global

training concepts or global diversity days. Other softer mechanisms of control were exerted through global communities or global communication. These forms of influence aimed at increasing awareness, sharing ideas, information, and best practices. These communities were designed to forward information from the HQ and align initiatives across the regions and subsidiaries. Others referred to diversity homepages or sharepoints where global communities provided the frameworks for global standards or provided resources to the subsidiaries: *“First of all, there is this homepage where they show how this company perceives diversity. Further, there are some tools and quizzes and surveys that help us understand diversity”* (GER\_SUB\_in\_J\_#2; Female; Japanese).

Interviewees in Japan mentioned the need to locally adjust such global initiatives for these interventions to be accepted. For instance, one interviewee highlighted that pictures of diverse employees which had been used in global campaigns had to be replaced with pictures of less diverse employees in Japan, because the subsidiary expected rejection and resistance. The need to accommodate local laws to adapt imported MNC practices to local conditions was another source of pressure reported by the interviewees, specifically in Japan.

*Of course, short-time working arrangements, or home office were not my own ideas, I mean, you know that from headquarters. And they have already put a lot of effort in the development of this practice, and we have adapted it in terms of local law.*

(GER\_SUB\_in\_J\_#11; Male; German)

#### ***4.3 Patterns contingent upon factors in the home and host country***

To understand the differences across the two countries, we investigated systematically how GDM in the subsidiaries in Japan differed from those operating in Germany. From the stories shared by the interviewees, it became apparent that many more of the German subsidiaries put substantial effort into managing gender diversity, while the level of engagement seemed lower

in Japanese subsidiaries. This also seemed to be a result of the tendency for German subsidiaries to be more strongly affected by the HQ control and much more often forced to implement quotas and report about their GDM results. Given that normally, Japanese MNCs tend to apply more global control than German MNCs, we examined this pattern in more depth.

First, we compare the level of engagement to GDM. We therefore developed codes based on the interviewees' description of the GDM approach they had implemented in their subsidiary. These codes ranged from "no implementation" (subsidiary did not address gender equality at all); low (little importance of GDM; only one or a few practices); medium (importance of GDM; broader set of practices); to "high" (high importance of GDM, continuous, strategic effort in most of the identified areas of GDM) (see Table 2).

Second, similar to our analysis regarding GDM practices, we categorized the perceived control and pressure exerted by HQ and coded the degree of influence experienced by our interviewees. We defined codes ranging from "no influence" (no perceived pressure and no reporting required); "low influence" (low attention by headquarters with reporting only in terms of broader purposes, e.g., CSR reports or corporate policies); "medium influence" (attention of the HQ and some reporting in terms of gender data); to "high influence" (if the subsidiary experienced tight controls, e.g., by having to fulfil strict quotas or monitoring) (see Table 3).

***Insert Tables 2 and 3 about here***

Building on this, we developed a matrix which depicts the degree of engagement with GDM as well as perceived pressure by HQ for all companies (Fig. 1a) as well as split up by country (see Fig. 1b and c).

*Insert Fig. 1a, b and c about here*

Fig. 1a indicates a strong interconnection between the degree of global integration and the degree of implementation across all cases. However, when dividing the subsidiaries by host countries, the patterns change and we see differences across the two contexts as to how they respond to pressure by the HQ. Therefore, we went back to our interview data to look at the differences and conducted case comparisons across the firms in the different quadrants of the matrix. By doing so, we identified four patterns, which we will discuss in more detail below. Fig. 2 summarises the four patterns.

*Insert Fig. 2 about here*

First, we looked at the German subsidiaries in Japan where the institutional pressure on gender equality is lower in the host than the home country. Here, the majority of the subsidiaries are located in the diagonal (Fig. 1b). This suggests that the more pressure is perceived in the subsidiary, the higher is the degree of local implementation. To better understand the specificities in the German subsidiaries, we went back to those cases in the upper right quadrant which perceive medium to high pressure by the HQ and implement GDM to a medium to high degree to identify the cause of this pattern. Within these cases, we could find strong similarities in terms of the nature of collaboration with the HQ. They shared not only that the HQ did put pressure on gender equality, but also that they mainly executed the HQ's initiatives and reported on their outcome but did not have input in the GDM policies. When asked about their involvement in global initiatives, interviewees either directly denied any involvement (GER\_SUB\_in\_JP\_8) or revealed that they have not yet been asked

to be involved by the HQ. The quote below reveals a certain lack of ownership towards GDM and reliance on global initiatives:

*You know, diversity is so new here, that they have not yet asked us [...] I think in the future it is planned to get our input and ideas, but at the moment they haven't done that. (GER\_SUB\_in\_JP#10)*

Therefore, our case analysis suggests that the degree of transfer was high but rather unidirectional. In most of the cases, there was only little resistance against these initiatives and a shared understanding of the relevance of GDM in Japan. Some even discussed the advantages for employer branding.

