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The transferability of Japanese HRM practices to Thailand

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This research examined the transferability of Japanese human resource management to Thailand. Attitudes toward life-time employment, seniority system, consensual decision-making, quality circles, and house unions were considered. The sample included 560 managers and staff of Japanese companies in Thailand. The results indicate that all five practices except seniority are transferable. The Thai employees have more positive attitudes toward consensual decision-making, quality circles and house unions than the Japanese managers in the Japanese manufacturers in Thailand. Some Japanese managers think that consensual decision-making and quality circles are not appropriate or accepted in Thailand. This belief may limit the implementation of these practices. Regarding seniority, both the Japanese managers and the Thai employees agreed that performance should be evaluated by achievement, but years of service should be part of any evaluation criteria.

Keywords: attitude, Japanese, Japanese HRM, Thai, Thailand

The growth rate of the Japanese economy has slowed since 1990. In response to this decline, a new wave of books and articles has appeared criticizing the Japanese management system. Typical of these are *Japan: A reinterpretation* (Smith 1997), *Inside kaisha: Demystifying Japanese business behavior* (Yoshimura and Anderson 1997) and *Reinterpreting the Japanese miracle* (Crawford 1998). However, most Japanese manufacturing companies are high performers and enjoy worldwide competitiveness, as evidenced by Japan's huge positive trade balance and strong yen.

The well-known Japanese automobile manufacturer, Toyota, has continued to use the Japanese human resource management (HRM) system

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despite the 'bubble economy' in Japan and enjoyed high market share not only in Japan but also all over the world (Takahashi 2004). Although the seniority system has been changed to a performance-based system, life-time employment has remained almost unchanged (Baba 2004). In addition, only a minority of large firms has substituted performance-based pay and promotion systems (*nenposei*) for seniority-based wages (*nenko*). Some of these firms guarantee wage levels, which is contrary to a pure performance-based system (Ornatowski 1998). There is some criticism of the performance-based system in Japan. Watanabe (2003) stresses that in some circumstances, performance-related management could have negative social impacts.

Takahashi (2004) indicated that consensual decision-making, which can be achieved quickly, is still a regular business practice of Japanese companies. He also noted that life-time employment and seniority systems are an integral part of human resource management of Japanese companies currently and are considered necessary for Japan's future success in the world market (Takahashi 2004).

International Japanese companies have usually applied their successful domestic business approaches in new investments rather than adapting to local conditions (Whitley et al. 2003). Most Japanese companies in Thailand, as elsewhere, have installed the same HRM systems as their parent companies in Japan (Imai 2003). Takeuchi, Wakabayashi, and Chen (2003) identified life-time employment as a retention-oriented management practice and quality circles activities were significant contributors to Japanese affiliates' financial performance in mainland China and Taiwan. Thai Toyota has modified the Japanese HRM system and uses it in their offices and factories. The system has been accepted by Thai employees (Imai 2003).

Japanese manufacturers in Thailand

Japanese multinational firms are the largest source of foreign direct investment in Thailand, typically comprising well over one-third of the total foreign direct investment (Thailand Board of Investment 2003). However, past research suggests that some conflict exists between Japanese and Thai employees of Japanese firms in Thailand (Okamoto 1995). Conflict can reduce the effectiveness of those firms, especially since it is viewed as very destructive in both the Thai and Japanese culture (Cox 1991; Goldman 1994; Okimoto 1990; Roongrensuke and Chansuthus 1998).

One possible source of conflict between Japanese management and Thai staff is the standard Japanese management practices. Traditionally, Japanese multinationals have tried to adhere as closely as possible to the Japanese system when operating foreign subsidiaries (Abo 1994; Imai 2003, Whitley et al. 2003). However, attempting to implement practices that are culturally inappropriate could create conflict. Such practices include the five 'classic' HRM practices of

life-time employment, seniority system, house unions, quality circles, and consensual decision-making (cf. Gill and Wong 1998).

Very little research has been done on the extent to which Japanese HRM practices have been successfully implemented in Thailand. Komai (1988) found that life-time employment and seniority-based wages were transplantable to Thailand. Japanese firms in Thailand implemented seniority-based pay and promotion but did not successfully transfer life-time employment or Japanese-style union-management relations (Torrington and Tan 1994, 17–18). No studies have been identified regarding the implementation of consensual decision-making or quality circles in Thailand.

