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**Japanese Business Communication Practices in Thailand:
Tales from an Electronic Components Manufacturer**

Journal:	<i>Management Decision</i>
Manuscript ID	MD-08-2022-1092.R2
Manuscript Type:	Original Article
Keywords:	horenso, Culture, Communication, eastern management, Japanese management

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Manuscripts

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ABSTRACT:

This article reviews the practice of horenso (a mnemonic for hokoku/reporting, renraku/informing and sodan/consulting) – an under-documented Japanese communication methodology – at a Japanese-owned subsidiary in Thailand. It draws on a number of cultural theories to explore how horenso was influenced by the non-biculturality of individuals at a multinational corporation.

This article draws on first-hand interviews with staff of varying responsibilities at a multinational electronic components manufacturer, Spin-eTech (a pseudonym) to understand how horenso has been utilized and perceived at this Japanese-owned subsidiary in Thailand differently from its original form and traditional use at its headquarters in Japan. This was a targeted case that captured the real time communication difficulties at the workplace.

The themes of horenso’s rationale, motivation, style of communication, use for problem solving, information reporting, relation to superiority, and culture of communication emerged as prominent differences for how horenso was practiced at the Thai subsidiary.

CUST_RESEARCH_LIMITATIONS/IMPLICATIONS__(LIMIT_100_WORDS) :No data available.

CUST_PRACTICAL_IMPLICATIONS__(LIMIT_100_WORDS) :No data available.

CUST_SOCIAL_IMPLICATIONS__(LIMIT_100_WORDS) :No data available.

Using the emic perspective of cultural understanding, insights are offered into the impact of non-biculturality within the Asia Pacific region on the practice of horenso to extant knowledge on the under-explored – eastern vs eastern – cultural differences.

Japanese Business Communication Practices in Thailand: Tales from an Electronic Components Manufacturer

Abstract:

Purpose: This article reviews the practice of *horensō* (a mnemonic for *hokoku*/reporting, *renraku*/informing and *sodan*/consulting) – an under-documented Japanese communication methodology – at a Japanese-owned subsidiary in Thailand. It draws on a number of cultural theories to explore how *horensō* was influenced by the non-biculturality of individuals at a multinational corporation.

Design/methodology/approach: This article draws on first-hand interviews with staff of varying responsibilities at a multinational electronic components manufacturer, Spin-eTech (a pseudonym) to understand how *horensō* has been utilized and perceived at this Japanese-owned subsidiary in Thailand differently from its original form and traditional use at its headquarters in Japan. This was a targeted case that captured the real time communication difficulties at the workplace.

Findings: The themes of *horensō*'s rationale, motivation, style of communication, use for problem solving, information reporting, relation to superiority, and culture of communication emerged as prominent differences for how *horensō* was practiced at the Thai subsidiary.

Originality/value: Using the emic perspective of cultural understanding, insights are offered into the impact of non-biculturality within the Asia Pacific region on the practice of *horensō* to extant knowledge on the under-explored 'eastern vs eastern' cultural differences.

Keywords:

Horensō, culture, communication strategy, eastern management, emic vs etic, Japanese management

Introduction

Horenso (sometimes written as Hou-Ren-Sou, or variously Anglicized) – a mnemonic for a Japanese communication methodology involving the combination of *hokoku*, *renraku* and *sodan* (which together literally translates as spinach) originated in the 1980s. It is gaining popularity in use but has yet to be extensively documented in the business management literature. It operates as an essential communication approach in Japan as well as a potentially transferable concept to the needs of western organizational management. While there is much interest in many contemporary research agendas in examining the transferability of eastern management concepts to the west (and of course more so vice-versa) – particularly Japanese management (Yang, 1984; Yamada, 1981) – there is a lesser recognition of how *horenso* is utilized, even within the variable differences of countries within the east and Asian regions. Ashta et al. (2021) acknowledged this shortfall in the present journal (but for the context of Japanese firms operating in India), also arguing that enabling this understanding is valuable to firms of the eastern region that desire to increase collaborative business activities and expand in multinational corporate growth. The need to enable good communication for such large and global corporations in the aftermath of the Covid-19 pandemic is ever more pressing, given the likely continuation of restrictions on physical contact/meetings, adding an additional barrier to effective communication (Kitamura, 2021).

Of the eastern countries, Thailand has specifically been considered an investment hub of the Association of South Eastern Asian Nations (ASEAN) for Japan, especially for automobiles, robotics, and automation technologies (Seko, 2017). It has become a growing location of emerging market competitive advantages (see Beleska-Spasova et al., 2016), resulting in a number of Japanese multinational enterprises (MNEs) starting up there. Japanese management principles have had their scholarly interest dating back to the early 1900s particularly when Japan emerged as a comparatively strong nation (see Hasegawa, 2006) and multinational firms have seen management practices converge to recognize and acknowledge the Japanese influence (Witcher and Chau, 2012). In that sense, while leadership traits in Thailand are arguably unique (Vora and Kainzbauer, 2020), Thailand has not been a stranger to Japanese management concepts, such as the frequent adoption of the famous Theory Z and *kaizen* methodologies (Theerakorn,

2010; Vanpet, 2012; Watcharasunthonkit, 2016). These approaches have been consistent with the highly collectivist culture of Japan involving teams and extensive communication (Kameda, 2013; Kavar, 2012; Nishimura et al., 2008). While effective communication enables employees to pull in the same direction of work and build a more cohesive and collegiate relationship between each other, it in turn also leads to greater job satisfaction for individuals (Adu-Oppong and Agyin-Birikorang, 2014), organizational resilience and higher performance for the firm (Bui et al., 2019). An ineffective communication strategy within a corporation is however a source of tensions, conflict and resentment for staff in the workplace, which may be triggered by differences in cultures at the national level, making their way down to the organizational level (Kennly and Florida, 1995). External to the corporation, poor communication is often the source of ineffective alignment strategy for broader community and societal objectives among stakeholders (see Chau and Bunsiri, 2022). For example, Hirt (2012) argues *horenso* is an ineffective communication strategy for technology transfer within Asian countries because of Japanese being the dominant mother-tongue and the burden for Thai firms to learn and practice *horenso*.

While it may seem intuitive that Thai and Japanese cultures are broadly similar to one another as they share high context and reactive communication dimensions of measure (eg. Nishimura et al., 2008) – suggesting a similar application of *horenso* – their ‘subcultures’ are however significantly different (Lewis, 2005), rendering the need for a more nuanced interpretation. By subcultures, we refer to the ‘emic’ (vis-à-vis ‘etic’ cultural differences) (Brannen and Thomas, 2010) – that is, the insiders’ perspective on more nuanced cultural complexities within a cultural grouping. While Thailand and Japan are both hierarchical, ‘high power distance’ countries and both adhere to ‘face-saving’ values, the local emic interpretations of these aspects differ in Thailand and Japan. Thus, using longstanding etic (universal, outsiders’) cultural dimensions alone to describe differences between relatively similar cultures has limited benefit (Stahl and Tung, 2015), so the present research adds value to extant literature by providing additional emic insights that may shed light specifically on Thai-Japanese differences.

Recognizing that employees in Thai subsidiaries may have a bicultural identity, HR practices in multinational firms are considered different across cultural borders, with an appetite for differentiated HR practices (Chew and Horwitz, 2004) and a degree of cultural empathy (Chang and Tharenou, 2004). There are however also individuals who are ‘non-bicultural’ – ie, local employees working in an MNE subsidiary who retain the strong cultural identity of their home country but are exposed to the strong cultural practices

of the headquarters. As drivers of effective localization depend on parent organizational characteristics (Petison and Johri, 2008), it is important to ensure good understanding and communication between multinational subsidiaries. In a study of Nordic subsidiaries in Japan (Peltokorpi and Clausen, 2010), the lack of a shared language and low motivation were found to be affecting spoken communication proficiency, but additionally linguistic and cultural barriers have a significant impact on intercultural communication effectiveness. It is well known that understanding of how processes are impacted by language and communication barriers across multicultural borders can improve the efficiency of the workplace (eg. Vigier and Spencer-Oatey, 2018). The strategic role of multinationals should not be underestimated and the headquarters needs to have the best understanding of the operations in that development (Magomedova et al., 2022).