*Of course, we do perceive pressure from the headquarters, therefore we pay attention. On the other hand, we believe here that this is an opportunity to build an unique employer proposition. This will help us become more visible and established as an employer who gives opportunities to women to develop in the company, to develop in managerial roles and not having to leave the company because of having children. (...) This reputation will spread, and I mean we are a company and not a non-profit organisation, so that pays off for us. The more well-known and attractive we are, the better the people we can hire. (GER\_SUB\_in\_JP\_#11; Male; German)*

Others were a bit more critical. While highlighting the relevance, the need to locally adapt was highlighted. In one case this even led to the modification of a global target. In other cases, however, this was not related to strong and open resistance, but rather led to a quiet modification in order to fulfil the HQ requirements.

*I mean, all the initiatives that are coming from Germany are making sense and they are basically ok and they are also understood here in Japan. We agree that we are going in that direction, but it does not fit the context yet. We are at a somewhat different level of maturity with regard to diversity. Normally, we would not modify*

*global initiatives, because they are standardized across the global organization which has benefits as it is time and cost saving. But everything they send has gaps. (...) And we are a bit ashamed to always say Japan is different, but it is different. Therefore, we say, yes, we take it as it is and then it is more of a modification.*

(GER\_SUB\_in\_JP\_#8; Male; German)

We interpret that the basic logic in these cases seems to be that because the HQ has a high awareness of the topic and puts high pressure on GDM, they transfer initiatives and practices from the home country to their foreign subsidiaries. The subsidiaries have only little or no input in these initiatives, however, they are actively engaged with the topic, albeit with different levels of subscription. This can include acts of resistance, but there is a high attention on the topic in the subsidiary. In many cases, contextualization is necessary. In these instances, subsidiaries either openly contest the global initiatives or more silently adjust in their local operations. As a result of the pressure from Germany and the unidirectional flow of practices into the Japanese subsidiary, there is high attention and communication with the HQ associated with a high degree of implementation. We summarize this finding as pattern 1 and derive the following propositions (see Fig. 2):

- Proposition 1:**
- a) Global GDM integration pressure from the HQ and degree of institutional pressure on gender equality in the host country interact insofar that if the global integration pressure is high but institutional pressure in the host country is lower than in the MNC's home country, then there is high collaboration with the HQ but characterized by unidirectional transfer of GDM practices from the HQ to the subsidiary.
  - b) High collaboration and unidirectional practice transfer are associated with a high degree of implementation of GDM practices in the subsidiaries.

Second, we compared firms in the same upper right quadrant in the Japanese sample, where institutional pressure on gender equality is higher in the host than home country. Fig. 1c shows that in the two cases of Japanese subsidiaries that perceive medium to high global integration pressure, the degree of implementation is also medium to high. Interestingly, looking at the cases more closely, the way interviewees describe their collaboration with the HQ has similar elements to the German subsidiaries but also differs strongly from them. On the one hand, they are recipients of the HQ initiatives.

*We do have requirements in terms of global leadership training. Diversity training around anti-discrimination, equal opportunities as well as the meaning and potential of diversity.* (JP\_SUB\_in\_GER\_#10; Male; German)

On the other hand, however, collaboration is more equal and beyond merely executing global initiatives' input. This is similar across both cases, as one interviewee disclosed:

*Three times a year we meet as a global HR community where we exchange ideas regarding diversity and discuss progress. These ideas are then contested, and we assess whether they can be transferred to other regions.* (JP\_SUB\_in\_GER\_#5; Male; German)

In one of the subsidiaries, the idea of diversity has even been reversely transferred from Germany to Japan.

