

**CROSS – CULTURAL CONFLICT AT ISUZU MOTORS
(THAILAND) COMPANY LIMITED**



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entitled
**CROSS – CULTURAL CONFLICT AT ISUZU MOTORS
(THAILAND) COMPANY LIMITED**

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ABSTRACT

The purpose of this research is to examine cultural similarities and differences within Thai and Japanese culture at Isuzu Motors Thailand Company Limited in order to create better understanding and increase effectiveness in organization.

The qualitative research methodology focuses on people who work at Isuzu Motors Thailand ranging from staff level to manager level (Mix of Thai and Japanese nationalities) from 23 to 45 years old.

The results reveal that there are many similarities and differences in working context between Japanese boss and Thai staff that are create significant problems of achievement on job and uncomfortable atmosphere at Isuzu Motors Thailand. Language barriers plays an importance role for communication and are likely to be major source of conflict when both parties try to communicate in deep details. Moreover, differences of national culture (fundamental cultural values) and Japanese unique management approach are factors to cause conflict.

KEY WORDS: Japanese management style / Thai management style / Conflict in working context between Japanese and Thai subordinate

32 pages

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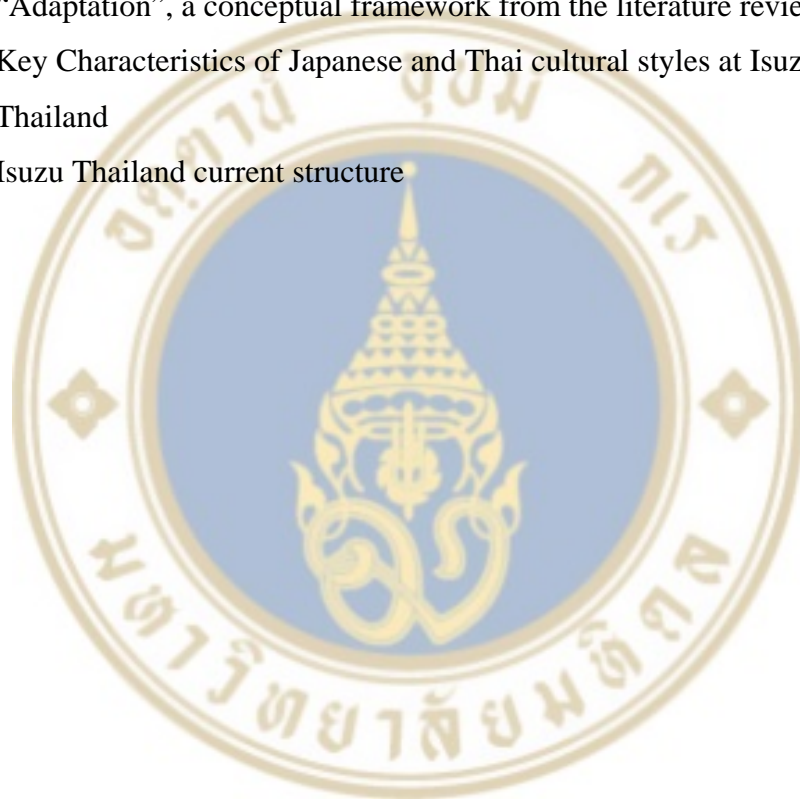
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CHAPTER I

INTRODUCTION

1.1 Background Research and Problem Statement

Regarding technology and the globalization era, many foreign investment firms interact with each other across international borders, with Thailand being one of them. Due to its centralized location, Thailand serves as the gateway into the heart of Asia, which is one of the world's largest growing economies. As a result, there are many multinational companies looking to invest in Thailand. Today, numerous foreign companies have established a presence in Thailand. Problems in business dealings are often displayed when people from different cultures cannot understand or appreciate the culturally determined differences in practical communication, traditions and thought processing (John E. Rehfeld, 1990).

In this study, the author chose to focus on Japanese firms, which are recognized as major foreign firms investing in Thailand. Japanese managers transfer their management practices to Thailand without adaptation because they believe their practice style has been proven to work well and can be superimposed into the framework of other cultures. Unfortunately, that management style does not fit with the Thai local style and its distinct conditions. The local workforce has been influenced by how expatriates respond to a working system, which is set by management practices (Hofstede and Hofstede, 2005). This means that the workforce in one culture probably responds in a different way to another culture. However, many Japanese managers tend to refuse changing and adapting their working style, citing a waste of time and effort (Wood, Wallace and Zeffane, 2001). As a consequence, it is significant to know the different cultural, industrial context, and management practices in order to be able to perform well and have effective business dealings (Mead 2005). A foreign company providing advantages to attract and retain talent is equally important. When people from different cultural backgrounds work together, they gain competitive advantage and sustain the potential of human resources (Adler, 1991). In addition, they can provide better service to their customers

because people with more diverse cultural experience have a better understanding of dealing with other cultural environments, social practices, politics and economics. Therefore, the author intends to make an insightful analysis of the issues faced by Japanese organizations that impact employee performance, specifically at Isuzu Motors Company Thailand, Limited, to see what major problems exist that could be obstacles and need to be solved in a correct way in order to achieve greater productivity and a better working environment.

1.2 Research Question

This study attempts to answer the question of whether the Japanese management style works well for Thai subordinates and to identify the factors that are obstacles to successful cooperation.

1.3 Objective

The purpose of this study was to examine the cultural differences between Thai and Japanese cultures at Isuzu Motors Company Thailand, Limited. Due to the fact that a considerable Japanese work force lives and works in Thailand and vice versa, the author recognized the need for such an analysis. Indeed, the author identified several differences that are important to consider, especially in a working environment, as these differences could be the root cause of serious cross-cultural issues if neglected.

CHAPTER II

LITERATURE REVIEW

In this globalization era, a young manager must be culturally intelligent in order to deal with counterparts and subordinates from different cultures effectively. Therefore, this research attempts to shape the knowledge of different cultural background to prepare young managers to be capable of responding to this global challenge in an efficient way. It is significant to be able to adapt to Japanese management practices due to their demonstrated success, though one culture may suffer negative impact from the other in certain instances. As a consequence of excellent management, such practices can create competitive advantage. An examination by William and Onishi (2003) claimed that Japanese management traditionally attempts to transplant their own practices to any overseas branches because of their familiarity and proven success. Japanese management practices are deeply rooted in Japanese culture. As such, the differences in managing styles between the two cultures need to be urgently adapted in order to increase the effectiveness of Japanese affiliates in Thailand. Conflict can result when Japanese managers use their practices in foreign countries without adjustment to the local culture.