While recent debates in the present journal have focused on the frictions within subsidiaries of multinational (eg. Li et al., 2022), an extensive stream of literature has already identified tensions in communication approaches in the workplace specifically between Thai and Japanese employees (eg. Aoki, 2010; Onishi, 2006b; Ferraro, 2005; Schneider and Barsoux, 2002; Gesteland, 2002; Harris and Moran, 2000) and the transfer of Japanese values to Thai firms (Iwashita, 2019; Swierczek and Onishi, 2003). Japanese organizations have famously used *horenso* as a communication mechanism to conduct work efficiently by coordinating with employees – by means of a unique form of reporting, informing and consulting – with the intention of reducing conflict and miscommunication, particularly for team-based structures (Kameda, 2013). In Thailand, *horenso* has been widely recognized and increasingly used in corporate training and business practice, at both Japanese MNEs and larger Thai corporations.

Unfortunately, *horenso* is significantly overlooked in the scholarly literature, as much of the extant research on working practices in multinational corporations has reported quite generalized human resource management issues caused by expatriates (eg. Vo and Hannif, 2012), and there is still relatively little research on its specific contextual application to Thai firms (see Piyatomrongchai, 2018; Kongnonkok and Liemsuwan, 2018; Rungruang, 2017; Ponanake, 2012) despite this trend. In particular, Rungruang and Sakolvieng (2019) recently surveyed a Thai firm's use of *horenso* and analyzed it through statistical modelling on organizational commitment. However, there is no discursive qualitative exploration of how Thai people use *horenso* in terms of purpose, form and efficacy and the impact national and subcultures may play. Such potential research insights can advise international human resource management

practitioners and inform scholarship on best and preventative practices. Following in this direction of research, the present study addresses the research and knowledge gap of the Japanese-Thai emic cultural differences by answering: *what is the impact of the non-biculturality of Thai employees on the practice of horenso at Japanese-owned subsidiaries in Thailand, and how and why is this approach different from that of Japanese employees in the Japanese parent company at its headquarters?*

This study draws its findings from interviews with a range of personnel at various levels and responsibilities of a Japanese-owned subsidiary in Thailand and its Japanese parent. Spin-eTech (a pseudonym) was used for the exemplar organization for the research. This is because it has a strong reliance on the use of *horenso* for communicating with its sub-divisions for sourcing and distributing electrical components as the core part of the business for many years. Incidentally, it had been one of the problematic areas in getting right and the employees have felt much discontent in relation to *horenso* usage, which provided an excellent research opportunity to explore the inconsistent uses of *horenso* between the Thai and Japanese employees, due to the cultural differences. Emergent themes on the management processes are presented and discussed. It ends with an articulation of a Thai flavored variant of *horenso* caused by cultural differences, through the lens of different theory-based cultural interpretations, and insights on the implications for the non-biculturality of individuals working at multinational subsidiaries.

Horenso and the Impact of National Culture

Eastern vs eastern culture – the need for a stronger emic treatment

National culture is argued to be at the heart of all international and cooperative business relationships (eg. Chau et al., 2022). Hofstede's cultural dimensions have dominated decades of research by using country comparisons, yet management research often treats management methods as collective regions (eg. western, eastern, European, African management, etc). The two categorical forms are at odds with each other, as neighboring countries falling into the same geographical region may compare quite similarly (eg. power distance) or quite differently (masculinity/femininity) and decide to operate the same management methods differently. Thus, examining the 'sub-cultural' or finer cultural differences within a geographical grouping using broad 'outsider' methods will miss the nuances of the management method of interest. This has therefore called for specific 'emic' (insider perspective) research approaches, although etic and

emic approaches can be complementary if there is the need to understand for comparative regions the specific way things are done within the organization (Morris et al., 1999). This is the case for the present research, as multinational firms fall into this category.

Hence, the new thinking of ‘bicultural individuals’ (Brannen and Thomas, 2010) may offer an explanation for why or how specific management practices might vary. This perspective challenges the view that individuals can only belong to one cultural profile, as there is a growing proportion of individuals who have originated from one country and go on to work in another. A bicultural individual is a person who identifies with two or more distinct cultures because of having internalized one or more cultural schemas (ibid). The important characterization of the bicultural individual is the cultural identification (who am I?) and not the cultural knowledge (awareness of the country’s culture). We define the latter case as the ‘non-bicultural individual’, for which there is not yet any significant theoretical attention. While the extant literature has small coverage on ethnic minorities entering white-dominated countries as places of work, this view has not been researched for the context of multinationals where subsidiaries are required to adopt a culturally distinct management concept belonging to the headquarters. In other words, there is the need to consider more nuanced understandings of culture, especially through “in-depth qualitative case studies ... beyond stereotypical representation of cultural differences by trying to make sense of a culture’s internal logic and showing how collective sense-making processes can explain an individual’s actions in cross-cultural situations” (Stahl and Tung, 2015: p. 409). While there have been significant research into the understanding of whether employees become bicultural or maintain their own culture, or transition from one position to another (eg. Hong et al., 2000), it is not well known for multinational firms how this might affect subsidiaries operating a specific management concept that belongs to the cultural origins of the headquarters.

Culture and communication strategies

Notwithstanding the well-documented cultural dimensions framework of Hofstede (2001) and cultural layers theory of Trompenaars and Hampden-Turner (1998) which respectively compare companies based on their orientations and discerning norms and values, research explaining styles of communication have depended on national culture. Most of them differentiate communication styles by using two major cross-

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2 cultural communication theories – Hall’s (1976) theory of high/low context communication cultures and
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4 Lewis’ (2006) communication theory (see Thovuttikul et al., 2018; Nishimura et al., 2009).
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6 Hall (1976) argued long ago that national cultures can be categorized by context – the inextricable
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8 information surrounding an event and being bound up with the meaning of it – in order to perceive
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10 principal cultural differences in communication style or pattern (8 typical ways of communicating or
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12 expressing one-self). The context in each culture is classed as high or low. In a high context culture, real
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14 meaning is often delivered implicitly, so it is left to the receiver’s discretion to interpret the meaning of
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16 what the sender articulates. On the contrary, for the low context culture, each word has a direct meaning,
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18 and the meaning is always explicitly communicated through the specific word. So, the receiver would
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20 expect further clarification from the sender until nothing remains unclear (Hall, 1976). Even though
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22 Thailand is classed as a high context country, it has not explicitly been included in any list of high context
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24 cultures. Nevertheless, Japan is positioned at the top of such lists (Hall and Hall, 1990).
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27 Similarly, Lewis (2006) classified communication culture into three types: linear-active, multi-
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29 active and reactive communication cultures. First, linear-active people talk and listen equally, while multi-
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31 active and reactive people prefer one over the other. Linear-active people thus prefer to plan ahead
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33 methodically and communicate directly with others by using straightforward and non-ornate words and
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35 believe the most effective way to do something is doing one thing at a time. Second, multi-active people
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37 prefer talking while listening and often undertake tasks concurrently, feeling uncomfortable with silence
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39 and strictness – thus, they are talkative and flexible. Therefore, multi-active people tend not to prioritize a
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41 plan and use their feelings as the main factor when deciding to do something. Third, reactive people prefer
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43 listening to know their own position in relation to the others, pay attention to custom and respect, and are
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45 often slow to react verbally because they think before speaking. Lewis (2006) classified Thais and
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47 Japanese into the group of reactive, or listening, communication culture, although the present study
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49 identifies differences between these two country approaches.
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54 *Two defining features of Thai communication/workplace culture*

56 A number of features define Thai communication or workplace culture which are supported by broader
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58 country comparisons. These include, *inter alia*, gratefulness, interdependence, flexibility and adjustment
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60 and social relationships (Komin, 1990a) as well as friendliness, cheerfulness and openness

(Rungtlerkengkrai and Engkaninan, 1987) in the workplace. However, two cultural values – seniority and face-saving – feature prominently in both Thai and Japanese cultures but operate differently. The use of an etic treatment of culture would see little difference between Japanese and Thai cultures as both seniority and face-saving score highly. For example, Hofstede’s cultural dimensions classify a seniority-important society as being of high power distance but lack any nuanced explanation of how they affect the communication strategy of a firm.