A few studies have examined the Japanese HRM use in Singapore and Malaysia, with results that are different from Thailand. Gill and Wong (1998) found that house unions, consensual decision-making, and quality circles were transferable to Singapore, but not life-time employment and seniority systems. Thong and Jain (1998) found that Japanese consensual decision-making was not strictly followed in Japanese subsidiaries in Malaysia. It is not clear which Japanese HRM practices, however, can be fully transferable to operations in South East Asia.

Thai culture influences the potential transferability of these practices. For example, both academic and popular sources report that Thai culture is highly collectivist (Hofstede 1991; Holmes and Tangtongtavy 1995). This supports the expectation that Thais would support both consensual decision-making and quality circles, since both practices rely on group activity. In addition, one of the benefits of the consensual decision process is that it helps prevent confrontation. This is also compatible with Thai culture (Sethi, Namik, and Swanson 1984).

A factor that limits support for the Japanese system of conducting quality circles is the fact that they are traditionally performed outside of normal work hours. Okamoto (1995) observed that Thais typically do not expect to work long hours, and so object to having to stay after normal working hours to conduct quality circles.

Much of the research on the transferability of Japanese HRM practices has involved case studies of a limited number of companies. While this approach provides useful information, the results in one company may not be generalizable throughout a particular country (Swierczek and Onishi 2003). Only one study (Komai 1988) is based on research that sampled employees in a variety of companies. This paper presents an analysis of Japanese and Thai attitudes toward the five key Japanese HRM practices using a large sample from a wide range of companies and industries.

Methodology

The data used in this analysis were collected as part of a larger study of Japanese and Thai attitudes and opinions about the workplace. Survey

methodology was used to assess the attitudes of Japanese managers and their Thai subordinates in the Thai subsidiaries of Japanese firms. Thai subordinates are mainly Thai staff who have an opportunity to work with the Japanese managers. Data were analyzed to assess the Thais' acceptance of Japanese HRM practices and the differences between Japanese and Thai attitudes. 560 employees at 45 subsidiaries of Japanese companies responded to the survey. The results provide new insights on the potential transferability of these practices, which should complement and extend the findings from the limited research available.

Survey instrument

A questionnaire including 93 items was developed addressing the respondents' attitudes and perceptions of several aspects of their work environment. The questionnaire used a five-point Likert scale, with response options ranging from 1 (strongly disagree) to 5 (strongly agree).

The questionnaire items initially were composed in English, and translated into Thai and Japanese using the back-translation approach. Questions included a wide range of work-related issues and observations. The questionnaire was pilot-tested in focus groups to assess the understandability of the items and was revised based on the feedback given. The analysis reported in this paper concerns 12 of 93 questions assessing employee attitudes toward Japanese HRM practices (see table 1).

Table 1 Japanese HRM practice questionnaire

1. I think the workers do not work well in life-time employment. (-)* (Life-time employment)
2. I prefer to work for one company during my career. (Life-time employment)
3. I prefer to work for several companies during my career. (-) (Life-time employment)
4. I prefer to receive higher wages with longer years of service. (Seniority)
5. I prefer to evaluate on ability not by years of service. (-) (Seniority)
6. I prefer to be considered years of service in deciding lay-offs. (Seniority)
7. I don't practice Japanese consensual decision-making because there is not enough time. (-) (Consensual decision-making)
8. I don't practice Japanese consensual decision-making. (-) (Consensual decision-making)
9. I don't practice Japanese consensual decision-making because consensus should be reached in or after meeting (-).
10. I prefer to conduct quality circles during work time to after work hours. (Quality circles)
11. I think that quality circles are not appropriate in Thailand. (Quality circles)
12. I think that our company should have a union that co-operates with management. (House unionism)

Note: Reverse scales are used for questions marked (-) since these statements are against Japanese HRM practices.

In addition to the respondents' attitudes and observations of the work environment, the questionnaire included items to assess demographic and work-related characteristics of the respondents: age; gender; education level; marital status; current job title; length of time working for the current company; number of employees supervised; experience with cultural training; fluency in Japanese (for Thai only), Thai (for Japanese only), and English.

