JAPANESE MANAGEMENT PRACTICES IN THAILAND: THE NEED FOR
ADAPTIVE MANAGEMENT

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ABSTRACT

Prior empirical studies of Japanese management practices in Thailand have mainly focused on Thai employees’ perceptions of these practices and on how well they are implemented, with very little research examining factors that influence the adaptation and acceptance of Japanese management practices in Thailand. To fill this gap, this study aims to develop a framework that is helpful in examining factors that can be introduced by Japanese organizations in Thailand to enable Thai subordinates to accept, and Japanese managers to adapt, Japanese management practices to Thai culture. The proposed framework will also be a useful guide to investigating the relationship between the adaptation and acceptance of practices. We contend that not adapting management practices decreases the motivation and performance of Thai subordinates. Finally, drawing upon Herzberg’s motivation theory, we propose that hygiene and motivator factors are effective factors that influence Thai subordinates to implement Japanese management practices, and Japanese managers to adapt these practices.

Keywords: Japanese Management Practices, Motivation Theory, and Adaptation

Knowledge about how to increase adaptability of Japanese management practices is increasingly significant because effective management practices in one culture may be a disaster in another (Dienhart 2004). In addition, a company’s ability to effectively manage disparate cultures when managing abroad can result in a competitive advantage (Mead 2005). A recent empirical study by William and Onishi (2003) indicates that Japanese managers normally try to transplant their management practices to overseas affiliates because of their familiarity and proven success. Furthermore, Hodgetts, Luthans and Doh (2006) state that Japanese are very nationalistic and display a high degree of ethnocentrism in overseas affiliates (i.e. they have the tendency to look at the world primarily from the perspective of their own ethnic culture). Nationalistic pride and a preference for Japanese culture are strongly implanted in Japanese society (Starrs 2004), and Japanese management practices are deeply rooted in Japanese culture (Hayashi and Baldwin 1988).

Nevertheless, differences in national cultures suggest differences in management practices (Newman and Nollen 1996). It is therefore argued that Japanese management practices should be adapted in order to increase effectiveness of Japanese affiliates in Thailand (Adams and Vernon 1998; McCampbell et al. 1999; Sedgwick 1995; William and Onishi 2003). Conflicts can and do emerge when Japanese managers apply their management practices in foreign countries without adjustment to the local culture. As such, we propose that failing to adapt
Japanese management practices in Thailand decreases the motivation and performance of Thai subordinates.

There is an argument that Japanese management practices cannot be adapted to Thai local culture because these managers resist change. Japanese managers believe their practices that are proven and have worked well domestically can be superimposed into other cultural settings. The Japanese models appear to be much like the ‘headquarters – outpost’ approach where the practice originates from home office directives expecting their foreign based Japanese managers to act as they would in Japan (William and Onishi 2003). Another argument is that Japanese management practices cannot be adapted to Thai culture because such practices may be inappropriate in Thailand (Adams and Vernon 1998; McCampbell et al. 1999; Sedgwick 1995; William and Onishi 2003).

Given that Japanese managers usually transplant their management practices to Thailand without adapting them, and that such management practices may be inappropriate for Thai local conditions, certain steps in implementation should be taken for organizations to be successful. Furthermore, the national culture of a workforce influences how expatriates respond to the structures and systems planned and implemented by management practices (Hofstede and Hofstede 2005). This means that a workforce in one culture may respond differently to a workforce in another. That is, in different cultural and industrial contexts, different management practices are emphasized (Mead 2005). Japanese managers may refuse a change because they believe it is not worth their time, effort, and concentration (Wood, Wallace and Zeffane 2001). As their national culture influences how they consistently apply management practices to affiliates (Edwards 2003), we propose two steps needed to carry out Japanese management practices in Thailand. One is to investigate motivational factors introduced to expatriate organizations to enable their Thai subordinates to accept Japanese management practices; and the second is to motivate Japanese managers to adapt these practices to Thai culture.

Motivation theory has found wide application in the context of employee behaviour and job satisfaction in a wide range of different industries, and Herzberg’s theory is often raised in these contexts. Herzberg’s theory relates to the elements in the workplace that result in employee satisfaction, and elements that lead to employee dissatisfaction. For example, people can be motivated by money, quality of inter-personal relations, gaining recognition,
sense of personal achievement, sense of group achievement, and personal growth in a job (Herzberg, Mausner and Snyderman 1959). Once people are motivated, they will support an organization’s directions and policies because they begin to see themselves as an integral part of the organisation. When this occurs the personal and organisational goals get closely intertwined and mutual benefits accrue (Huczynski 2004).