2.1 Differences in the Japanese and Thai national cultures according to Hofstede's Dimensions

Japanese entities have increased their long-term investing in developing countries like Thailand due to their lower labor costs as well as to sustain a manufacturing network, which affords increased opportunities for export sales volume. Today, they are the largest international investors in Thailand, according to the Board of Investment (2002) of Thailand. Their management systems have become the international best practices, widely accepted and employed by many multinational corporations (MNCs) (Rodgers and Wong, 1996). However, Japanese managers have also found that adaptation, which is the cause of conflict between Japanese managers and Asian subordinates, is

much less than in Western nations. Hofstede claims that national culture is a crucial influence of work-related value and attitude. It can break down into 5 dimensional patterns of conflict, representing universal categories for characterizing national cultures including (1) power distance/PDI, (2) uncertainty avoidance/UAI, (3) individualism VS collectivism/IDV, (4) masculinity VS femininity/MAS, and (5) short-term orientation vs. long-term orientation/LTO.

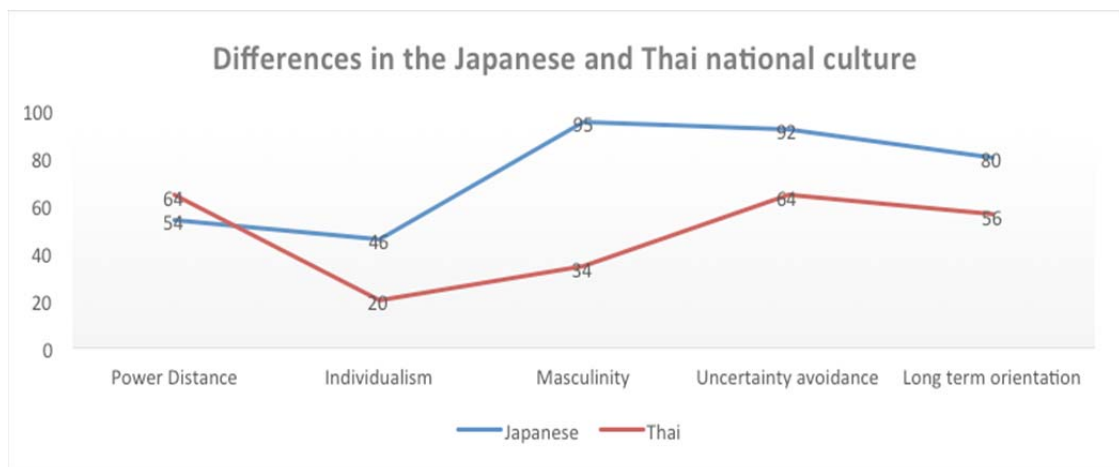


Figure 2.1 Differences in Japanese and Thai national cultures according to Hofstede (Hofstede, 1991)

This graph represents the differences in Japanese and Thai cultures according to Hofstede's dimensions. Starting from PDI, it shows that both nations are high in Power Distance, with Thailand being slightly higher. Both have low scores in individualism, meaning they are categorized typically as collective-oriented cultures. However, the Thai culture is seemingly more collective than the Japanese culture. Masculinity rate is very high in the Japanese culture, with moderate-high uncertainty avoidance. For long-term orientation, loyalty, commitment and work effort for the future are significant (Hofstede and Bond, 1988). Not surprisingly, the Japanese are rated high for this dimension. One of the root causes of conflict is likely due to masculinity, which focuses on achievement and emphasizes work result.

2.2 Japanese system is the one significant of source conflict

When Japanese managers operate abroad, they traditionally apply a conventional management style, policy or specific corporate culture to the overseas branch. That kind of conventional management style is called a Japanese HRM system, meaning it employs uniquely Japanese business practices and may refer to their national values. However, some aspects of this system do not fit with the Thai HRM style. This given sample will present why it does not work well with Thai people. Japanese managers tend to be biased against Thai subordinates. They tend not to believe in the ideas and thought processes of Thai staff, believing their own are better. Sometimes, Japanese managers do not give priority to Thai staff due to the social hierarchy (Pongsapich, 1998).

Another obvious example is the working distance between the two nations. Within an organization, Thai subordinates prefer to keep their distance, whereas Japanese managers need close working relations because they think people belong to their family or organization. Also, Japanese managers tend to fix problems in teams. In contrast, Thai subordinates are comfortable handling issues individually provided they have sufficient skills and knowledge.

The concepts of working appear to have big differences between Japanese managers and Thai subordinates. Referring to the phrase “Live to work”, this seems to be the Japanese preference, while “Work to live” seems to be the Thai preference. This links to the level of masculinity in the 2 nations. Thai staffers are of the general opinion that Japanese managers are workaholics and put forth a lot of work effort for the company. The graph below in Figure 1 illustrates the 5 characteristics of a HRM approach, which is considered a Japanese management style.