Seniority: Thai culture is characterized by a high power distance and inequalities are readily accepted. People are arranged hierarchically based on seniority which gives rise to top-down or paternalistic management (Thanasankit and Corbit, 2002; Komin, 1990b). In particular, Thais commonly perceive the role of superior/manager as “a controller rather than a colleague” (Rohitratana, 1998: p. 90). Thais thus tend to respect, conform with and obey their superiors/managers to receive guidance and protection in return. In other words, the superior/manager has significant authority over his/her subordinates. Moreover, employees like to shift their responsibilities for decision making to their superiors/managers (Holmes and Tangtongtavy, 2003). Thai communication approaches are therefore shaped by seniority, meaning Thais conform to their supervisors’ opinions without doubt or dispute, making foreigners think this special bond is a barrier in working with Thais. Seniority is also a dominant and unique attribute within Japanese culture, although evidence indicates its declining prominence in practice over time (Pudelko, 2006). Research has also found that, while a number of Japanese HRM practices (eg. quality circles, lifetime employment, etc) are potentially transferable to Thai firms, the uniqueness of seniority within Japanese culture renders it untransferable (Onishi, 2006a).

‘Saving face’: Like numerous Asian cultures, saving ‘face’ (the mental façade, not physical look) is also important in Thai culture. This is the abstract concept concerning personality, behavior, social status, honor and dignity, and may vary according to culture and surrounding environment, and ‘face’ is lost when a person fails to meet social requirements (Ho, 1976) placing him/her in a lower position in the eyes of his/her peers. Thais tend to save or build ‘face’ to feel accepted by their colleagues, especially at a managerial level. So in practice, when they make a mistake they talk indirectly, or remain silent, about it, to the extent it is even recognizable by foreigners (Teeraputtigunchai, 2018). The issue of face-saving is therefore one of the factors that lead to conflicts among employees, especially in an international company in which employees have cultural differences and are not openly addressing them.

Horenso the Japanese way

Japanese management has been built on a reputation of effective and lean communication techniques (see Hazama, 1978; Sato, 1997). In particular, *horenso* forms the basis of business communication in Japanese corporate culture. While it is described as a continual and collaborative process between superiors, subordinates and colleagues over the course of an activity or a project (Kameda, 2013), there is no standard for Japanese firms for implementing the communication strategy. Hence, there is not a clear expectation that one component of *horenso* should follow immediately another in sequence, other than the logic that they together deliver a number of benefits and efficiencies. Firms may have rigid policies for following *horenso* supported work practices or see it as simply implicit within a normalized way of communicating, but either way, *horenso* exists as a prominent feature in Japanese firms, yet there are relatively few accounts of it. *Horenso* was first documented by Yamazaki (1989) during his then presidency of Yamatane Securities, although its origins are likely to have preceded that time. Other Japanese management methodologies have highlighted similar features of high frequencies of consultation and intense decision making (eg. Abegglen, 1958) but did not attribute them explicitly to *horenso*. *Horenso* as a term and holistic operating methodology is derived respectively from combining three words and ideas: *hokoku* (reporting), *renraku* (informing), and *sodan* (consulting). It is used to create an effective work environment in which all information can be delivered quickly and accurately (Susilo, 2015) and can be comprised of oral communication, documentation or electronic means (Kameda, 2013). However, its practice is likely to be peculiar to Japanese culture.

Hokoku refers to exact and perhaps immediate reporting to superiors on the process, progress, changes, and if any, problems and result of one's work. This means that subordinates should always report to the superior; they do not have much authority to make business decisions though. Indeed, no individual can make decisions even within the delegated authority. The decision is normally made by an organization as a whole after some extensive consensus process in the form of cross-functional committees in respect of seniority and thoroughness. Its approach has a close resemblance to the better-known Japanese *ringi seido* (written proposal) system (Kameda, 2013) in which staff members make a proposal in a request form (*ringi sho*) to seek approval by top management and which requires sign-off by the committee.

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2 *Renraku* concerns the act of informing facts or conveying useful information of one's own will to
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4 relevant parties and those who require it. Personal opinions or assumptions must be avoided in this
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6 process. Unlike reporting, this type of informing can be initiated by anyone regardless of rank or position
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8 in the organization. Sometimes, this can be in the form of sharing valuable information or critical data
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10 with relevant parties or keeping relevant parties updated with initiatives already started. The process
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12 remains modestly formal and operates within the etiquette of the organizational expectations and standard
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14 norms, bearing in mind the importance of general respect and the specific Japanese concept of seniority.

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16 *Sodan* refers to the process of consultation and discussion with superiors or relevant parties over a
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18 pressing issue needed to be resolved and asking for others' opinions and suggestions in relation to that
19
20 problem. Sometimes, making suggestions or running projects without consultation with superiors can be
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22 even considered offensive in Japanese culture, so *sodan* is an explicit way to overcome the cultural
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24 communication barrier. This communication approach is consistent with another better-known Japanese
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26 practice, *nemawashi* (meaning to dig around the root of a tree ahead of transplanting it), a process within
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28 *hoshin kanri* (Japanese policy management) to prepare the grounds for important decision making. When
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30 combined with other well-known management frameworks – say, the balanced scorecard technique – it
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32 becomes a dynamic capability for superior strategic performance (Witcher and Chau, 2007). The idea of
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34 *nemawashi* ('catchball' in the western equivalent) is to ensure alignment of competencies within the
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36 organization through an iterative process of throwing ideas back and forth until consensus is reached (see
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38 Chau and Witcher, 2005; Witcher et al., 2008). Hence, *sodan* provides the communication etiquette for
39
40 effective *nemawashi* in strategic management.

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42
43 Overall, *horenso* supports a high degree of collectivism in the decision-making process within
44
45 Japanese culture and allows little room for individual opinions and the functioning of the delegated
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47 authority (Miroshnik, 2009). Communication through the *horenso* methodology may look simple
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49 following the three components, but it is an ingrained practice that is peculiar and fundamental to
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51 Japanese-affiliated companies and regarded as one of the golden rules for business success that emphasizes
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53 the importance of cooperation within a group (Yamazaki, 2012). Its uniqueness and specific practice are
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55 therefore difficult to imitate and benefits difficult to achieve outside of Japan.
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Horenso outside of Japan

When Japanese businesses extend their corporation across multinational borders, they also spread their corporate cultures which will eventually impact on the working behaviors of the locals; these include the practice of *horenso*. However, the strength of cultural differences prevents the complete and accurate transfer of these practices to the locals. Difficulties occur when the locals do not fully absorb the Japanese culture (Suzuki and Wangpokakul, 2009; Holmes and Tangtongtavy, 2003). Japanese MNEs in Thailand, for example, have developed certain attributes of the local conditions, and when local Thai employees have tried to operate by these hybrid conditions they may feel significant discomfort, leading to poor individual and organizational performance.

For example, a recent survey of Thai interpreters working for Japanese MNEs in Thailand (Piyatomrongchai, 2018) found that *horenso* was the top reason for problems or conflicts because of cultural differences. It argued that Thai employees often avoided immediate reporting/informing/consulting of their work mistakes to their supervisor. They preferred trying to resolve these issues by themselves first, which seems inappropriate in the eyes of the Japanese who believe such an individualized act by subordinates will likely result in more mistakes. In this sense, *horenso* is expected to help mitigate such mistakes and in turn improve total work performance. Elsewhere in the east – such as in Indonesia – *horenso* is not operated smoothly because of the difficulties of understanding it, imperfect timing or attitudes, especially regarding blame and disturbance, which are strongly resented in Indonesian culture (Susilo, 2015).

Horenso has had its reported successes though. When used as an inherent part of management, it enables prompt cooperation with clear and accurate information to reduce the gap between managers, colleagues and subordinates within the workplace. Ponanake (2012), for example, observed a significant reduction in manufacturing production process waste in Japanese industrial companies in Thailand. The benefit was found to have created an additional opportunity to build effective and longer-lasting relationships between employees at managerial and operational levels because of the effective communication. The research additionally argued the beneficial and complementary use of *horenso* in firms that already have adopted other Japanese management principles, such as *kaizen*, as the Japanese corporate culture is already a familiar one.