The purpose of the present paper then is to develop a framework for the adaptation and acceptance of Japanese management practices within a Thai cultural and workplace setting. This framework utilises Herzberg’s motivation theory to underpin strategies for motivating Thai subordinates and justify operational and culturally responsive modification of the Japanese management approaches. To this end, the paper first presents a brief overview of Japanese and Thai approaches to managing employees. Next, management practices of Japanese in Thailand are reviewed. Reasons for adaptation, motivational factors and adaptation and acceptance of Japanese management practices, and the proposed framework and propositions are then discussed. Finally, a conclusion recommending adaptation of appropriate adaptation is presented.

**JAPANESE MANAGEMENT PRACTICES**

Japan’s post-war competitive success is based on a cooperative, group-oriented model of human relations (Alston 1986), and some of these features emphasise a team approach, lifetime employment, consensus decision-making, bottom-up communication, job rotation, and quality control circles (Arthur 2005).

Japanese management practice in overseas companies is of interest because of the belief, widely held by academics and managers, that these practices offer a superior way of management and work organization (Campbell and Burton 1994). Having varying degrees of success, U.S. companies have studied and adopted the ‘Continuous Improvement (Kaizen)’, ‘Just-In-Time’ inventory system, ‘Lean production’, and related practices (Farrell 1999).

**THAI MANAGEMENT STYLE**

Thai social structure is hierarchical and collectivism structured society where individualism and interpersonal relationships are very important (Komin 1990). A research by Hofstede and
Hofstede (2005) indicates that Thailand is the most feminine Asian country in which people learn how to avoid aggression rather than how to defend themselves against it. Generally, Thais do not like confrontation (Niratpattanasai 2000). If they disagree with what others say, they just keep quiet. They do not make a quick decision and prefer to talk with co-workers outside the meeting room. The result is that the degree of commitment is usually low. Many expatriates find that Thais frequently seem to agree in a meeting room, but there is no subsequent movement. When expatriates communicate with them, Thais usually nod in agreement. This however, does not mean that they are listening, or that they agree or understand. They merely nod because they are polite and want to accommodate others’ feelings. When these situations occur (i.e. when Thais seem to agree, but actually do not), their hidden feelings of disagreement can result in deep-seated discontent. In this context, the Thai management style can be described as follows:

**Relationship-oriented**

Trust and relationship with others is the core of Thai management style. Sorod (1991) pointed out that relationship-oriented behaviour takes place more frequently than work-oriented behaviour in Thai society and its organizations. It is a society in which personal relations and family connections from senior to junior members are of extreme importance. Personal and family relations play an integral part in the actions of Thai business. Thai management style in companies places significantly heavier reliance on personal connections in hiring, and they are not likely to determine salary increases primarily on formal performance criteria.

**Hierarchy**

In Thai management, centralized control based on seniority and family relationship is commonly implemented. Thais have a strong hierarchy in business and family matters (Hendon 2001), and decision-making revolves around the hierarchically, and the dependence of subordinates upon leaders.

**Leadership**

The typical Thai leader is authoritarian. Although Thai leaders are normally non-assertive, they have a powerful position. Subordinates consider themselves as existentially unequal, and accept and value strong leadership where they do not input into the decision-making process (Vance *et al.* 1992). Conversely, leaders expect subordinates to do what they are told.
Performance Measures
Thai management style does not focus on regular formal reviews of employee performance. Mostly Thai firms employ a seniority-based promotion structure (McCampbell et al. 1999).

Harmony
Thais emphasize trust and emotion in their relationships. Conflict between individuals is avoided when possible. Thais prefer to have unwavering social relationships and maintain surface harmony (Rohitratana 1998). The characteristics of surface harmony means that Thai people prefer to be smooth, kind, pleasant, conflict-free, non-assertive, polite and humble. Thais typically believe that being nice helps people to be happy and builds the kind of long-term commitment (Cooper 1991).

