

**CASE 14.2**  
**A NEW SYSTEM INSTALLMENT OF SANKI DENKI (THAILAND)**  
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This teaching note was prepared by Jun Onishi of Hirosaki University, Japan.

This is a typical case of misunderstanding between a foreign manager and the local staff of a multinational organization. The misunderstanding stems from national-culture differences.

The case raises issues of unique Japanese business and social practices. The way the Japanese behave in the workplace as well as in most social contexts can be a great source of puzzlement and frustration for the non-Japanese. Three particular business and social practices peculiar to the Japanese which can be problematic are: (1) making a distinction between public self and private self, (2) scolding as an educational tool, and (3) practicing reserve or avoiding the appearance of pride. To understand these potential sources of conflict, one needs to understand the values that underlie these practices. After all, the easiest mistake one can make about the Japanese is by not realizing that much of their thinking “stems not from economic, logical, or rational considerations, but from sentiments about and attachment to people, groups, ideas, and connections valued for themselves.”

First of all, Tamura’s downplaying of a female’s ability to speak English illustrates how the impact of "reserve" (with regard to the Japanese practice of speaking modestly about themselves) could affect his assumptions. She clearly understated her ability, something Tamura noticed in other Japanese interviewees as well. When he interviewed Somkiat, he used the same logic and assumed that Somkiat would understate his own abilities. Soon after the appointment of Somkiat as the production manager, Tamura began to wonder if he had overestimated Somkiat's abilities. After all, Somkiat has been exposed to Western culture since his early years in school. In the West, interviewees are expected to show confidence in their abilities and speak highly of themselves.

Secondly, we can see that Tamura considers his most important role to be the top manager of the Thai affiliate. This is the “public face” that he must show to his subordinates. His first priority is to satisfy his seniors in the head office rather than his local staff. Tamura could not accept being scolded because of the delay in installing the JIT system in the factory. After being dressed down by his superior at the headquarters in Japan, he became ruder to Somkiat who resented that rude treatment. Had Somkiat understood Tamura’s reason, he could have presented Tamura with a clearer schedule with distinct milestones, something that Tamura could in turn communicate with the head office. We can also see how a Japanese can be perceived to be two-faced—pleasant in private but brusque, even rude, at work—when he is simply practicing a "public-self/private-self" distinction. That is, the role he plays in casual situations (greeting employees cheerfully, bringing them souvenirs from his trips, attending weddings, etc.) is different from the one he plays in a formal setting (in which he reprimands an employee harshly in full view of others).

Finally we can also see how disapproving the Thais are of Tamura’s use of the Japanese practice of "scolding." This practice, involving a harsh verbal reprimand in front of one's

colleagues, is meant to fill an erring worker with shame, and it has long been used in Japan as a way of educating workers.

These three social and business practices, unique to Japan, have created a huge communication gap between Tamura and Somkiat. Tamura thought that Somkiat was an incompetent worker as well as a swindler. Somkiat, on the other hand, thought that Tamura was a rude and cold-blooded villain. This miscommunication benefited neither of them. Somkiat had to find a new job, while Tamura was demoted. Had Tamura understood that Thais do not like to be scolded in the presence of others, he would not have lost Somkiat's trust in him. Had Somkiat understood the Japanese reserve attitude, he might not have oversold himself. Had both of them better understood how Japanese and Thais have different perceptions of the public face (vs. the private face), they could have avoided this unfortunate misunderstanding. The cost that Sanki Denki paid for this incident was huge. This cost could have been avoided if the company has a better appreciation of the impact of national-culture differences on the international operations.