Research by Jung and Takeuchi (2010) on organizational learning as the driver of firm performance has highlighted the importance of good workplace cultures in Japanese firms. These include good feedback, exploitation of knowledge, supportive leadership, and community spirit. Researching more specifically for Japanese managers and Thai subordinates, Swierczek and Onishi (2003) highlighted the difficulties of transferring Japanese practices are due to strong cultural barriers as well as sociological ones – such as establishing trust/loyalty and clear understanding between colleagues, which are also causes of conflict within the workplace. *Horenso*'s purpose is to achieve harmony within the workplace through effective communication that improves performance, but if cultural barriers exist then the practice of *horenso* will likely be impacted and operated differently outside of Japan.

Methodology

Research design

This research undertook a case study approach by selecting an exemplary Japanese-owned MNE subsidiary operating in Thailand. The boundary for isolating the phenomenon of interest (*horenso* application) is the purposively selected organization (Yin, 2018), but its generalizability extends to other subsidiaries of similar industries and operating arrangements. The choice of the single case study was due its timeliness in terms of the difficulties it had faced with the use of *horenso*, which were far more than expected of any of the other subsidiaries of the parent company. Data collection was carried out in real time – in other words, the issues of *horenso* were happening at the time of data collection, which enabled the research to capture detailed nuances and immediate employee reactions to the challenges they were experiencing. Only employees of Thai and Japanese origin (we make a strong assumption based on self-identification as non-bicultural individuals) were chosen to participate in the research to control for cultural complications, who were interviewed extensively.

Data: case profile

The company used for the research was Spin-eTech (a carefully chosen pseudonym to represent and sound like 'an electronics technology company operating spinach communication methodology'). It is a multinational electronic components manufacturer and distributor; in particular, it is a leading supplier of high-technology specialized electrical products and services especially for the well-known international

1 brands in the manufacturing industries. Founded in the mid-1970s, its headquarters is located in Osaka,
2 Japan, and has since grown to a significant global presence, serving around 250,000 customers/clients and
3 operates in 45 countries. It has around 200 international offices and employs around 8,000 direct
4 employees.
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10 The specific Thai subsidiary this study concerns has existed for a couple of decades and its role is
11 to provide and serve its clients, of which 90% are other Japanese MNEs located in Thailand for various
12 operational reasons. There are a few other Thai subsidiaries of the company, but this office is the main
13 office of major liaison with the headquarters and serves as a strategic business unit. It therefore undertakes
14 the greatest amount of corporate communications between Japan and Thailand. This subsidiary is
15 managed by a few Japanese senior staff who liaise between the office and the headquarters on all business
16 operating decisions, but is operated mainly by local Thai employees. The whole organization is comprised
17 of a tall hierarchical structure with a wide span of control, operating strong top-down control, which is also
18 especially the case within the Thai subsidiary. There is a high power distance relationship within the
19 organization, as all the employees at the managerial levels are Japanese (either residing temporarily as
20 expatriates in Thailand or working remotely). This has required the subsidiary to operate using Japanese
21 management concepts in a way that is instigated by the Japanese employees but not necessarily practiced
22 by the Thai colleagues in a way the Japanese expect.
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37 Spin-eTech is an exemplary company for researching issues of *horenso* usage for the following
38 reasons. First, as an industry leading supplier and distributor of electronic components, its chosen
39 communication strategy of use is essential not only for internal organizational efficiency but is also likely
40 to have an impact on its business and competitive performance due to the ability to ensure clear and
41 accurate deployment of information and negotiations. *Horenso* is extensively used by the firm for these
42 processes, so it provides an excellent opportunity to understand how *horenso* works for all these purposes.
43 Second, the organization's Japanese headquarters and Thai subsidiary operate a very typical Japanese and
44 Thai cross-cultural working relationship, making examination of the role of culture directly actionable.
45 The possibility of making assumptions and misinterpreting the communications will be reduced, enabling
46 more reliable results. Third, the organization has recently observed cultural barriers for the effective usage
47 of *horenso*, resulting in different (and localized) versions of *horenso*, which it believes should not
48 necessarily be harmonized or eliminated, but better understood to improve the relationship within these
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versions and nurture any recognized advantages in them. No company initiative within Spin-eTech had yet taken place to carry this out, so the present study offered a timely opportunity for employees to open up honestly, passionately and directly with the researchers, allowing a more accurate and extensive data collection process.

Data collection and analysis procedure

In-depth, semi-structured interviews lasting over an hour each were conducted with personnel of varying levels of the organizational structure and of a range of work responsibilities at the Thai subsidiary who interacted extensively with the Japanese headquarters. Details of the interviewee profiles are presented in Table 1. Interviewing the broad range of employees allowed the research to capture comprehensive first-hand accounts of the respondents' present and past experiences at the organization, the richness of which would otherwise be lost in any other form of secondary data collection method. This approach also enabled interacting with subjects on the phenomena/issues that were immediately a cause of concern for the employees, which is a common hallmark of qualitative inquiry (eg. Brinkmann and Kvale, 2015).

[Insert Table 1 about here]

An initial purposive sample frame of around 30 staff members at the subsidiary was identified as having a significant interactive role with the headquarters in relation to key business activities. Ultimately 9 participants took part in the research (3 Japanese and 6 Thai employees) ranging various levels of the organizational structure and representing various levels of experience. This number was deemed sufficient and representative as it forms a good split of Japanese and Thai cultures and a-third of those who relied heavily on *horenso* as part of their daily work. The present study does not boast huge numbers of participants to cross-verify complex variables of highly statistical inferences, but instead appreciates the richness of the highly representative commentaries captured about *horenso* use and presents them to an interested readership of academics and international business practitioners as part of novel empirical findings. The interviews were carried out face-to-face with a member of the researcher team who was partially affiliated with the organization but no longer held a role of authority; this enabled the staff to open up confidently to the interviewer on the key issues of concern.

The design of the interview schedule was based on extant understanding of *horenso* from the Japanese management literature and was applied to the cultural context to which the interviewees belonged and opened up to the issues they found challenging in accordance with their work responsibilities. This flexible style allowed issues to be noted, reflected on by the researcher in real time and probed further, which became important findings where they became popular and repeatedly noted in the form of a dominant pattern of prominent themes. The language of exchange was Thai for the Thai staff (specifically the local dialect) of which the interviewer was native, allowing a strong trust in opening up further, and English for the Japanese employees. The interviews were immediately transcribed verbatim and the Thai transcriptions were translated into English by the same person (after double checking for accuracy of meaning) before sensitive information was removed or pseudonymized. All the interviewees were assigned an alias (a season/weather, in either English to represent the Thai employee or in Anglicized Japanese to represent the Japanese counterpart without any associated positive or negative connotations to preserve their anonymity); these aliases are attributed to the direct quotations when presenting the findings in this present article.

Thematic data analysis of the interview transcriptions – specifically template analysis – was utilized, following broad guidance by King (2004). For the present research, a simplified three-step procedure was operated as follows:

(1) *Establishment of a priori themes*: a skeletal framework concerning the key characteristics of *horenso*'s typical application in Japan was established with which the empirical information of the interview transcription was fleshed out. Three orders of prior information were established – (i) that concerning *hokoku*, *renraku* and *sodan*, then (ii) practices caused by cultural differences and finally (iii) of practical difficulties/improvements experienced. Figure 1 provides an overview of how these orders of information eventually had undergone analysis to identify their commonality and ultimately a pattern of emerging themes, to form the findings of the study.

[Insert Figure 1 about here]

(2) *Establishment of codes/coding system*: the method of 'in-vivo coding' – borrowed from grounded theory (Strauss and Corbin, 1998) that allows for simple and neat categorization of

relevant data into sub-headings ('parent' and 'child' categories) – was used to code the interview transcripts. This was performed manually (using paper and pen) and iteratively as the project progressed by the research team (authors of this article) who were closely involved in all the detailed stages of the project. The codes were labelled using an alpha-numerical system – alphabets for the initial categorization (*horenso* categories), then numerals for the broadest grouping of information (such as the cultural attributes of 'seniority', and characteristics as 'flexibility', 'feelings' and 'difficulties', etc.), and the use of decimalization for the sub-categories of information. For example, A-1.1.2 was a typical code.