Decision-making
The Thai decision-making process is generally not a team approach. From a recent survey in Thailand, subordinates in Thai companies accept that their leaders make decision in an authoritarian way (Holmes and Tangtongtavy 1995). The authoritarian management style used in Thai firms is not overbearing. This management style permits managers to make decision for what he or she believes is proper. It is a leader’s job to guide subordinates. Thus, decision-making in Thailand is commonly restricted to high-level management. Decision-making with Thai management style is normally made from the top-down. Thai culture does not persuade subordinates to dare, to make mistakes, or to be inventive.

MANAGEMENT PRACTICES OF JAPANESE IN THAILAND

Several studies about Japanese management practices in Thailand have shown that there are ten implemented Japanese management practices. These include Seniority based pay and promotion, Quality control circles, 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 management policies and practices in an international management context are those designed and administered through a process of mutual influence between management and employees, and that result in high levels of commitment, competence, cost effectiveness, and
congruence (Herbig and Genestre 1997). This implies that there is potential for mutual benefits for both managers and subordinates when commitments are negotiated through a deeper appreciation of societal values on the one hand, and workplace norms on the other. For this to occur, the Japanese management practices need to be augmented by the sensitivities of the Thai culture and beliefs. The likelihood for adaptation to proceed could be facilitated by the fact that Thai and Japanese cultures are similar to one another in a number of ways, leading to similar laws and regulations. However, there are some cultural differences which can create unacceptability of some aspects of Japanese management practices. Table 1 identifies some of the key characteristics of Thai workplace norms and behaviours, which may be in conflict with the Japanese management practices:

**Table 1: The Key Characteristics of Thai Workplace Norms and Behaviours**

<table>
<thead>
<tr>
<th>Source</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hasegawa (1986); William and Onishi (2003)</td>
<td>Thai subordinates consider punctuality, hierarchy, and freedom to adopt their own approach, a clear boss and subordinate relationships and obedience, as important, whereas Japanese managers emphasize a preference for equality, being innovative and the use of quality circles.</td>
</tr>
<tr>
<td>Hendon (2001)</td>
<td>A strong hierarchy is essential in Thai organizational culture, which is the opposite to the Japanese concept of equality.</td>
</tr>
<tr>
<td>Sedgwick (1995)</td>
<td>Thai subordinates prefer that work and private time be clearly delineated, which would contradict the main ideas around quality control circles. Thais are not interested in quality control circles without overtime payment. Thai workers believe that a company should have a clear hierarchy and management should keep a certain distance from employees. In regards to job rotation in Thailand, Thai workers are extremely unwilling to change tasks because they take it as an indication that they are judged incompetent in their present jobs, and they are not willing to split themselves from social relationships established with their co-workers.</td>
</tr>
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Thai subordinates expect more opportunities and direction from Japanese managers. Decision making by Thai managers is authoritarian and Thai employees accept their leaders’ decisions without participation. Thai employees prefer quick decisions and immediate results, which is not characteristic of the Japanese decision-making process.

Due to the passive nature of Thai culture successful implementation of TQM programs in Thai manufacturing firms may be inhibit (Yukongdi 2001). A study by Kumbanaruk (1987) of employees in public and private organizations in Thailand in which QCs were implemented shows that cultural differences between Thai and Japanese may create some difficulties in transferring quality control circles (a significant part of TQM) to Thai manufacturing firms. As TQM can be achieved in many ways, however, Krasachol and Tannock (1999) argue that Thai culture already has many of the qualities that can support efficient operation, as these are a variety of approaches to TQM.

External surrounding factors, lack of specialist and low technology are three obstructions selected as offering difficulties for Just In Time (JIT) process in Thailand (Goh and Pinaikul 1998). External factors such as traffic jams, which slow down delivery processes, are difficult for Thai companies to eliminate. The lack of new logistic management specialisation and expertise, and recent inadequacy of logistics information systems are problems facing the implementation of the JIT system. Goh and Pinaikul point out that the high cost of obtaining and setting up automatic logistics apparatus is also known by companies as causing difficulties when conducting JIT system in Thailand.