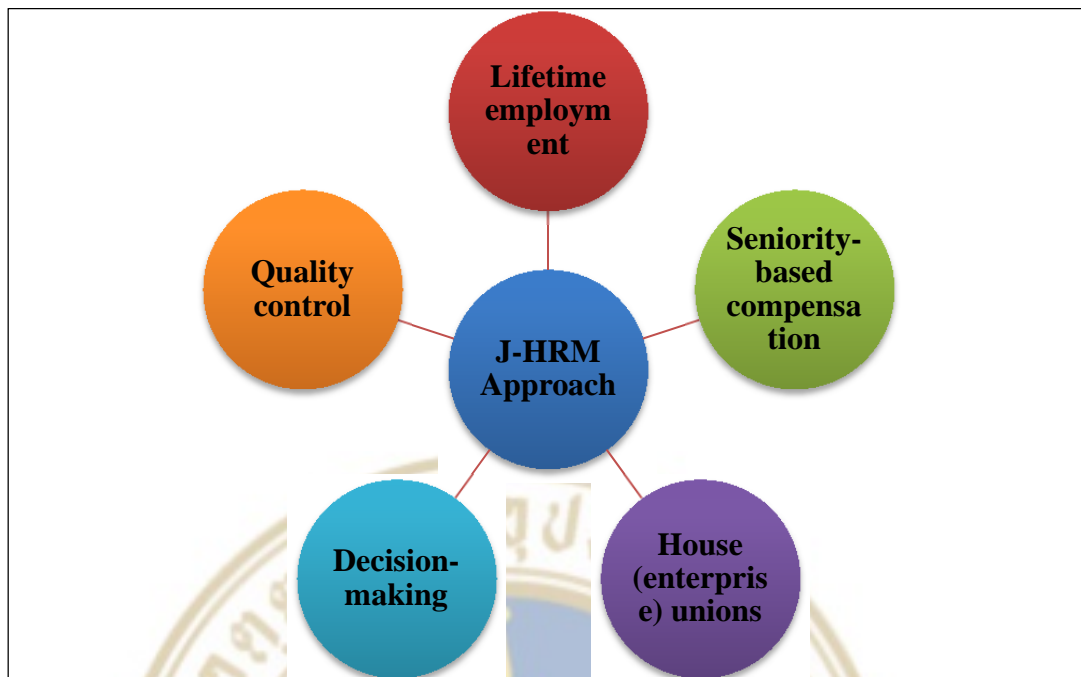


Figure 2.2 Japanese HRM Approach

HRM approach is recognized as a “hard” practice, which refers to putting effort in production procedures, whereas a “soft” practice refers to industrial relations. However, hard practices cannot succeed without properly applied soft practices. Lifetime employment, a seniority system, and in-house labor unions are strengths that enhance Japanese performance. The Japanese develop mutual decision-making, which represents group-oriented processes by sharing ideas and recommendations through the organizational hierarchy. Bottom line decision-making, called the ring, is also utilized. This is one of the unique Japanese business and social practices. They emphasize sensibility about the group of people, probably referring to their ideas and connections valued. “Public self and Private self” play different roles regarding occasions. Japanese managers have a strong sense of belonging to the group identity, place and duty.

In terms of fundamental and philosophical differences, Western managers give praise to their subordinates when performing well. They also often encourage positive feedback when things are going wrong. Conversely, Japanese managers tend to blame their subordinates. They believe that it is a better way to encourage people to produce good quality work.

To sum up, considering the main causes of conflict provide the discovery that problems occur from insufficient understanding of the local characteristics of Thai subordinates as well as their practices and social norms. Solving this kind of conflict will capitalize benefits and reduce the costs related to different working styles.

Learning cultural differences is very important in multicultural organizations due to the inevitability and necessity of sharing value and corporate culture with each other to work efficiently. However, conflict is still much more difficult to handle because the expectations between Japanese managers and Thai staff are still different in significant areas, such as motivation, consensus teamwork and the emphasis on cross-cultural understanding. To solve this kind of problem and prevent conflict in cross-cultural exchanges, both need to be trained in cultural awareness for better understanding in terms of communication and decision-making. This program would allow mutual adaptation to occur in an effective way and be more practical, like Toyota has done before.

2.3 Japanese Management VS Thai Management Practices and Adaptation

Some arguments claim that many Japanese management practices cannot be adapted due to the resistance to change regarding Thai local culture. They rely on what practices have done well domestically, which could be applied into other cultures of investment. The Japanese model appears to be much like the 'headquarters – outpost' approach, where the practices originate from home office directives and the expectation is that foreign-based Japanese managers will act as they would in Japan (William and Onishi, 2003). As an obvious example, the Japanese normally transfer their practice styles to Thailand without appropriate adaptation to the local conditions. However, a certain level of implementation change should be taken for the organization to be successful. Furthermore, the national culture of a workforce influences how expatriates respond to the structures and systems planned, as well as the implementation of management practices (Hofstede and Hofstede, 2005). The common practices of one culture might have varied responses in others. Japanese managers are sometimes hesitant to adjust themselves toward local practices because they do not fit, or they feel it is not worth their time, effort and concentration (Wood, Wallace and Zeffane, 2001).

2.4 Thai Management Style

Thais prefer to be members of a collective group. They tend to be fearful of being different from the others in a group, so they try to adapt themselves to survive in order to be accepted by the group as a whole. Its social structure is hierarchical with a collectivism structure society, which means individual and interpersonal relationships are very significant (Komin, 1990). According to Hofstede (2005), defining Thailand means saying it is a country with feminine Asian characteristics. People tend to avoid aggression and confrontation all together rather than learn how to defend against problems. In short, Thais prefer a non-confrontational existence (Niratpattanasai, 2000). An example of this can be found in any meeting of Thais, where disagreement on an issue results in the people preferring to stay quiet rather than express what they disagree with. The alternative way Thai people normally interact involves talking with co-workers and colleagues outside the meeting room. This practice does not solve the root cause of the problem. Thai people would do better to go to talk to a person directly or question them about any possible misunderstanding in the meeting room. That way, the person or people in charge would be able to provide constructive answers and not waste time.

Giving cooperation and agreeing with attendees in a meeting room with no subsequent movement is often seen as a Thai characteristic and business practice. Expatriates notice that when communicating with Thais, they usually nod to show acceptance or agreement, regardless of their real opinion. In other words, it does not mean they are listening, agreeing or even understand. They nod because it is a show of respect and accommodates people's feelings. When such a practice occurs, hidden feelings of disagreement can result in deep-seated discontent. In this context, the Thai management style can be described as follows: (1) *Hierarchy* – The Thai managing style uses a centralization control approach based on seniority and relationship orientation. They are strong in hierarchy in terms of business and family issues (Hendon, 2001) as well as Japanese culture. The decision-making culture is guided by hierarchy and relies heavily on the leader of the group. (2) *Leadership* - Thai leaders are recognized as the position of power and authority. Subordinates hold the leader as existentially unequal and accept the value of strong leadership, where they offer no input into the decision-making process (Vance et al., 1992). No matter what is right or wrong, the leader expects subordinates to obey what they have been told and react accordingly. (3) *Performance*

Measures - Thai management style emphasizes a seniority-based promotion structure (McC Campbell et al., 1999). They care little for views on employee performance, as is done in Western styles. (4) *Maintain Harmony* - Most Thai firms hold trust as the first priority to prevent conflict among people in an organization. They prefer to have unwavering social relationships and maintain harmony on the surface (Rohitratana, 1998). These characteristics mean that Thais love being carefree, kind, and pleasant (Jai-Yen), free of conflict and strife. Being nice can build long-term commitment (Cooper, 1991) and develop happiness as well. (5) *Relationship-oriented* - Relationships and trust in each other are the core of the Thai management style. Sorod (1991) claimed that work-oriented behavior happens less than relationship-oriented behavior in the workplace, as well as elsewhere in Thai society. The connection between relationships within a family, from senior to junior, is extremely important because individuals and families act as a crucial part of Thai firms. In Thai firms, there is heavier reliance on the individual connection in hiring and recruiting. It is not likely to determine salary increases primarily on formal performance criteria. (6) *Decision-making*- A teamwork approach is seldom seen in the Thai decision-making style. From a recent survey in Thailand, subordinates in Thai companies accept that their leaders make the decision in an authoritarian way (Holmes and Tangtongtavy, 1995). Thai managers are not precise, but will guide the direction and coach their subordinates in what they believe is proper. Therefore, the decision-making and authority in Thai organizations are typically restricted to the higher levels of management. The levels of management seemingly are considered using a top-down approach. The Thai work culture style does not encourage staff to express their ideas in the workplace, make mistakes or be inventive.