(3) *Analysis (identifying clusters as patterns)*: stage 2 above was performed via a simple form of content analysis to identify the popular and frequently recurring information from the interview transcripts. For this, specific words, as well as variants of them, such as *hokoku* (or reporting), *renraku* (or informing), etc, were frequency-counted (without any weighting) and then grouped into categories of significance in accordance with the prior knowledge to allow for the emergence of popular frequency counts and patterns where they resembled other areas of discussion. The transcribed text was read and re-read to confirm the manifest (face-value) meaning of the representations as well as to identify the latent (not existing from the literature) meanings (see Berg, 2001) of how the practice of *horenso* had happened, in order to develop our theoretical understanding of *horenso* for the context of MNE subsidiaries located in Thailand.

Findings

The following themes emerged which explain the practice of *horenso* at Spin-eTech.

The dominant role of reporting in horenso

It emerged that reporting in the form used at Spin-eTech had a dominant role and was used more frequently than the other two components of *horenso* (informing and consulting). It was regarded as an essential tool for all aspects of day-to-day running of the business and not just a technique for effective communication with the parent company at the Japanese headquarters. The specific benefits commonly identified by the respondents were described as follows:

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"Horenso is a very important communication and business tool because communicating [reporting] with our supervisors [and] colleagues has made our work easier. Horenso kept me updated about situations happening around me so I could proceed with my work correctly and help my subordinates progress ... I think horenso should be an immediate or real-time activity for everyone." [Mr Nutsu]

In this sense, while the principle of *horenso* was derived from three distinctive activities, the practice of them was not mutually exclusive. Reporting had merged to cover the benefits of the other activities, so much so that *horenso* was a series of connected activities in which employees started with the process of reporting, then updated their current work and finally consulted work problems with others, in that exact order (which is not necessarily required for *horenso* practiced in Japan). This principle may have been misinterpreted by the Thai employees but it eventually became a normalized practice in this way.

It seemed that two distinguishable mechanisms of reporting were practiced. The first was through the company's internal computerized operating system. Such reports were recorded in the company's database with an identifiable ID and were archivable, which made them accessible by relevant personnel of suitable authority. This process and system were considered formal. By contrast, the second reporting mechanism was rather informal in style and was simply reporting directly to the immediate line-manager. This mechanism allowed a closer and more personalized interaction between employees and supervisors, and was the form which was recognized to merge the functions of *hokoku* with *renraku* and *sodan*. This was because the face-to-face interactions with the superiors enabled a comfortable working environment with which to update additionally their work and consult associated issues, all under the umbrella of reporting issues to the superiors.

Thus the general reporting behaviors of the Thai context was distinctive from that of the Japanese. An assistant manager observed:

"Thai people find it necessary to report only when there is a problem with their work... On the contrary, the Japanese regularly report every single thing regardless of whether there is a problem or not. The way the Japanese report sometimes makes us [the Thais] feel a bit uncomfortable. We think of the Japanese as too demanding when they want us to report everything." [Ms Summer]

While this comment reflects the conflation of *hokoku* and *sodan* used by the Thai employees, there was a recognizable avoidance of reporting if no issue gave rise to consultation.

The hesitation to report issues implies the characteristic of ‘saving face’ that is inherent within Thai culture and was manifested in employees not likely to divulge their problems which might have arisen from their own mistakes, restricting the intended benefits from the practice of *horenso*. To counter such a problem, Spin-eTech established a policy and guidelines on reporting with at least the intention to bring the practice more in line with the Japanese form:

“The company places an emphasis on ‘plain truth’. From the guidelines, plain truth is defined as a reporting method suggesting that all employees should report the truth to their company. The company recognizes that if employees made a mistake or a problem occurred, they might feel guilty and would not want to report it ... This isn’t good for the company. The guidelines suggest that the employee should be professional and honest when reporting. Even if the problems can negatively affect their performance, reporting the plain truth of what had happened will greatly help the manager assess the situation and handle the issues on time.” [Ms Summer]

Reporting had principally concerned two purposes – for pre-sales predictions and after-sales results. The former was conveyed to the manager before the sales, normally by sales staff who mostly described what sales staff had done through conversations with customers while the latter reflected technical performance. Pre-sales reporting was seen as rather superficial and detached from future decision making. An assistant manager commented:

“When a Japanese manager asked: ‘from your clients who visited this morning, how has it been?’, Thai people commonly replied ‘good, they were interested in our products but they had no budget to buy them’. If the sales staff were Japanese, they would rather say: ‘Good, the clients were interested in our products but they had no budget to buy them. It’s because this year’s budget was already spent on buying other products or withdrawn by the headquarters’. See? We [the Japanese] would report by adding information and a little bit more reasoning behind client responses. Indeed, this is valuable information which Thai people rarely give us [the company] as it could help the manager understand more and accept why the clients don’t have the money.”

[Mr Haru]

Instead, the after-sales report would explain how each technical staff supported a customer. The Thai version of reporting was noted to lack detail compared to that of the Japanese. Thus, it was inferred by a Thai employee that:

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 2 *"Thai and Japanese reporting styles are quite different... For the Japanese, a report contains*
 3 *factual information and numerical data. These are important information which is easy to*
 4 *recognize, process and use for further planning. On the other hand, for Thais, a report often*
 5 *contains ideas or feelings rather than factual information. Thai reports are done unsystematically.*
 6 *We [Thai employees] don't have a strict approach and we are more flexible. So, I think that the*
 7 *Japanese reports are more concise, comprehensive... and clearer in an organized format."* [Mr
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 9 Autumn]

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 11 Thai people, like Mr Autumn, who recognize this weakness and change their reporting style are rare. They
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 13 are uncomfortable adapting themselves to the Japanese reporting system because they believe they are
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 15 more flexible while the Japanese are too strict.
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18 Flexible, outcome-driven use of renraku

19 *Horenso* at Spin-eTech was presented as being rather conditioned by a results-oriented system, connected
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 21 strongly to the Thai education system which is characterized by high ambitions than real life situations.
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 23 *Horenso* was intended by the company as a process-based activity that everyone was required to follow
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 25 strictly. However, in practice, it was more natural for the Thai employees to consider the outcomes using
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 27 their personal style of informing at the expense of strict processes, thereby disrupting the 'order' of the
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 29 *horenso* components. A Thai assistant manager explained his own version of *renraku*:
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 33 *"Let me talk about how I inform my subordinates. Japanese managers often pushed their*
 34 *subordinates by pressuring them with serious conversations. They think the pressures normally*
 35 *motivate people to work. So, they always notify or warn the subordinates directly with negative*
 36 *words. This might be good for them [the Japanese] but not for us [Thais]. Actually, Thais were*
 37 *discouraged by such pressures... when I was told by my Japanese manager to inform my Thai*
 38 *subordinates, I did it in a different way but still retained the original goal... I used positive words*
 39 *to convince them, and also good feelings which motivated them to work until the target was*
 40 *reached. I think this way of informing has made them pursue their goals easier."* [Mr Spring]

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 42 Thus, the Thai employees possessed more flexibility than their Japanese counterparts when informing
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 44 which is more reflective of their overall communication culture. Consequently, and in recognition of fewer
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cultural barriers, Spin-eTech adjusted their communication guidelines to allow Thai staff to inform fellow Thai colleagues using their preferred style of *renraku*.

Sodan and the shift of blame

The Japanese norm of seniority reflects whose responsibility it was in the organizational hierarchy to resolve problems, which predominantly rested with supervisors. Lower level employees were obliged to consult (undertake *sodan* effectively) with superiors to resolve certain problems, and did not have the authority to undertake the task themselves. As explained:

“When facing problems, I normally consult with my manager before resolving the problem.

Before the consultation, I would think about the possible solutions. Just thinking but not resolving!

Only if he [the manager] agrees with my proposed solutions, then I have resolved the problem. At

present, I don't have sufficient experience and expertise, compared with my manager, so if I decide

to resolve the problem with my inexperience, it might not turn out good. Without consulting, my

solution might dishonor the company. I acknowledge that my manager is superior to me especially

in terms of expertise. He is a manager because he has the ability.” [Mr Haru]

Hence, consultation is essential in Japanese firms and is performed in a way with respect of longstanding Japanese seniority.

