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THE EFFECT OF JAPANESE TECHNOLOGY TRANSFER TO INDONESIA

**(A Study of the Effect of Technology Transfer on Managerial
Skill Formation of the Host Country's Employees)**

**A thesis submitted in fulfilment of the
requirements for the award of the degree**

(DOCTOR OF PHILOSOPHY)

FROM

THE UNIVERSITY OF WOLLONGONG

BY

ZEIN HEFLIN FRINCES

BScEcon (Ull) MSc Soc (NSW) MA (Macq.)



**DEPARTMENT OF MANAGEMENT
(1991)**

S T A T E M E N T

No part of the work contained in this thesis has been submitted in support of an application for another degree or qualification of this or any other university or institute of learning.

Except where otherwise indicated, this study is my own work and has not been submitted for a higher degree elsewhere.

ZEIN HEFLIN FRINCES

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A B S T R A C T

This thesis is a result of an intensive empirical and exploratory field research conducted among Japanese subsidiaries operating in Indonesia based on case studies. This research studies the effect of Japanese technology transfer to Indonesia on the managerial skill formation of Indonesian employees.

This thesis consists of 6 chapters. Chapter 1 contains background reasons for selecting the research topic and a "problem statement" of the research. Chapter 2 sets out the detailed stages of the way this study has been conducted. Chapter 3 provides a review of previous research that forms the basis for the research guidelines for the study. A pilot research or survey of 4 Japanese subsidiaries operating in Indonesia, was undertaken to test various theories found in existing literatures and to formulate further courses of action for this study. Further research was carried out involving 16 Japanese subsidiaries and 21 Indonesian managerial staff working in the Japanese subsidiaries operating in Indonesia.

The review of previous studies in Chapter 3 suggested that there had been very little research on the subject of the effect of technology transfer on managerial skill formation. There had been little research on this subject because, as the review suggests it was perceived that skills had been formed in an automatic fashion and that management could operate smoothly without being concerned much about skill formation. It was also believed that research on the issues was both theoretically and empirically quite difficult to carry out.

In this research the types of managerial skills studied are divided into three components, namely, (1) Japanese specific managerial skills, (2) functional or professional managerial skills, and (3) general managerial skills, consisting of conceptual, human, and technical skills. The Indonesian managerial staff working in Japanese subsidiaries were expected to have acquired these skills. It was predicted that the effect of technology transfer on skill formation and the acquisition of these skills, were associated with the various moderating factors explained in Chapter 2.

Chapter 4 contains detailed case studies which give insight into both the skill formation process and the effects of various moderating variables on the transfer process. Chapter 5 presents various findings of the study and analyses of the findings. It was found that only three of the five moderating variables studied had a significant impact on the skills formation process. On the basis of existing theories and this study's empirical evidence, a model of technology transfer and skill formation was then developed and presented in Chapter 5.

Chapter 6 contains conclusions, policy recommendations, and for further study.

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