2.5 Management Practices of Japanese in Thailand

Several previous studies about Japanese management approaches in Thailand have shown similar common practices, which Japanese management firms have implemented. One of them collects seniority-based pay and promotion. Quality control cycle, Job rotation, Lifetime employment, Consensual Decision- making, Bottom- Up Communication, 5-S principles, Total Quality Management, and Just in Time (Chaisiri, 1998; Goh and Pinaikul, 1998; Kosiyanon and Yoshihara, 1985; Kumbanaruk, 1987;

Onishi, 2006; Sedgwick, 1995; William and Onishi, 2003). Effective policies and practices of managing in international contexts are created and administered via a process of mutual influence between management and employees. As a consequence, it leads to high levels of commitment, competence, cost effectiveness, and congruence (Herbig and Genestre, 1997). There are benefits behind both managers and subordinates when commitment and compliance are negotiated through a deeper appreciation of societal values, on the one hand, and workplace practices on the other. In this situation, Japanese management practices need to be discussed considering the sensitivities of the Thai culture and belief system. The adaptation is likely to proceed through facilitation by the fact that Thai and Japanese cultures are similar to one another in certain ways, based on similar laws and regulations. However, there are some parts of cultural differences that create unacceptability of some aspects of Japanese management practices.

TQM programs that have been implemented successfully in Thai manufacturing firms may be inhibited (Yukongdi, 2001). A study by Kumbanaruk (1987) of employees in public and private organizations in Thailand in which QCs were implemented present cultural differences between Thai and Japanese that may create some difficulties in transferring quality control circles (a significant part of TQM) to Thai manufacturing firms. TQM can be done in several ways. Krasachol and Tannock (1999) claim that the Thai culture already has many of the qualities that can support efficient operation, as there are a variety of approaches to TQM. External surrounding factors, limited specialties and low technology are three obstructions selected as offering difficulties for Just In Time (JIT) processes in Thailand (Goh and Pinaikul, 1998). Traffic jam problems slow down delivery processes. This matter is difficult for Thai companies to handle. The lack of new logistic management specialization and expertise as well as the recent inadequacy of logistics information systems are problems stalling the implementation of the JIT system. Goh and Pinaikul indicate that the high cost of obtaining companies are causing difficulties when conducting JIT systems in Thailand, also known as setting up automatic logistics apparatus. The differences between Thai and Japanese norms, Calantone and Zhao (2000) assert that major differences with respect to management processes, management practices, and corporate culture between the foreign firm and local partner can cause serious conflicts and contribute to the failures of many businesses.

Therefore, it is significant to learn adaptation of Japanese management practices in Thailand in order to prevent such failures and conflicts in a working context.

After observing data from literature review and related article about conflict in working context between Japanese boss and Thai subordinates, I found that there are 3 differences aspect that bring up conflict and uncomfortable atmosphere at subsidiaries company where Japanese firm founded. Firstly, it came from mismatch of National culture (5 dimension fundamental culture value; Hofstede Theory) including unique Japanese management practice called HRM Approach. Also, that approach distinct Japanese corporate culture from Thai style. Failure to adapt Japanese management practices in Thailand increases conflict for Thai subordinates. Therefore, it is necessary for both sides to adapt themselves to working each other in order to increase efficiency and productivity.

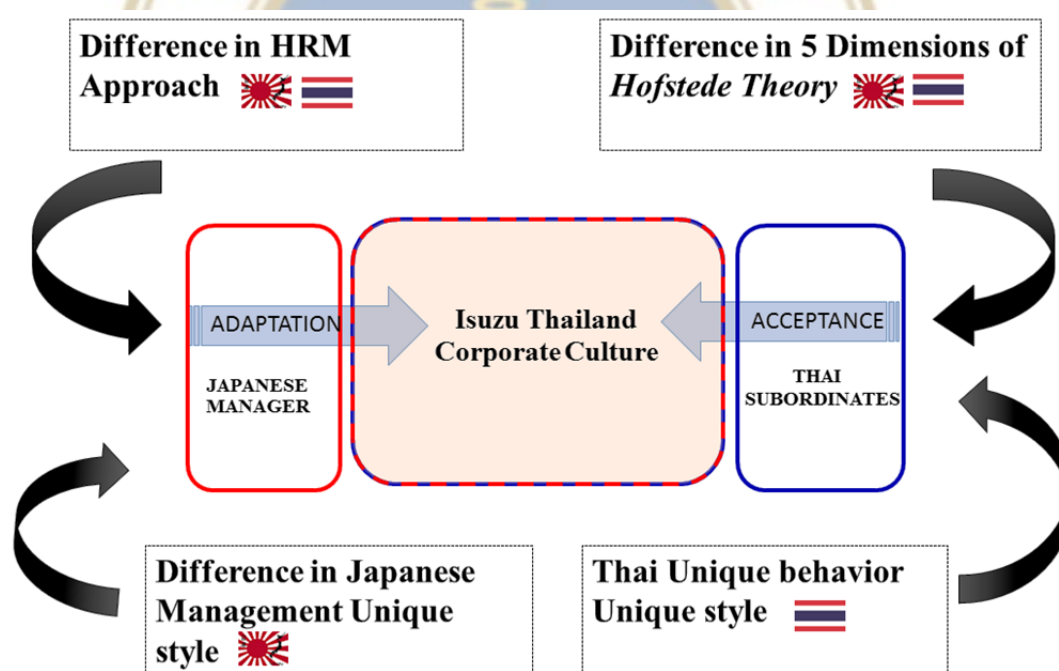


Figure 2.3 “Adaptation”, a conceptual framework from the literature review

2.6 Research Proposition

Different cultural values and different management approaches in Thailand and Japan are likely to lead to conflict between Thai and Japanese employees at Isuzu Motors Thailand



CHAPTER III

RESEARCH METHODOLOGY

The aim of this study focuses on the causes of conflict at Isuzu Motors Thailand, where a diversified culture in the working environment obviously exists between Japanese and Thai workers. Regarding previous research about the causes of conflict in multi-cultural companies, particularly Japanese firms, the author believes that this research may help people to better understand multicultural situations in Japanese organizations. The results could be used to develop work efficiency and productivity.