*I remember that diversity management as we know it in Germany and other European countries from the past was presented at the headquarters. And this resulted in a change of the HR leadership in Japan and in an initiative which shows that the company understood the chances of modern diversity management.*

(JP\_SUB\_in\_GER\_#10; Male, German)

As global standards play an important role in these organizations, the logic in these cases seems to be similar to the first pattern: high pressures from the HQ combined with higher

institutional pressures in the host country compared to the home country led to high implementation of GDM in the foreign subsidiary. However, it becomes apparent that the patterns of exchange and practice transfer differ. In fact, higher institutional gender equality standards in the host country (Germany) enable subsidiaries to acquire their own contextualized knowledge and expertise in GDM, which triggers a reverse transfer of GDM to the HQ. In other words, in these cases transfer and collaboration are dual-directional. In consequence of this high collaboration and bidirectional exchange, the implementation of GDM in the subsidiary is also high. From these observations, we deduce the following proposition:

- Proposition 2:**
- a) Global GDM integration pressure from the HQ and degree of institutional pressure on gender equality in the host country interact insofar that if the global integration pressure of the HQ is high and institutional pressure in the host country is higher than in the MNC's home country, then there is high mutual collaboration and high practice transfer with the HQ.
  - b) High mutual collaboration and practice transfer are associated with a high degree of implementation of GDM practices in the subsidiaries.

Third, we looked at the German subsidiaries in Japan (lower gender equality in host than home context) in the lower left quadrant: no to low global integration pressure and low to no degree of local implementation. In the case of these subsidiaries, there was no or only little pressure from the HQ and they implemented no GDM practices, or only a small number (Fig. 1a). Some of them engaged in GDM, but some did not label it as such. For instance, one interviewee exemplified:

*This is nothing we do specifically for women, but this year, we started to implement flexible working hours, which is of course helpful for women but not exclusive. With the new policy, employees can take off hours and not only half or full days, if for*

*instance you have to drop your child at school or need to go to see a doctor. But this is not exclusively for women. (GER\_SUB\_in\_JP\_3; Male; German)*

In the other cases there was a basic understanding of the necessity of implementing GDM, but this was not particularly severe and only few attempts were made. One interviewee reasoned:

*I think the overall perception is that we need more women. In particular as a response to demographic shifts. And if there is a chance, we will think about it. (...) But in particular the middle management still expects long working hours and they are mostly male themselves. So, I would not be surprised if there are people who are not quite at ease with women in higher managerial ranks. (GER\_SUB\_in\_JP\_7; Male, Japanese)*

Despite this hesitation, the subsidiary did engage in GDM but more in terms of looking at numbers than actually promoting it in a strategic way. An interesting account from an interviewee was about regular workshops where female role models from other firms were invited had been established, but the success was questioned. It was reasoned that many women were just not that interested in career issues. It seems a self-referential circle where the hesitation was a dominant theme supported by the perception of low impact of such initiatives. In another case there wasn't even any particular attention on the topic. The interviewee revealed: *"no, we don't have any specific practices. It would be interesting though. But in this sense, no, we don't promote women in a special way"*

(GER\_SUB\_in\_JP\_#6; Male, German).

We infer that since there is pressure from neither the HQ nor the institutional environment in the host country, they do not engage in any kind of practice transfer or collaboration with the HQ regarding GDM and consequently do not implement GDM to a greater extent. We thus propose:

- Proposition 3:** a) Global GDM integration pressure from the HQ and degree of institutional pressure on gender equality in the host country interact insofar that if the global integration pressure from the HQ is low and institutional pressure in the host country is lower than that in the MNC's home country, then there is no collaboration or practice transfer with the HQ.
- b) In consequence of the lack of collaboration and practice transfer, the degree of implementation of GDM practices in the subsidiaries is low.

Lastly, we looked at Japanese subsidiaries in Germany (higher institutional pressure on gender equality in host than home country) that experienced low pressure from the HQ. We found that they engaged more in GDM practices than those located in Japan which experienced similarly low pressure from the HQ (cases highlighted in grey in Fig. 1b). When asking for the motivation to engage in GDM many highlighted that this was in response to local expectations.

*There is pressure from the labour market. I see that the role of women is changing and many women return to work quickly after parental leave. That is the culture and a development of society. (JP\_SUB\_in\_GER\_#15; Male: German)*

Other interviewees also highlighted the high pressure that was put on the companies by politics. The higher institutional pressure in the host environment therefore triggered subsidiaries to adapt to the local context by self-initiation and implementing GDM practices in order to meet the expectations in Germany and gain legitimacy despite the absence of HQ pressure. As one interviewee exemplified: *“the issue of gender became particularly prominent in terms of work-life balance. This topic was raised by our employees”* (JP\_SUB\_in\_GER\_#14).

Subsidiaries needed to respond to these changing requirements and expectations in their host country. A common theme among these cases was a certain degree of engagement

in regional collaboration either with a regional the HQ or other subsidiaries in Europe.