On the contrary, the Thai employees at Spin-eTech regarded consultation as only necessary for resolving problems beyond their capabilities. Two reasons were given for this. First, resolving problems by themselves before seeking help would develop their skills:

“If we seek immediate assistance from our Japanese supervisors, it would look like we hadn't tried

to resolve the issues. Some issues had already been resolved before by others and recorded in the

company system, which we can look at first. We can develop ourselves by learning from these

resolutions.” [Mr Winter]

Second, consulting would concede defeat at resolving the issues, thereby ‘losing face’, making the Thai employees look unprofessional:

“The reason why Thai people don't report is because they want to save their own face or image.

Thais don't want others to know that there is a problem at work. They want others to see them

working without problems.” [Ms Summer]

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2 It also emerged that *sodan* was used by the Thai employees to shift the responsibility of problem
3 solving (and blame) to the Japanese. It was criticized:
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6 *“Thai people sometimes report carelessly to their Japanese managers. It seems like they just want*
7 *to get the problem out of their hands and pass it to the Japanese! This might look like reporting*
8 *but it is not. They just want to pass serious problems to others. They always tell the customers*
9 *that Japanese staff are responsible for the problems.”* [Mr Aki]
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14 In this sense, the Thai employees used *horenso* to their benefit, such as for improving themselves, saving
15 their ‘face’ and shifting blame. This was rather different from the way the Japanese staff used *horenso* for
16 the intended company’s benefit.
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23 *Hierarchy in the use of horenso*

24 The idea that there is an order of processes in communication signifies a hierarchical relationship in which
25 supervisors are positioned at the top to help their subordinates to resolve problems and make decisions for
26 them. Notwithstanding the company having a Japanese parent, it was noted that: “Normally it is only the
27 Japanese who run the company” [Mr Aki]. This made the Thai employees conform with the Japanese
28 norms of the working environment. From the Japanese perspective, a superior in an organization has
29 absolute authority over local employees, which seems to be the case at Spin-eTech. A Thai assistant
30 manager revealed his reason for reporting promptly and informing his Japanese manager:
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40 *“As I know it, Japanese people like to keep updated. If I had not reported to them or informed*
41 *them promptly, I might be in deep trouble.”* [Mr Spring]
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44 Similarly, a chain of command influenced the use of *horenso* by the Thai employees. The higher the rank
45 of the Thais, the closer they were with the Japanese. The Thai managers tended to consult directly with
46 their own Japanese supervisors because they realized that the final decision rests with the Japanese. As
47 commented:
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52 *“All influencers who have a significant impact on decision making are Japanese. To resolve*
53 *problems, I prefer to talk directly and consult with my Japanese supervisors rather than my Thai*
54 *colleagues because I want to make a change and the final decision rests in their hand [the*
55 *Japanese managers]. Talking with my Thai colleagues is just for venting my problems.”* [Mr
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60 Spring]

In contrast, Thai employees at the operational levels tended to talk informally to or consult with their Thai colleagues, especially those of a similar age. They were likely to avoid conversing with their superiors, especially Japanese managers. A technical engineer revealed:

“I am more comfortable consulting any issue, be it business or personal, with my Thai colleagues who are around the same age as me or whom I trust. I believe we share similar ideas and understanding. We tend to understand each other more than the Japanese. My Japanese manager, conversely, might not understand me or the issues, maybe because of his position. Being a manager makes him see things from a different perspective... Besides, during working hours, I am always afraid of disturbing my manager.” [Mr Winter]

Superiority of position was interpreted differently among Thai and Japanese employees. A Japanese manager explained:

“Position is important for Japanese people. For the Japanese, if the position is higher, responsibility and expectation are also higher. So, of course, we will work harder. But, for Thai people if the position is higher, their subordinates would share their workload. The Thai manager’s burden would be lightened up and they tend to work less.” [Mr Aki]

Another key difference is that superiority for Thais seems closely linked with biological age rather than rank. A Japanese manager who has lived in Thailand for more than half of his life explained:

“Thai people have seniority strongly connected with age. Thai people, who are older or of more working years but a lower rank than me [a young Japanese manager], tend not to follow my lead... This will never happen for the Japanese. Even if the Japanese are older than me, they would respect and follow my lead due to my senior position.” [Mr Haru]

Discussion

Cultural dimensions and an etic understanding

The above findings demonstrate the practice of *horensō* based on a strong exploration of broad cultural differences between the Thai and Japanese employees – which are expected and common in the extant literatures on managing expatriates and multinational firms. In this sense, the Thai employees exhibited a short-term orientation while the Japanese employees had a long-term orientation in the purpose of their work etiquette, broadly in agreement with the Hofstede dimensional scores. The different *sodan* practices

typicalize the extent of Japanese normative thinking and desire for solutions without consulting more senior managers. Specifically at the Spin-eTech subsidiary, the Thai staff considered what they did in the past as a key stake and focused more on their mistakes without considering developments of the future. Another instance is their frequency of reporting issues (*hokoku*) just to fix any emerging problems rather than to predict arising concerns, confirming different organizational business/social talk practices (Aoki, 2010) and communicational norms (Gesteland, 2002). In contrast, the Japanese staff considered future prospects more and engaged in *hokoku* as part of a larger desire to plan and develop measures to prevent the problems from arising again, no different from the majority of other Japanese management concepts (eg. Onishi, 2006b). Nonetheless, this difference has been argued as one of the reasons why Japan had historically enjoyed greater economic development (Hofstede, Hofstede and Minkov, 2010).

Additionally, the difference between the individualist approach of the Thai employees against the collectivist Japanese was obvious when the former reported on individual performance to avoid disclosing their mistakes while the latter on the whole organization and referring specifically to 'their' company. Seeing a sense of belongingness and pride in working for a company – the lifetime employment concept (Sato, 1997) – is a well-known feature of Japanese people (Harris and Moran, 2002), and this study has identified this concept extending to nuanced applications of business communication strategy. Another way of seeing this is the unwillingness of Thai employees to associate themselves with the larger entity of the multinational organization and pigeon-holing themselves within their local comfort-zones, which is a common difficulty with transferring Japanese practices (Iwashita, 2019).

Cultural layers

The idea that culture operates as different layers (Trompenaars and Hampden-Turner, 1998) of explicit products and implicit norms/values resonated for Spin-eTech. Specifically for Japanese culture (see Jackson and Tomioka, 2004) common behaviors like bowing are often learned over time and are therefore difficult to change with the immediate adoption of a new management practice. Other general workplace efficiency practices like community spirit and togetherness seemed missing at Spin-eTech, consistent with extant literature on performance drivers (Jung and Takeuchi, 2010). Specifically for *horenso* practice, the slow adoption and familiarization of the approach and eventual acceptance that good for the organization can result seem to suggest *horenso* is the outer layer (ie. the request and company policy to report the

‘plain truth’ to senior management). The inner layer therefore constitutes the specific etiquette of *hokoku*, *renraku* and *sodan* approaches which differed, as they depend on the true values, beliefs and feelings that have been revealed in the research. For example, the shift of blame was an inherent inner-layer of cultural practice characterized by face saving, although this was not seen in the practice of *sodan*. While *horensō* might broadly confirm the cultural layer thesis, this is only a loose categorization. There may in reality be numerous layers for *horensō* practice, beyond just the two identified, further intertwined with other communicational complexities not considered in this study. However, the existence of layers of cultural interpretations does suggest an additional barrier of layer recognition that must be overcome by organizations (Harris and Moran, 2010) before any advantages of an effective communication strategy can be reaped, which is contrary to the purpose of transferring Japanese practices to Thai firms (eg. Iwashita, 2019) although unsurprising (Swierczek and Onishi, 2003).