3.1 Data Collection

Interview Method: Qualitative (open-ended questions)

Sampling Size: Group interviews with 8 persons (separating interview manager and staff)

Sampling Frame: People who work at Isuzu Motors Thailand ranging from staff level to manager level (Mix of Thai and Japanese nationalities)

Age: ranging from 23 to 45 years old

Table 3.1 Data Collection

Title	Gender	Age	Position	Experience	Field of career	Area of study
J1	Male	46 years	General Manager	Isuzu Japan 6 years Isuzu Motors Thailand 4 years	Inport and Export Logistics	Culture Dimension and Management Dimension
J2	Male	32 years	Managing Staff	Isuzu Japan 4 years Isuzu Indonesia and China Isuzu Motors Thailand 4 years and 10 months	Export Service part for oversea market	Culture Dimension and Management Dimension
J3	Female	31 years	Managing Staff	Isuzu Japan 5-6 years Isuzu Motors Thailand 4 years	Freezone Project	Culture Dimension and Management Dimension
T1	Male	47 years	Deputy General Manager	Isuzu Japan 1 year Isuzu Motors Thailand 24 years	Production Planning Kaizen and Inland Logistics	Culture Dimension and Management Dimension
T2	Female	32 years	Senior Staff	Isuzu Japan 1 year Isuzu Motors Thailand 10 years	Logistics Export Logistics Budget control	Culture Dimension and Management Dimension
T3	Male	29 years	Senior Staff	Isuzu Motors Thailand 7 years	Production Planning in KD Export part	Culture Dimension and Management Dimension
T4	Female	45 years	Secretary Japanese President	Linex International company 20 years (subsidiary of Isuzu Motors)	Administration	Culture Dimension and Management Dimension
T5	Female	30 years	General staff	Isuzu Motors Thailand 4 years	Service part business (IMIT)	Culture Dimension and Management Dimension

3.2 Proposed Framework

This study divides cultural dimensions into 2 categories:

3.2.1 Cultural Dimension

From the literature review, conflict occurs from the differences between cultural dimensions, which create differences between people of different cultures and creates conflict as a result (in the company).

3.2.2 Management Dimension

From the literature review, a flawed management style and its system practices result in conflict from a working context and makes adaption between Japanese Managers and Thai subordinates difficult.

3.3 General Questions

In the first part of interviews, general questions about personal information and work information of the respondents are asked.

3.4 Specific Questions

In this part, the questions are about the factors that are causes of conflict in a multicultural company. The objective is to find relationships between the factors and conflict.

3.5 Question List

1. Why do you decide to work at Isuzu Motors. What does motivation factor that influence you to work here?
2. What's about working environment here? What's about working style here? Is the working environment individualistic or team-oriented

3. What the difficult thing you observe while working with Japanese boss and Thai boss. Can you give me some sample?
4. What differences do you perceive in the way to communicate with Japanese boss?
5. How Japanese boss treat you when you face with some problem on the job?
6. Corporate culture is considered highly important within Japanese companies. Was it difficult to apply the corporate culture of Isuzu in Thailand? What obstacles did you have to face when doing so? Which Thai values interfere with the Isuzu corporate culture?
7. How did you prepare for interaction with the Thai culture prior to going to Thailand? And what were still difficulties when you first started managing at Isuzu?
8. How much responsibility do you give to lower management? How much to Thai managers in general?
9. What is the culture shock for Japanese people/ Thai people If difference, what's the way they can develop in order to reach Japanese standard
10. What is the most difficult thing to work with Japanese boss?
11. How do you solve this problem between employee and boss for better communication and working efficiency
12. In Isuzu has very high hierarchy infrastructure, would do you like to change? Why
13. Communication way questions
 - How do organizational culture's members greet one another?
(Formal or Informal way)
 - What type of communication mostly use inside the company?
(Oral or Written)
 - Do you have any experience of communication going wrong?

CHAPTER IV

RESEARCH FINDINGS

This chapter reveals the results of the data analysis for 3 Japanese managers, 3 Thai managers and two general staffers working in a Japanese organization, namely Isuzu Motors Thailand Company Limited. Regarding the proposed framework, it specifies 2 areas comprising the differences in culture dimension and management dimension.

4.1 Key Characteristics of Japanese and Thai cultural styles at Isuzu Motors, Thailand

4.1.1 Gender

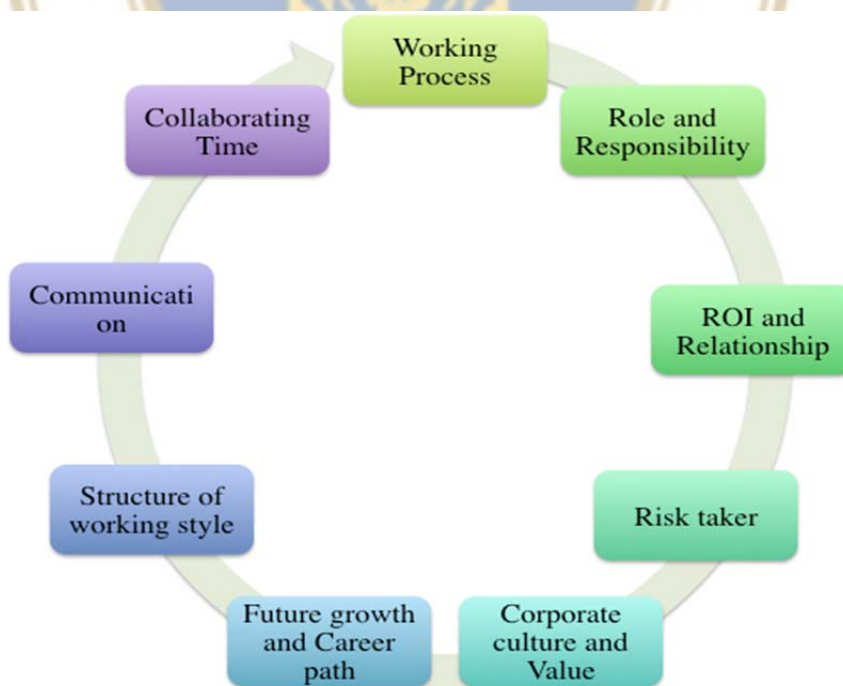


Figure 4.1 Key Characteristics of Japanese and Thai cultural styles at Isuzu Motors, Thailand

Figure 4.1 shows that female respondents comprised the largest group at 65%, followed by 34% for males and 1% not specified.