Recognising 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 contributing to the failure of many businesses. It is, therefore, important to emphasise the adaptation of Japanese management practices in Thailand.
REASONS FOR ADAPTATION

Elger and Smith (1994) argued that, in foreign markets and when facing new environments and cultural conditions, Japanese companies need to be responsive to cultural norms and values if they are to gain greater effectiveness. Similarly, Calantone and Zhao (2000) suggest that in order to cope with environmental uncertainty, companies need to frequently make adjustments in their structures and work processes. Furthermore, managers can better manage their subordinates if they understand what their subordinates need (Bateman and Snell 2002). Creating a good match between subordinates’ work motives and their work is important in maximizing individual performance, and minimizing potential problems in the workplace (Hiam 2003). This is likely to lead to more satisfied employees. Johns and Saks (1996) assert that work satisfaction is associated with enhanced performance. As such, if subordinates are satisfied with their work, their performance will increase.

From the viewpoint of cross-cultural management, a joint adaptation of countries’ cultures is important (Ferraro 2002). This is because cultural differences lead to differences in objectives, strategy implementation, operating processes, and management practices (Mead 2005). Therefore, as Japanese management approaches (which work effectively in Japan) may not be appropriate in Thailand, adoption is required (Hofstede and Hofstede 2005; Miroshnik 2002). In this way, when management practices are congruent with the local culture (Caligiuri 2000), Japanese international business performance will be more efficient due to obtaining acceptance from the local nationals (Wright, Geroy and Baker 1996).

MOTIVATIONAL FACTORS AND ADAPTATION AND ACCEPTANCE OF JAPANESE MANAGEMENT PRACTICES

Motivation has become very important in contemporary organizations. Much of this is the result of the need for increased productivity to be globally competitive. It is also a result of the rapid changes that contemporary organizations are undergoing (Johns 1996). Motivation is inferred from a systematic analysis of how personal, task and environmental characteristics influence behaviour and job performance (Wiley 1997). Buchanan and Huczynski (1985) argued that motives or motivations are the reasons that influence how people act. Robbins and
associates (2001) state that motivation is the willingness of an individual to exert a high level of effort towards organizational goals in order to satisfy their individual need.

To understand how behaviour of people can be motivated, motivation theories need to be taken into account. This study uses Herzberg’s two-factor theory to determine how motivational factors influence the adaptation and acceptance of Japanese management practices. This theory has been highly influential in recent management research and practise (Ruthankoon and Ogunlana 2003), distinguishing between two the broad categories of factors affecting employees in the workplace. The first of these, hygiene factors, includes characteristics of the workplace: company policies, working condition, pay, supervision, and so forth (Beardwell and Holden 2001). These can make employees dissatisfied if they are poorly managed. The second category of factors is motivators. These include the nature of work itself, the actual job responsibilities, opportunities for personal growth and recognition, sense of personal achievement, sense of group achievement, and feelings of achievement that the job provides (Fincham and Rhodes 2005). When these factors are present, jobs are presumed to be both satisfying and motivating for most people.

We argue that the above two motivational factors (Hygiene and Motivator) can be incorporated to encourage Japanese managers to adapt their practices to agree with Thai cultural conditions, and Thai subordinates to accept such modified practises, in order to improve production.

**CONCEPTUAL FRAMEWORK**

Having set the context and explored the motivational theory, a conceptual framework has been developed (see Figure 1).

![Conceptual Framework Diagram](image)

**Figure 1:** Japanese Management Practices in Thailand: Development of Good Management Practices
As we have posited that incorporation of the above model into Japanese management practise will increase work participation of their employees, this paper proposes that:

**Proposition 1:** Failing to adapt Japanese management practices in Thailand decreases the motivation and performance of Thai subordinates.

**Proposition 2:** Hygiene and Motivator factors are effective factors that influence Japanese managers to adapt Japanese management practices, and Thai subordinates to accept these practices.

**Proposition 3:** There is a positive relationship between the adaptation and acceptance of Japanese management practices.

**CONCLUSION**

Japanese management approaches that work effectively in Japan may not be appropriate in Thailand. This is because of the cultural diversity and different work values in the two countries (Hofstede and Hofstede 2005; Miroshnik 2002). Two possible ways to succeed in changing current practices are to motivate Thai subordinates to accept Japanese management practices, and/or alternatively, motivate Japanese managers to adapt their Japanese management practices. Drawing on Herzberg’s two-factor theory, a framework has been developed to present Japanese organizations in Thailand with insights into improving their business performance, and decrease conflict between their Japanese managers and Thai employees.

Future research that tests the proposed framework is needed to provide Japanese organizations with practical guidance on how to successfully adapt 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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