Employees argued that they felt lost and needed more input and exchange to respond to demands of the local environment. One interviewee explained:

*Currently, we seek input around what other colleagues in Europe do. We established what we called the European team where we discuss our understanding of diversity. In a workshop format we then tried to find a common way and priorities that we want to achieve.* (JP\_SUB\_in\_GER\_#4; Male; German)

The pattern in these cases seems to be that because of low global integration pressure and higher pressure in the host country, subsidiaries actively engage in GDM. To develop their approach, they seek collaboration with or welcome an inflow of practices from other subunits at a regional level to gain legitimacy in their context and respond to the institutional demands. This seemed to be a mechanism to compensate the lack of guidance and support from the HQ:

*At a global level, there is not enough input; but the European HQ developed a great initiative that we participate in and other subsidiaries as well. For instance, they designed a mentoring program for females in leadership positions.*

(JP\_SUB\_in\_GER\_#6)

In consequence of this interest in diversity and active engagement in practice transfer and despite pressure from the HQ the degree of implementation of GDM is similarly high as in the other cases where the pressure from the HQ is higher. We derive the following proposition:

**Proposition 4:** a) Global GDM integration pressure from the HQ and degree of institutional pressure on gender equality in the host country interact insofar that if the global integration pressure from the HQ is low and institutional pressure in the host country is higher than in the MNC's home country, then there is

only limited exchange with the HQ and subsidiaries engage in regional practice transfer regarding GDM.

b) A regional approach to practice transfer is associated with a medium degree of implementation of GDM practices in the subsidiaries.

## **5. Discussion**

Our study addressed GDM in German subsidiaries in Japan and Japanese subsidiaries in Germany. First, we found that while similar GDM practices are implemented in both countries, the degree of implementation differs depending on the country context, and that German subsidiaries implement GDM to a slightly higher degree. Second, our interviews unravelled a similar finding regarding global integration pressure from the HQ. The degree of pressure applied is higher in the German subsidiaries in Japan. Third, looking at the differences based on the interaction of pressure from the HQ and the host country context, we derived four patterns that systematize GDM in foreign subsidiaries. While high pressure from the HQ results in a higher level of implementation of GDM practices regardless of the direction of transfer, either through unidirectional transfer and control (proposition 1) or mutual collaboration (proposition 2), low pressure from the HQ does not automatically lead to low implementation. That is, if the subsidiary operates in a host country with a higher level of institutional gender equality and higher pressure to localize, it will adapt to the higher standards and engage in regional collaboration (proposition 3). By contrast, if they operate in a host context with a lower level of institutional gender equality than that in the home country, there will be no collaboration or adjustment to the host country, which is reflected by the low degree of or even no implementation (proposition 4). We have systematized our propositions in a research model in Fig. 3.

*Insert Fig. 3 about here*

### ***5.1. Theoretical contributions***

Our study makes several theoretical contributions. First, we contribute to the scarce literature on GDM in MNCs by investigating subsidiaries' experiences in two different host contexts: Germany and Japan. Despite their differences, our interviews revealed that there are some common challenges when looking at issues of gender (in-)equality. For instance, traditional gender roles, the resulting need for flexibility of working time attributed to women as the main bearers of care work, and a lack of confidence among women were prevalent in both countries. This highlights how cultural norms both outside and inside work as well as the resulting gendered practices (Acker, 1990) in the subsidiaries of our study affect the experience of women at work and limit their opportunities. In consequence of these restraining conditions, women exhibited reduced aspirations (Kanter, 1977) and therefore strive less for career success than men. This was visible in both countries as women were described to be either less aspirational or less vocal about their aspirations. However, these issues were perceived to differ in terms of their strength and persistence with evidence for more inequality in organizations in Japan. For instance, interviewees revealed how cultural artifacts such as seniority and gendered career paths are accepted norms and reinforce gender inequality (Kemper et al., 2018; Mun and Jung, 2018). Furthermore, we found stories around men's use of what Kanter (1977) coined "boundary heightening" behaviours. She argued that men often differentiate themselves from women by stereotyping or "encapsulating" each female worker as a "mother, seductress, pet, [or] iron maiden" or as a "secretary"; or in the case of Japan as "office flower". These were not referred to in our interviews in Germany. However, similar patterns and issues around discrimination and sexism still exist in Germany as well (Kloepfer, 2019) and women are still disadvantaged at work (Bergmann et al., 2019),

but less extreme as in Japan. Therefore, the underlying patterns and outcomes of gender discrimination seem to be less influenced by the country context, rather the degree and structural embeddedness of inequality seem to differ between the countries. While it is forbidden by law in both countries, gender discrimination continues to exist in both countries, however, it seems to be more open and direct in the Japanese environment. Institutional theorists would argue that such deviation and decoupling from the policy is likely to occur when noncompliance is accepted in society (Meyer and Rowan, 1977; Oliver, 1991) which seems to be the case in the Japanese context. In turn, gender discrimination was perceived as subtler in Germany but still resulted in lower career opportunities for women highlighting how the increased pressure on gender equality has changed the acceptance of such behaviours at work.