Table 4.1 Key Characteristics of Japanese and Thai cultural styles at Isuzu Motors, Thailand

Key Characteristics	Japanese	Thai
Working Process	Japanese decision approval process together with corporate hierarchy is cautious-oriented and conservative, normally slow due to this process containing a complex documentation flow and meetings. It leads to harmony at all levels and minimizes human error.	Thai decision approval stages are nearly the same as Japanese practices. However, Thais tend not to check too much in detail for documents. Sometimes, errors are found at the final stage.
Role and Responsibility	Japanese are considered group-oriented, but require individual effort for the success of the whole group	Thais prefer to work individually and normally consult their senior staff when help is needed.
ROI and Relationship	Japanese pay attention to the process of how to achieve ROI. For example, they will draw the needed criteria and evaluate the project to get it done according to total cost and value.	Not mentioned
Risk taker	Japanese never say, “Yes” if they feel unsure of 100% achievement. They are cautious on agreement because they want everything to go correctly. What they say is very important, so they prefer to make sure everything is exactly 100% in order to avoid reflecting badly.	Thais tend to say “YES” no matter what issue or whether they can do or not. They do like to stay in crisis situation, so they usually accept requests first and think later.
Corporate culture and Value	Japanese firms basically organize corporate value by Japanese standards. Most people know situations and understand unspoken words (non verbal communication).	Thais prefer maintaining harmony, like the Japanese. No matter the corporate values, they are willing to maintain it.
Collaborating Time	Japanese conduct many meetings throughout the day. They consider the value of the process with the person in charge of each project. This is commonly found in large sized companies.	Not mentioned

Table 4.1 Key Characteristics of Japanese and Thai cultural styles at Isuzu Motors, Thailand (cont.)

Key Characteristics	Japanese	Thai
Communication	Japanese tend to maintain relationships in business by respecting each other face to face. They believe it will be good for them in the long-term for success.	Thais tend to maintain long-term relationships similar to the Japanese style.
Structure of working style	Japanese companies tend to allow employees to work regular hours and limited places at the office only. They do not permit working at home. Office environments are arranged the same as a school class, where the head (manager section/department) is at the front of a row of desks. It is group-oriented (no partition).	Thai people do not want to carry extra jobs at home.
Future growth and Career path	Japanese encourage and motivate staying in one company, not through monetary reward, but loyalty. Jobs are hard to find, so the Japanese people do not like to change their jobs.	Most Thai people are less concerned about losing their job. They go to find new jobs because of upgrading salary and position. They feel a job is not hard to find (in Thailand).

4.2 Finding links Theory

4.2.1 Findings on Hofstede's dimensions

During the author's different interviews, discovered was Japanese and Thai culture on opposite sides of this dimension. Indeed, the Japanese culture is more masculine, while Thailand is comparatively feminine.

The first point is about performance in a working context. In the first interview with [J1], he explained the difference using an economic context. First, he said that the percentage of unemployment in Japan is much higher than in Thailand. Subsequently, he explains also that, from a geographical point of view, Japan is a small island with limited resources, unlike Thailand, which is a big country where everything is perceived as being available. Japanese workers are used to conducting business outside

their borders, where they need to “fight” for their job. Those two economic differences influence the cultural deviation. As a result, Japanese people have to be more careful about their job. Furthermore, they always need to search for better performance and new ways of making money. On the contrary, Thai workers do not possess this mentality. They do not fear losing their job, as it is rather easy to find a new one. As a result, they do not strive for better performance. As [J1] summarized, “Thailand has plenty of resources, so the culture does not foster workers being more productive or making more money”. Furthermore, he explained that Japanese workers are more active and productive than Thai workers. This may be because they value results, while Thai workers want to maintain harmony at work and value their quality of life over their job. It’s the Japanese “Live to work” against the Thai “work to live” philosophy that is emphasized here.

During the interview with [T1], the author noticed the importance of harmony in the Thai feminine culture. Indeed, the interviewee underlies the Thai ease to adapt and quickly worked together in harmony in a new working group. On the opposite side, the Japanese usually stick to their rules of performance and tend to be the harder personalities on a team. Here, the cultural difference emphasized is the feminine harmony of Thailand against the masculine performance driving the culture of Japan. One last point approached during this second interview was about the motivations given by managers to employees. In this instance, the interviewee described the differences in employee expectations within the company. As far as he was concerned, Thai workers usually needed to receive awards and positive feedback from their manager. Meanwhile, the Japanese don’t care or pay attention to the performance they reach. This last point reveals the importance of human relationships in the feminine Thai culture. The Japanese people, with their masculine culture, would prefer direct confrontation of the results achieved so far.

Individualism versus Collectivism (IDV)

Base on the interviews, the author discovered that their organizations and national cultures tend to have high collectivism but low involvement for staff participation. In Japanese society or its traditional style, people usually look after the other people in their group and treat each other like family. Japanese organizations had 0% evidence of laid off employees when hit with an economic crisis, such as flooding (2011), political issues in Thailand or even earthquake or Tsunami in Japan. They’re still to keep doing

the business and being the unity of teamwork to drive crisis go through together until today that's why Japan unable covering their capacity faster than other that hit with as the same issue. This could prove that Japanese are strong in traditional beliefs and style. Collectivism is also represented in Thailand, as [T1] pointed out. Thais normally behave toward the norm or company regulation. They are afraid to disappoint the group. Therefore, Thai staffers participate actively in the 5S activities dictated by the corporation (cleaning up the department and their belongings). Also, Thai people prefer to behave in the same way of living, such as having lunch together and having high interaction on personal issues.

4.2.2 Barriers in communication

Within the target company (Isuzu), the author identified four sources of conflict that may link to the differences in communication between Thai and Japanese cultures.

Language barrier - Language differences between Thailand and Japan result in difficulty understanding each other. We could derive from the interviews that accents also present a serious problem. Thai people speaking Japanese have difficulties understanding Japanese colleagues with regional or native Japanese accents. Moreover, both the Japanese and the Thai accents in English are difficult to understand between the two parties. [T1] stated that the biggest problems in this regard arise when they have technical discussions that delve into detail and participants from Thailand and Japan have to interact to solve a problem.