Context and communication typing cultural theories

The case of Spin-eTech has revealed a high context application of *horensō* among the Thai employees, requiring nuanced and detailed explanation of the material within the communicational context. Consistent with Hall and Hall’s (1990) early classification of Thailand, this was demonstrated by how they perceived the level of closeness and disclosure of information to them during all aspects of *horensō* – that is, they undertook reporting and informing only when necessary, and for each instance they carried out the task for unusual and context-rich purposes. The Japanese headquarters’ approach to *horensō* was of a lower context, as Japanese staff reported issues more frequently, spontaneously to capture emergent issues more comprehensively without seeing each instance of reporting as problem-driven. This is not to say that prior literature that classifies Japan as a high context country is wrong, but specifically for effective communication purposes *horensō* ensures that miscommunication is prevented. Instead, this thoroughness is consistent with the quality management attributes for which Japanese management is known, such as *kaizen* (Ferraro, 2005) and *hoshin kanri* (Witcher and Chau, 2007), which continually seek incremental improvement through extensive review.

[Insert Figure 2 about here]

These Japanese reporting behaviors also support Lewis' (2006) communication typing method of categorizing Thai and Japanese differences because of the Japanese's higher tendency to report matters ahead of listening first (ie. more reactive than linear-active). Both Japanese and Thai behaviors seem to be reactive in nature due to the need for organizational arrangements to engage in *horensō* and the dominance of *hokoku* (reporting). Taking an etic perspective, there seems to be little difference between the two cultures, but from an emic perspective – which allows for more nuanced examination of individual motivations for reporting, consistent with Morris et al (1999) – it can be deduced the Thai staff were partly multi-active because of the talkative, flexible and multi-tasking nature of their work. In contrast, the Japanese staff were more linear-active, due to their focus on plans and processes and strictness of their approach, favoring single-tasking. Their relative positions can thus be represented in the way shown in Figure 2.

Non-bicultural individuals

The idea that employees in multinational firms may be bicultural individuals may be true from an etic perspective of cultural treatment – that is, if we assume that firms operating in more than one country have emerged in the culture of the headquarters/parent company and all employees within them have adopted the expected behaviors. Instead, the research's emic treatment of employees by exploring their accounts of how *horensō* was operated differently because of their cultural identities has indicated the existence of Thais who have varying exposures to cultures. Hence, the use of both etic and emic treatments of culture can be complementary as the literature has suggested (Stahl and Tung, 2015) for understanding broader contexts of the research phenomenon. Here, there is likely to be a spectrum (and not just one grouping) of non-bicultural individuals – the extreme form of which are the Thais who adhere solely to their purely Thai method of business communication and the freest form are Thais who have already attempted and are willing to adopt *horensō* practices in a more Japanese-centric way. These categorizations are difficult to research in practice as the degree of non-biculturality is based on self-identification which may be biased. It is also difficult to know if the difference in *horensō* practice was genuinely because of non-biculturality or other reasons at play not considered in the study.

Managerial and practical implications

The purpose of Japanese *horenso* is to improve performance of firms, such as through improved individual or team performance, as a consequence of the effective communication strategy. However, the study's findings on the differing uses of the components of *horenso* suggest in practice there might not be the benefits intended, and an insistence on *horenso* components used in the unintended way may be harmful or at least counter-effective. For example, the prominent use of *hokoku* symbolized the importance placed on the company's technological systems to facilitate data analysis and accountability of the information reported. While for a technology-focused organization, such as an electronic components manufacturer, this may seem common sense, the rather less eager Thai culture to report information might encourage reporting of trivial information to satisfy the need to report heavily, resulting in misinformation and miscommunication. Jung and Takeuchi (2010) warned of the importance of good feedback and community spirit for promoting effective team work which may not be achieved if there are such strong clashes of Thai-Japanese cultures. New policies were implemented to offer guidance on reporting in Spin-eTech, but organizations learning about the formality and burden of reporting must strike a good balance between effort expended for reporting against the potential benefits.

The rather flexible form of *renraku* operated by Thai employees however seems more helpful for the international manager anticipating how best to engage in informing senior management. The purpose of informing is to reap efficiencies in the transfer of key and potentially critical data and news that enable the timely response for effective business decisions. A flexible approach supports the benefits of exploiting knowledge and quick response (Jung and Takeuchi, 2010). A common problem of Japanese management concepts in general (not just *horenso*) is their rigor and rigidity which might not fare well against western or other less authoritarian cultures that wish to adopt them. To allow for flexibility in the way key information is communicated within subsidiaries and up to their headquarters, firms may find it helpful to allow local practices to determine the specific mode of practice. Much of this determination is the influence of actual language peculiarities which may affect clear communication between colleagues (Swierczek and Onishi, 2003).

The two cultural values of seniority and saving face resulted in a very different practice of *sodan* at Spin-eTech – that is, the refusal to consult with seniors unless absolutely necessary to save face and shift blame for problems to the Japanese. The marked difference in the Japanese-Thai approaches is the

misunderstanding of what *sodan* is. While it is unlikely the strong cultural bearing on these two values can change quickly, a recommendation for soothing out these differences is that more local level briefings take place to explain the purpose of consultation to encourage it and remove any negative stigmas connected to blame and encourage more communication rather than discourage it. The benefits of a supportive leadership (Jung and Takeuchi, 2010) are likely to be a key driver of improved performance.

Conclusion

This article has explored comparative practices of *horenso* at the Thai subsidiary of Spin-eTech and the Japanese parent headquarters through a number of interviews with staff of various levels of responsibility. It has discussed the influence of national culture for these differences. A summary of these empirical findings is presented in Table 2. In addition, the significant insights from the research are as follows.

[Insert Table 2 about here]

How strong are sub-cultures within eastern vs western management? The early cultural dimensions way of understanding country differences produces scores for each country, and a number of researchers have looked at clusters of commonalities of cultural behavior. The present research has identified obvious differences in the way *horenso* was used at a Thai subsidiary from its headquarters in Japan, even against the backdrop of expected organizational compliance and effective management practices. The instances of deliberate and identifiable differences in *horenso* practice evidence the importance and strength of sub-cultures within the wrongly construed umbrella understanding of ‘eastern management’. It is perhaps dangerous for firms to choose business partners and locations for establishing subsidiaries based on location proximity if the strength of cultural difference is high. Noting the important and emerging notion of non-bicultural individuals in multinational subsidiaries, it is only effective to rely on the use of *horenso* in the way intended with all its benefits if there really is a strong workforce of ‘bicultural’ individuals. Hence, individuals who are simply exposed to another culture are not ‘bicultural’ to operate a strongly Japanese-oriented form of *horenso* at best, and at worst the non-bicultural individuals operate a form of *horenso* that is counter to its intended benefits. The localized Thai version of *horenso*

has at least attempted to facilitate and improve communications between headquarters and subsidiary despite its difference.

Is horensō a tasteful management practice? The variation in *horensō* practice at the Spin-eTech subsidiary invokes an appetite for a preferred approach due to its better fit with local culture, and does not argue that Thai employees may see the original Japanese form as bitterly distasteful. This however does not imply the use of *horensō* in any form constitutes a success story in resolving communication problems or other HR disputes. The examples seen of reluctance to report issues or to do so in a way that is not most helpful or strategic for the organization signal poor management and beg questions of if an alternative communication strategy may be a better option. Are there instead stories of failure – ie, bitter staff who deliberately sabotage the ethos of *horensō*? The Thai version of the practice which does not breach any guidelines or specifications for its use does not suggest it either. Hence, we only see descriptions and learn empirically of *horensō* practice at a specific Thai subsidiary – not alternative theories of it as a communication strategy – that have neither significantly resolved underlying problems nor exacerbated them.

Limitations and further research: This study has explored the nuanced practice of *horensō* at an electronic components manufacturer of a multinational subsidiary in Thailand. It is nuanced because of the extent of communications needed for components manufacturing, which requires significant coordination along rather complex supply chains of digital electronics involving intermediaries that are external and a part of Spin-eTech. The context was unique as *horensō* practice was explored for practice led by Thai ‘non-bicultural individuals’ (ie. employees who are neither ‘individuals’ nor ‘bicultural individuals’ in the technical sense but Thai with knowledge of, and working within, another culture). It is not bicultural Japanese staff operating *horensō* in a Thai subsidiary, or any other permutation of biculturality and cultural awareness. Hence, the findings and implications are only valid within the boundaries of the present study and leaves open opportunities for further research to question if *horensō* practice is different from the present study if any of the parameters of biculturality were adjusted – say, by using bicultural Japanese or Thai employees in a cardboard manufacturing unit. Relating more closely to the parameters of the present study, recognizing it was limited to only one subsidiary (and a reasonably small, albeit representative and significant, sample size), future research on the present topic may wish to extend to comparative subsidiaries and/or varying contexts to understand the contextual intricacies of *horensō* further. In the

possibility of a larger number of interviewees, there is much interest in examining the range of non-bicultural individuals' behavior.