Second, despite these differences, we found that, while the level of engagement with GDM practices to improve gender equality differed strongly, similar types of GDM practices were implemented in both countries — also consistent to those identified in prior research. This is somewhat surprising, given that diversity management is argued to be culture-bound (Nishii and Özbilgin, 2007) and local resistance to GDM has been highlighted in prior literature. While we found traces of local adaptation of practices, the practices we identified are not *per se* country-specific. There are two potential explanations for this finding. First, as argued above, due to similar patterns of discrimination, organizations might respond with similar practices therefore, there is no need for them to adjust or self-develop new indigenous concepts. Another and more likely explanation could be that during the global expansion of GDM from the US, the concept has mainly kept its roots, and a tendency to a convergence or dominance effect (Pudelko and Harzing, 2007) is visible. One explanation for this effect is that MNCs are carriers of global standards (Geppert, Matten, and Walgenbach, 2006); it seems they support this trend and implement what might be considered “best practices” with

only little adjustment to the host country (Geary et al., 2017). Integrating established practices seems reasonable, as MNCs lack experience and insights in contextualizing gender diversity. Therefore, copying seems to be a safe way to address a rather unknown issue (Meyer and Rowan, 1977). Similarly, as there are no indigenous practices in the host countries which they could adopt, subsidiaries implement well-known practices and adjust them only slightly to the context. Therefore, organizations seem to develop different foci of GDM practices according to their context, rather than new local practices (Olsen, Parsons, Martins, and Ivanaj, 2016) to ensure acceptance among staff.

Third, we revealed the role of the HQ in how subsidiaries engage with GDM. We found that many MNCs use global integration practices to improve gender diversity in their subsidiaries (Alhejji et al., 2018; Moore, 2015). Often this was done through quotas, policies, or global communities. However, despite the significant role MNCs play in global gender equality (Koveshnikov et al., 2019), there was significant variation in whether the HQ enforces GDM standards globally (Kemper et al., 2018). It seems that German subsidiaries experienced more global integration pressure than Japanese subsidiaries, echoing the relevance of gender equality in the home country. Rosenzweig and Nohria (1994) argued that gender issues are particularly dependent on the host context, as they are strongly influenced by local institutions. In consequence, their research highlighted that gender equality is most often at the discretion of the subsidiary. Building on our research design, we support but extend this finding, as we conclude that not only is the host context of relevance, but whether the HQ is concerned with GDM or it is localized in the subsidiaries is dependent on the home context of the MNC as well.

Lastly, our study contributes to IB and IHRM literature as it underscores the importance of integrating contextual factors to understand the transfer and implementation of management practices in MNC subsidiaries. First, we provide empirical evidence for Shenkar's (2001)

proposition of asymmetry by showing that conclusions drawn from one direction cannot be generalized to the opposite direction. While there is substantial research that has investigated how the home and host countries' institutional contexts influence HRM in subsidiaries (e.g. see Chiang et al. 2017 for a review), including effects of reverse transfer (Peltokorpi, 2015; Thory, 2008), only limited empirical studies exist that allow the investigation of the claim of asymmetry. We found that, according to the specific interaction of the HQ pressure from the host country and institutional pressure on gender equality in the host country, not only the degree of implementation varies, but also resulting differences in types of transfer and collaboration with the HQ explain different degrees in implementation. These findings are distilled into our theoretical model and propositions. Second, as Chiang et al. (2017) noted in their review, research on the transfer of HRM practices produced complex and inconsistent results and our four identified patterns allow us to integrate these conflicting findings even though produced outside GDM research. For instance, it was indicated that the direction of transfer, for instance, either from a more to a less regulated market or vice versa, creates different dynamics (Björkman et al. 2007; Khavul, Benson, and Datta, 2010). Björkman et al. (2007), found that subsidiaries in Russia did not adapt to the practices internalized during the Soviet era, but, on the contrary, implemented even more US practices than subsidiaries in the US. They interpret that the MNCs "react against what is seen as a negative heritage from the Soviet period" (p. 443). Thus, when HQ has a high attention on specific practices, global standards are used to overcome liabilities in the less advanced host country. This seems to be similar reasoning for the German subsidiaries in Japan when implementing GDM. Khavul et al. (2010), in turn, found contradictory results insofar as firms from emerging economies, who expand to countries with lower economic standards and lower employment regulations, invest less in HRM practices there. Our research based on GDM in foreign subsidiaries explains these conflicting findings by highlighting that it is not only the relevance of host country context for