Written Communicatio -Communication written badly without the use of proper language or range, as in Japanese title or the end after a name, also presents a serious problem. In Thailand, when writing a letter or email, people will start with "Khun". In Japan, one is obliged to write "San Jung", as this is considered polite and normal. Forgetting the proper title can be misinterpreted as a lack of respect. It implies rudeness and impoliteness. Especially for newcomers to a firm, it is an easy trap to fall into. From the interviews, we gathered that Japanese people think they should be informed of information from e-mails that does not even concern them, for the sole reason of respect. This also reveals a written communication barrier, as most countries would only include persons of concern in their emails.

4.2.3 Barriers in other issues

Gender barrier - Isuzu Thailand has a female on the management team, which is rather unusual for the Japanese culture, as women have to take care of the household performing a much more conservative role. Even for single women, it is difficult to perform in management positions, as male staffers could feel uncomfortable working for a female supervisor. In such a case, communication would not take place at all. For example, [J3] is a female Japanese manager. She is the only female permitted to work at the firm. She studied at Kasetsart University, Bangkaen Campus, as an exchange student and she is able to communicate in Thai, so the Isuzu Management Board accepted her for this outstanding ability.

Personal barriers– [T1] said that, in the generation of rapid technological development, Thai people use LINE to work or communicate in groups. However, most Japanese people are not included in such groups. This is because of their personality type, as they have a strict distinction between their work and personal life. LINE is something that is on your personal cell phone, thus is intended for your private life. Japanese people do not like to communicate through these kinds of channels. In general, Japanese people like to live as privately as possible and only invite people into their private space that they trust or are close to.

In summary, we can conclude that Japan seems to be a culture preferring implicit context, giving much attention to respect when addressing each other. On the contrary, Thai people enjoy the easy form of communicating, like using LINE or other social media channels. Nevertheless, language barriers seem to be a big issue between the two cultures. This is apparent whether the discussion is being held in English or Japanese.

4.2.4 Problem solving; “Mai Pen Rai” versus “Silence”

During interviews, the managers mentioned a difference in the way people tend to solve problems and conflicts in Japan and Thailand. This is difficult to link to any theoretical background, but it can be used as an approach to compare the two cultures.

The first difference [T1] and [T2] mentioned was the way employees judged others and how they dealt with errors made by colleagues. Japanese employees and people in Japan tend to ignore the people that made the error and actually “punish”

their colleague for days by not talking to them anymore. This indirect punishment is actually surprising, as it is not directly related to the error and it will not help to solve the problem behind it or avoid the same type of error in the future.

On the other hand, people in Thailand will quickly return to normality and just ignore the error. As they know they cannot change anything about the past anyway, they normally are not rude and do not dwell on things that already happened. This can explain their “Mai-Pen-Rai culture”: What happened has already happened and there is no reason to get upset about it as you cannot change it anyway“. [J3] claims that Thai subordinates should consider Japanese culture, particularly their working style, because it is good behavior. Normally, Japanese people will be willing to do an extra job no matter whether it relates to their own or not. On the other hand, Thai people usually ignore a task if the issue does not concern their job. This is a big difference between the two nations. The good thing is that the job can be done earlier than expected. By this point of view, [J3] recommends that a management team should build up a new corporate culture for new generations, considering and offering help for extra tasks as mentioned.

[J1] and [J3] always taught their subordinates about Japanese working concepts to eliminate errors, including “*Report*”, “*Inform*”, and “*Consult*”. However, Thai subordinates normally lack this knowledge. [T3] and [T5] mentioned that they preferred to complete everything first and report the progress or problem later. If we keep explaining everything, it takes time. Some Japanese managers cannot communicate well in English, with some Thai staffers unable to express their problem clearly enough, tending to report urgent and crisis cases only.

4.2.5 Time management problem

In general, we reported the tendency that Japanese workers do not really adapt to the Thai style of working and handling things. This could, for instance, be observed by the fact that Japanese workers were not willing to join in LINE groups, which served as the basis for important communication among the Thais. However, the company culture of Isuzu Motors does adapt to local customs. For example, in the assembly line of Isuzu Motors, Thai employees tend to come late, which is accepted. In Japan, a one-minute delay would mean certain punishment.

From a business unit area point of view, some people are familiar with the slow pace of life behavior, so they are willing to face deducted salary in case they work late regarding company policy. By this point, regular attendance and punctuality are essential for the smooth operation of every company, so people should be aware of this.

Even with Japanese managers working in Thailand, the culture does change. They might have enough cultural intelligence to adapt to the majority of employees and local customs, as otherwise they would upset employees. Another explanation could be that they do not have any real choice, as it would be hard to realize a policy where every delay is punished in a country where punctuality is not valued as high as in Japan. Thai employees would not understand the importance of this policy and would rather leave the company than change their life-style. To a certain extent, punctuality is influenced by external factors such as traffic, which is worse in Thailand. Companies should adapt to such external problems.

4.2.6 Culture Shock in communication and offering extra help

The similarity of culture shock for Japanese managers and Thai subordinates would be a language barrier, which results in miscommunication and punctuality in meetings or attendance. Another big culture difference point between the two nations is the willingness to do extra work. [T2] claims that Japanese people are normally willing to help, unless the job is not their responsibility. They prefer to do it if it facilitates handling another job easily, which contrasts from Thai people. They always think that it does not involve them, so they ignore it and are not interested in helping. In the author's opinion, this Japanese practice is a good way to perform, especially in a developing country. If people are willing to offer help, the work can get done before the due time, meaning that you have extra time to improve other tasks.

4.3 Failure in organization structure

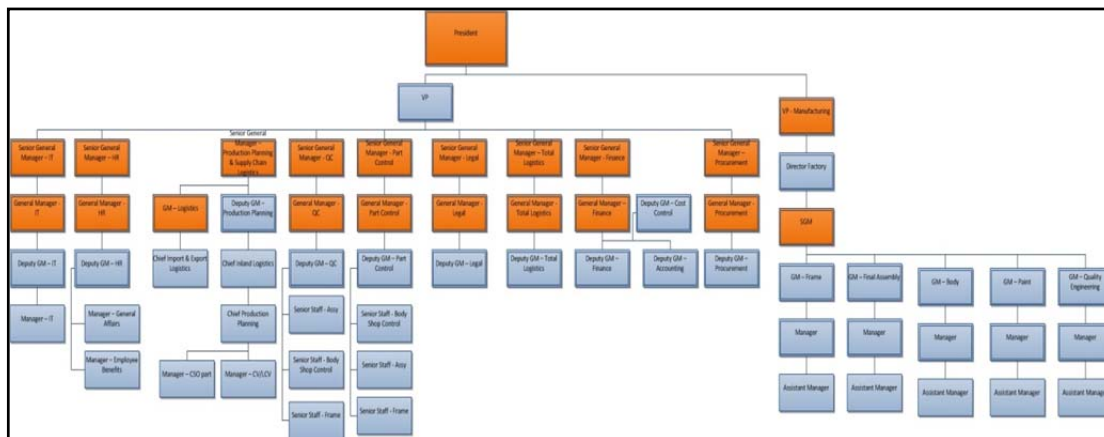


Figure 4.2 Isuzu Thailand current structure

Its current organization structure is extremely functional, with multiple hierarchy levels and Japanese (highlighted in orange) at the top and high management level. Its organization is divided into two arms, manufacturing and business units (which includes many functions performed in the manufacturing process). Such a hierarchy can cause numerous issues in the organization and pose massive limitations to achieving its vision.