Final Remarks: The present research has presented a case application of *horensō*, exploring specifically the components of *hokoku*, *renraku* and *sodan*, and identified the impact of cultural values as a reason for how they are practiced differently at a Thai subsidiary from the Japanese headquarters. We find all existing cultural frameworks operated in the study having some value in understanding *horensō*, but believe the specific focus on non-bicultural individuals has made a significant theoretical contribution. The detailed exploration allowed a highly reliable set of findings for the Thai/Japanese country and electronic components industry contexts. We argue these findings are at least relatable – if not wholly generalizable – to contexts of other parent-subsidiary corporate relationships that share similar cultural pairings, and advise they 'consult' (perhaps 'read' is a better word to avoid confusion) the findings of the present research before deciding how to implement *horensō* as a communication strategy.

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Figures and Tables

Figure 1: Process of thematic derivation through template analysis

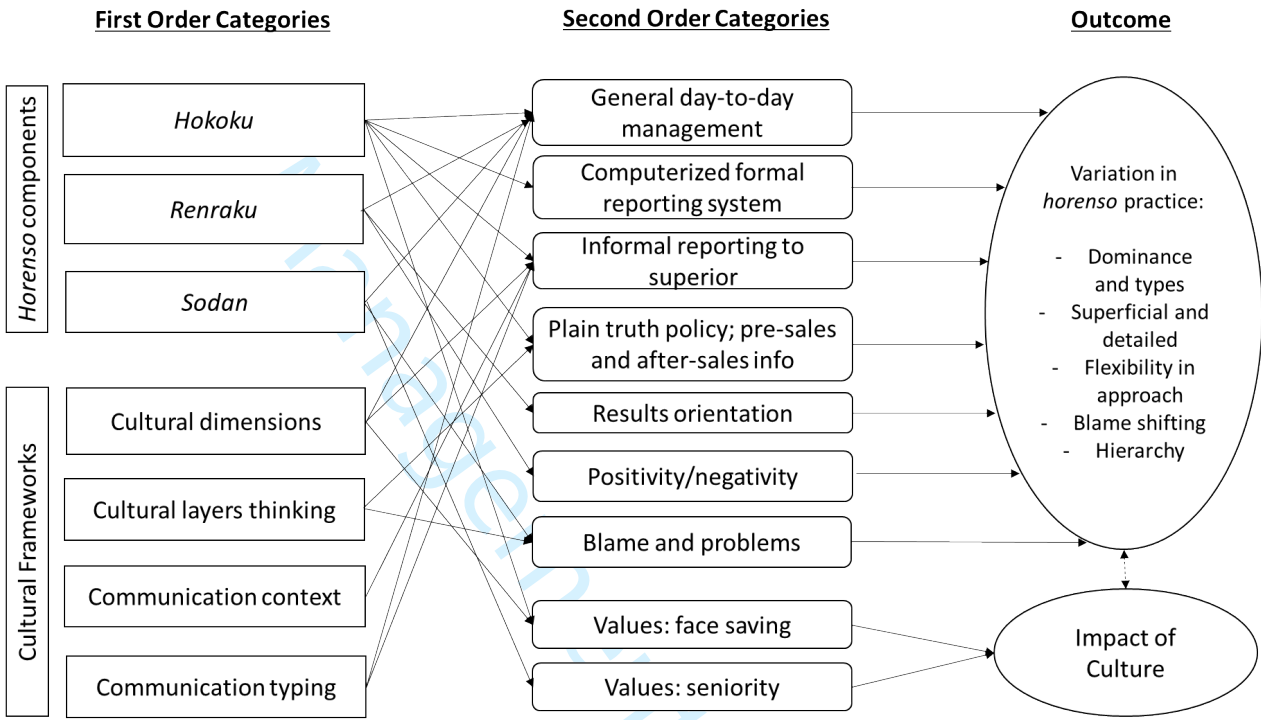


Figure 2: Comparative communication cultures of Thailand and Japan

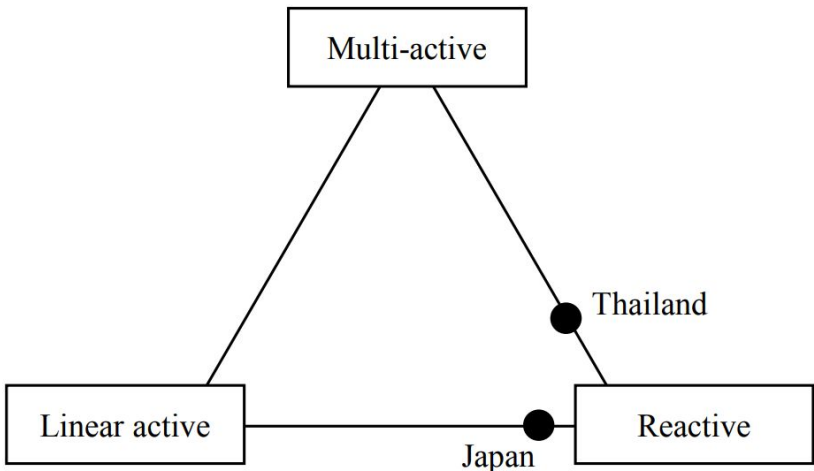


Table 1: Interviewee profiles at Spin-eTech

#	<i>National identity</i>	<i>Pseudonym</i>	<i>Position</i>	<i>Notes</i>
#1	Thai	Mr Autumn	Technical support engineer	Only worked for this company. Employed for over 10 years. Responsible for giving customers and sales engineer technical advice and support.
#2	Thai	Mr Winter	Technical support engineer	Recently joined company for around 6 months. Has 3 years' work experience in Thai subsidiary of another Japanese firm.
#3	Thai	Mr Spring	Sales assistant manager	Worked in company for 4 years. Recently promoted to current position.
#4	Thai	Mr Rainy	Sales assistant manager	Served 13 years in company (formerly 8 years as sales engineer, then 5 years in present role). Seen changes at two levels.
#5	Thai	Ms Summer	HR assistant manager	Worked 3 years in HR, then promoted to current position. Responsible for managing employees in management.
#6	Thai	Ms Cloudy	Sales engineer	Joined since graduating. Sells products and offers CRM.
#7	Japanese	Mr Haru	Sales assistant manager	Person of Japanese origin but lived in Thailand for half his life. Worked 4 years for company, 2 years of which at managerial level.
#8	Japanese	Mr Nutsu	Sales manager (HQ)	An expatriate from HQ. 8 years in overseas (including China, Thailand, Indonesia and Mexico). Been in Thailand for 4 years. Responsible for managing and coordinating subordinates.
#9	Japanese	Mr Aki	Technical support manager (HQ)	Originally an expatriate, but settled in Thailand. Worked at company for 12 years. Responsible for cooperating HQ and subsidiary, especially gathering technical info.

Table 2: Thai and Japanese management practices at Spin-eTech

	<i>Thai employees</i>	<i>Japanese employees</i>	<i>Cultural reason</i>
<i>Rationale</i>	Report only if obligated and only what requires resolving	Report everything for future planning	Short-term vs long-term orientation dimensions
<i>Motivation</i>	Self-interest	Collective (organizational interest)	Individualism vs collectivism dimensions
<i>Communication style</i>	Flexible	Strict	Cultural layers
<i>Problem solving</i>	Try to resolve initially by themselves	Follow supervisor's instructions	Cultural values (saving face)
<i>Reported information</i>	Basic, superficial, ideas	Detailed, factual information	Cultural layers
<i>Seniority</i>	Biological age	Positional rank	Cultural value (seniority)
<i>Communication culture</i>	Reactive/multi-active	Reactive/linear-active	Communication types