management practices (Rosenzweig and Nohria, 1994), but also the interaction of the HQ integration pressure and thus the attention HQ places on a topic and the perception of pressure in the host country that affects the type of transfer and degree of implementation. Thus, our research allows us to systematize different responses to “institutional duality” (Hillman and Wan, 2005; Kostova and Roth, 2002; Kostova and Zaheer, 1999) and the reaction to the co-existence of multiple, often contradictory, institutional demands (Saka-Helmhout et al. 2016) that are neither symmetrical nor simply linear but do follow specific patterns which we systematized in our theoretical model.

## ***5.2 Practical implications***

Our study contains several managerial implications. First, our findings underscore the role of the HQ for gender equality in foreign subsidiaries (Koveshnikov et al., 2019). Thus, if gender equality is important in the HQ, global control and transfer of practices to subsidiaries follow. Our study indicates that the perceived control then regulates the actions taken regarding GDM in foreign subsidiaries and that control is an important mechanism if MNCs want to increase gender equality, or other HRM outcomes, in their subsidiaries.

Second, although we found limited evidence of adaptation of HQ practices to the local context, interviewees in the subsidiaries reported the need to modify some of the practices to avoid resistance or adjust to local law. In consequence, along with prior research on global diversity management, our study highlights that transferring global standards with flexibility for local adaptation is a promising approach to fostering gender equality in foreign subsidiaries. The resulting culture and the climate in work groups have an important influence on how individuals adjust to the organization (Valenzuela et al., 2020)

Third, we found that, when subsidiaries operate in a host country with higher institutional gender equality than the home country, they are likely to engage in GDM. Since

they also compete with other companies in the host country, local adaptation to higher standards is necessary for them to stay competitive in the long run. Our research thus suggests that considering increasing bottom-up exchange and integrating subsidiaries from such countries into the HQ strategic planning can be beneficial. It provides important insights and practices that the HQ might not have considered, as well as opportunities for reverse transfer.

Fourth, we suggest that transferring GDM to foreign subsidiaries can also be a source of competitive advantage in the war for talent. Prior research indicates that females are more attracted to foreign companies than men (Newburry et al., 2006) in particular in Japan (Peltokorpi et al., 2019). This might be also true in foreign subsidiaries operating in other countries with lower gender equality. Foreign subsidiaries can, therefore, benefit from implementing GDM to help attract and retain talented females and fill their talent pipeline.

### ***5.3 Limitations***

The findings of our study need to be interpreted in the light of limitations. First, due to the qualitative approach and the focus on only two countries, the generalizability of our findings is limited. Thus, more qualitative and quantitative research in other country contexts is recommended. As our model provides a good basis for empirical testing, future research could apply a large-scale survey design and empirically test the proposed relationships in different combinations of home and host country contexts. Second, we have only included the subsidiary perspective. While we argue that, for the purpose of our study, this approach is appropriate, as our interviewees can explicate how much global integration pressure they experience, future research could collect additional data from the HQ to triangulate the global control mechanisms and compare practices in the home and host countries. Third, we have not investigated the effects of the GDM practices and whether the approach taken in each subsidiary/country was successful or not. In order to derive implications for the effectiveness

of practices in different contexts, more research is necessary that investigates the outcomes, taking into account institutional differences in the home and host country and their interplay. To do this, future research also needs to include female (and male) employees to gauge their perceptions and experience of the GDM practices and effects.

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**Table 1**

Characteristics of interviewees.