The table below shows what problems were found in a poorly operated organization.

Table 4.2 List of problem from functional structure at Isuzu motors thailand

<p>Ideas get killed</p>	<p>As Isuzu follows a strict hierarchy, employees can only propose solutions/ideas to their direct boss. It is the discretion of the manager to propose the solutions/ ideas further or not. With such strict Japanese rules and regulations, employees are under pressure and feel they should work like machines. A work environment like this does not facilitate innovative thinking.</p>
<p>Limits knowledge sharing and innovation</p>	<p>As employees are focused on working only in their own department and specifically in their own tasks, their need for communication across departments is extremely weakened. This limited communication across departments limits knowledge sharing and innovation, as employees do not share their practices/processes and ideas.</p>

Table 4.2 List of problem from functional structure at Isuzu motors thailand (cont.)

Does not facilitate teamwork	As communication is very limited, it does not facilitate teamwork and eventually coordination level might be lowered.
Lacks sense of belonging	As employees are focused on their own tasks and do not necessarily communication with each other, the employees do not realize their work impact on others and are disconnected from the organization business processes as a whole. Therefore, the commitment level is low. They do not realize the value of their work.
Judgment quality not optimal	As the authority lies only with the Japanese managers, an analysis of the problems is done on the basis of Japanese conditions (e.g. traffic conditions, worker quality, etc.), which is misleading because conditions in Thailand are different. Also, local resources are in a better position to understand and analyze situations/ opportunities/ threats, but due to lack of decision-making authority, it takes time to explain and convince (only if they agree) the Japanese management. Time lost in this process also limits Isuzu's capabilities to respond to any environmental changes.

CHAPTER V

CONCLUSION

5.1 Conclusion

The main purpose of this study is to examine conflict in a working context in a Japanese organization. Within Isuzu Motors Thailand, the author found that the Japanese management approach can work well in Japan, but is probably not appropriate for Thailand. That is because of cultural and work value differences in the two countries, Japan and Thailand (Hofstede and Hofstede, 2005; Miroshnik, 2002). There are 2 possible ways to solve this conflict, as problems are motivated by Thai subordinates accepting Japanese management practices and/or alternatively, encouraging Japanese managers to adapt their management style.

Equally important are the variable factors of the language barrier. Misunderstandings in communication between Japanese managers and Thai staff often occur during work. That is the most critical factor because, if it is effective, then the correct output can occur. Therefore, both sides need to collaborate with each other by studying the English language and/ or Japanese and Thai for better communication.

Japanese manufacturing is a big structure, which is divided into main portions such as business units and factory units. It would be difficult at best to re-structure such an organization to eliminate the power that is centralized by Japanese management. Whenever subsidiary companies are founded in another country, they normally receive policies that originate from the host country, like Isuzu Japan. Therefore, the source of conflict remains.

The only way we can accomplish this is trying to adapt and accept company policy, not because of legitimate power but responsibility. Otherwise, you will not work well within any multi-cultural company in this world. As a consequence of this study, it would be useful for people who work for Japanese organizations founded in Thailand.

Not only this, they will know the correct way to communicate with people who come from a different culture, including customers, suppliers and employees in an

organization, effectively. In order to relieve conflict resolution problems, language barriers and cultural dimension problems, both sides must be open-minded about understanding other cultures. They should also understand and know how to communicate with others, thus building trust and reducing miscommunication, which increases harmony.

Factors and causes of conflict

Regarding the framework, there are four factors in the assumption that contain: (1) 5 cultural dimensions, (2) Unique Japanese management style, (3) Insufficient motivation and (4) language barrier.

5.2 Recommendations

Regarding conflict between Japanese managers and Thai subordinates at Isuzu Thailand, the author suggests that both parties be trained not only in business matters, but Japanese and Thai cultures as well. The Human Resources Department is the most appropriate unit to handle this. They can create new policies and set programs to facilitate new hires (Japanese managers and Thai staff). However, merely setting and training does not do enough to get rid of this problem. The author further suggests that they fix ineffective policies with the following concept below.

5.2.1 Provide supportive, effective and non-instructive management

Regarding the current environment at Isuzu Motors, employees get feedback from their boss if that issue is not important enough. Staffers normally consult with their seniors or probably find a solution by themselves. However, it seems impossible to require a boss to be a consultant for all issues due to the fact that they have many jobs and meetings to do each day. The only possible thing that could happen is to pay more attention to staff issues and give them as much feedback as possible. If they are unable to give suggestions verbally, replying by email may be the best alternative way to do so.

5.2.2 Building confidence by giving meaningful work for all positions

No matter what culture and position they have, the management team must respect the output and give significance to all involved persons. For example, when there

are meetings, the manager would do well to mention only the leading performance, but also thank all the members responsible for driving project completion.

5.2.3 Making the working environment more relaxed

Isuzu Thailand should set more annual travel trips or interesting activities for employees to eliminate stress from the job. For example, setting safety games and engaging people by distributing gifts at break time or during lunch break.

Another suggestion by the author is to allow people to take their laptop home. They might feel more comfortable doing a job at home rather than producing work at the office all the time.

5.3 Limitations

Due to all respondents in this study being from the automobile industry; the results of this study might change if the study is focused on other industries. Therefore, this study could be advanced using other groups from various industries.

5.4 Suggestions for Further study

For future research, a study may focus upon each industry involving Japanese companies, because the differences in industries have different cultural working environments and individual characteristics, creating the possibility that the results of that study may offer changes. Furthermore, future research should focus upon companies in other cities in Thailand, not just Bangkok.

Future research that tests the proposed framework is needed to provide Japanese organizations with practical guidance on how to successfully adopt and implement their management practices in Thailand. Understanding the relationship between adaptation and acceptance is also crucial because of the impact this could have on improving management practices and overall business efficiency.

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