Company	Interviewees'			Subsidiaries'	
	Position	Origin	Gender	Industry	Size
GER_SUB_in_J_#1	HRD	GER	M	Consumer Goods	> 1000
GER_SUB_in_J_#2	HRD	J	F	Insurance	<100
GER_SUB_in_J_#3	HRD	GER	M	Automotive	500-1000
GER_SUB_in_J_#4	CEO & HRD	GER/ J	M/M	Chemical	> 1000
GER_SUB_in_J_#5	HRD	J	F	Medical & Pharma	100 - 500
GER_SUB_in_J_#6	CEO	GER	M	Chemical	<100
GER_SUB_in_J_#7	CEO	J	M	Medical & Pharma	> 1000
GER_SUB_in_J_#8	CEO & HRD	GER/J	M/M	Automotive	> 1000
GER_SUB_in_J_#9	CEO & HRD	GER/J	M/F	Automotive	> 1000
GER_SUB_in_J_#10	VP	J	M	Logistics	> 1000
GER_SUB_in_J_#11	HRD	GER	M	Consumer Goods	500-1000
GER_SUB_in_J_#12	HR	J	F	Automotive	> 1000
GER_SUB_in_J_#13	HRD	J	M	Electronics	> 1000
GER_SUB_in_J_#14	HRD	J	M	Automotive	500-1000
GER_SUB_in_J_#15	CEO&HRD	J/J	M/M	IT & Services	<1000
J_SUB_in_GER_#1	HRD	GER	M	Medical & Pharma	100 - 500
J_SUB_in_GER_#2	HRD	GER	F	Electronics	> 1000
J_SUB_in_GER_#3	CEO	GER	M	Electronics	100 - 500
J_SUB_in_GER_#4	HR	GER	F	Automotive	500-1000
J_SUB_in_GER_#5	HRD	GER	M	Electronics	> 1000
J_SUB_in_GER_#6	HRD	GER	M	IT & Services	100-500
J_SUB_in_GER_#7	HRD	GER	M	Automotive	<100
J_SUB_in_GER_#8	CEO	GER	M	Electronics	100 - 500
J_SUB_in_GER_#9	HRD	GER	F	Electronics	100-500
J_SUB_in_GER_#10	HRD	GER	M	Automotive	100-500
J_SUB_in_GER_#11	HRD	GER	M	IT & Services	> 1000
J_SUB_in_GER_#12	HR	GER	F	Optical	> 1000
J_SUB_in_GER_#13	VP	GER	M	Automotive	<100
J_SUB_in_GER_#14	HRD	GER	M	Electronics	500-1000
J_SUB_in_GER_#15	HRD	GER	F	Electronics	> 1000

**Notes:**

GER = German; J = Japanese; CEO = Chief Executive Officer, VP = Vice President, HRD = Human Resources Director or equivalent, HR = HR Manager/Staff

GER = Germany, J = Japan

M = Male, F = Female

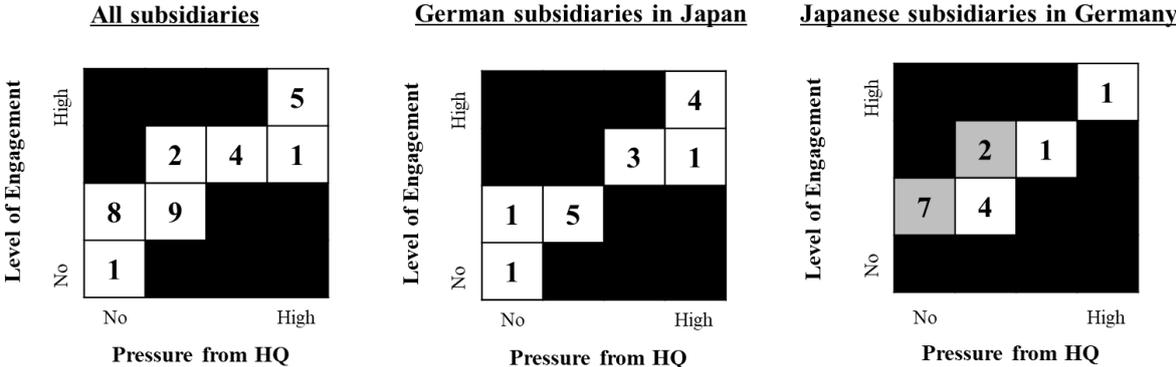
**Table 2** Codes, definitions and example quotes of degree of implementation.

Code	Definitions	Example Quotes from both countries (if applicable)
No	No importance of GDM; no practices	“Ah, actually, no, we don’t have any. Would be interesting though. In this sense, no, we don’t promote women in a special way.” (GER_SUB_in_JP_#6)
Low	Little importance of GDM; only one or few practices	“With female issues, we are just getting started.” (JP_SUB_in_GER_#12)  “What we have just started is the topic flexibility of working time which will surely make advances to women.” (GER SUB in JP #3)
Medium	Importance of GDM; broader set of practices	“Particularly here in Germany, we offer mentoring programs for females who show high talent. Also, we are targeting our recruiting process at females.” (JP_SUB_in_GER_#5)  “We did not do, let's say affirmative actions, we treat the opportunities for female and male equally, but we form for instance a parent network and foster flexible working (...). Furthermore, we organize some town hall meetings to invite all employees to raise the awareness regarding diversity topics.” (GER SUB in JP #13)
High	Strategic approach to diversity management; continuous effort in mostly all of the areas of GDM	“So, on the one hand, we have a quota we aim at. Second, we put an extra effort, it is not mandatory, in having at least one female candidate in internal and external recruiting. [...] We also have trainings on diversity management and trainings on discrimination slash potential of diversity.” (JP_SUB_in_GER_#10)  “So, from this year all the activities are quite related to those four areas. One is to find the current status through a survey. Then we just started, before launching an official committee, to run focus group interviews to identify and also justify what we found in the survey. And we try to recruit potential female employees to the committee. [...] And we then also want to have that kind of culture of discussion in our work with senior leaders.” (GER SUB in JP #10)

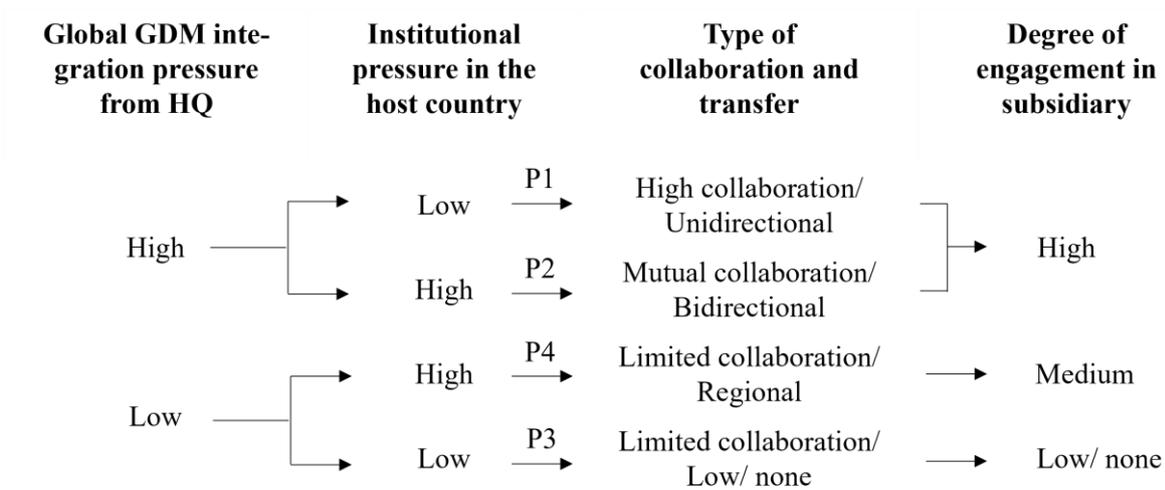
**Table 3** Codes, definition, and example quotes of the degree of influence from the HQ.

Code	Definition	Example Quotes from both countries
No	No attention by HQ, no reporting	<p>“No, we don’t have any policies. There are ethical guidelines, but nothing more” (JP_SUB_in_GER_#7)</p> <p>“No, we don’t have a concrete plan [from HQ] yet. They plan to integrate some management training, how to deal with diversity, or what diversity actually is.” (GER_SUB_in_JP_#14)</p>
Low	Low attention by HQ with reporting only in terms of broader purposes, e.g., CSR reports or corporate policies	<p>“When it comes to corporate policies, of course there is also something on diversity management.” (JP_SUB_in_GER_#14)</p> <p>“So again, the message is, let's work harder to get to diversity in particular gender diversity [...]. They have to make a change in different countries. But again, I’m saying that we are far away from having specific quotas. But the general need for promoting diversity is increased.” (GER_SUB_in_JP_#7)</p>
Medium	Attention of HQ and reporting in terms of gender data	<p>“We report about our programs and we have according targets to particular topics also on diversity management besides others. This is reported each quarter.” (JP_SUB_in_GER_#5 )</p> <p>“We are working on a new diversity guideline including a new training concept. And twice a year, we discuss aspects of gender and diversity in our annual target reviews.” (GER SUB in JP #9)</p>
High	High attention of HQ and strict monitoring via quotas	<p>“To be honest, we have a quota for the top management. [...] We do have global requirements regarding management diversity training. [...] Other global policies are for all employees such as development plans, succession plans.” (JP_SUB_in_GER_#10)</p> <p>“On a global basis, we set a target to have 20% female in management positions in 2020.” (GER SUB in JP #8)</p>

**Fig. 1a, b and c.** Patterns by host country



**Fig. 2.** Resulting differences according to respective home and host country



**Fig. 3. Theoretical Model**