Sampling approach

This study used a relationship sampling approach. The questionnaire was distributed to Japanese management and Thai staff of 100 Japanese manufacturers mainly located in the vicinity of Bangkok. This sampling approach was chosen to maximize the response rate. The Bangkok area was chosen because it has one of the largest concentrations of Japanese-managed companies in Thailand. Of 1000 questionnaires distributed, a total of 560 responses were received (a 56% response rate), 258 from Japanese managers and 302 from Thai staff.

Characteristics

The Japanese and Thai participants differed on a variety of demographic characteristics, occupational profile, and cross-cultural preparation. The Japanese respondents tended to be older than the Thais: 63.4% of the Japanese were over the age of 40, compared to 26.7% of the Thais. The two groups also differed by gender: 98% of the Japanese were men versus 63% of the Thais. Most of the Japanese were married, while less than two-thirds of the Thais were married (64.4%). The Thais were much more likely to hold postgraduate degrees (21.6%) than were the Japanese (6.3%). Potential issues of differences in attitudes relate to age, education and gender were considered. The Japanese and the Thai respondents also differed in occupational status. The Japanese were more likely than the Thais to describe themselves as executives (22.7% versus 9.3%), sales/marketing professionals (9.2% versus 4.1%), or engineers (15.5% versus 4.4%). The Thais were more likely than the Japanese to categorize themselves as middle management (70% versus 45%) or administrative staff, which included secretarial, administrative, and accounting and finance (12.2% versus 7.6%). This difference in status may also be a source of support or resistance for the Japanese practices.

Compared to the Thais, the Japanese respondents had worked for their company for a longer period of time and supervised more employees. Almost two-thirds (65.5%) of the Japanese had worked for their company for more than 10 years, compared to fewer than one-third (28.6%) of the Thais. The Japanese respondents were more likely than the Thais (31.1% versus 20.6%) to supervise more than 30 employees. This difference may also influence perceptions of conflict in relation to Japanese HRM practices.

Finally, the Japanese and the Thais differed in cross-cultural preparation.

Thais were more than twice as likely as the Japanese to have attended a cultural training course (58.5% versus 24%). The Thais were much more likely to be able to communicate effectively in both Japanese (43.2%) and English (84.5%) than the Japanese were in Thai (9.1%) or English (37.1%). These differences would likely be a source of conflicting attitudes towards the Japanese HRM practices, and so they were controlled statistically in the data analyses (see below).

Analyses

This study addresses two basic research questions. The primary question was whether the attitudes of the Thai staff toward Japanese HRM practices indicate potential transferability of the practices. A second question was, irrespective of the general direction of the Thai staff attitudes, whether the Thai staff's and the Japanese managers' attitudes were sufficiently different to suggest potential conflict in attempts to implement the Japanese HRM practices.

To address the first research question, single-sample *t*-tests were performed on each questionnaire item to determine whether the mean response to that item indicated a favorable or unfavorable attitude toward the HRM practice it represented. Each *t*-test determined whether the mean response deviated significantly from 3.0, which indicates neutrality.

To address the second research question, differences between the Japanese managers and the Thai staff on responses to the 12 practices were analyzed using multivariate analysis of covariance (MANCOVA), which allows two or more groups to be simultaneously compared on multiple dependent variables, while controlling for the effect of one or more other variables or covariates (SPSS Inc. 1999); that is, it statistically removes the effect of the covariates from the relationship. In this case, nationality (Japanese or Thai) was the independent variable, the 12 questionnaire items were the dependent variables with the demographic, work profile, and cultural preparation variables the covariates. This analysis made it possible to determine whether the differences on demographic, work profile, and cultural preparation variables could account for differences between the Japanese and the Thai attitudes toward HRM practices.

Hypotheses

The hypotheses to be examined are based on previous findings. Komai's (1988) findings indicated that Japanese HRM practices, such as life-time employment and seniority systems, were transferable. Japanese firms in Thailand implemented seniority-based pay and promotion but did not successfully transfer some Japanese HRM practices like Japanese-style union-management relations (Torrington and Tan 1994).

Table 2 **Hypotheses for Thai perceptions to Japanese HRM practices**

H1	Thais are positive to the life-time employment.
H2	Thais are positive to the seniority system.
H3	Thais are positive to the use of consensual decision-making.
H4	Thais are positive to the quality circles.
H5	Thais are negative to the use of house unions.

There is, however, no empirical study of transferability of consensual decision-making and quality circles to Thailand. It is hypothesized that Thai collective culture (Hofstede 1991; Holmes and Tangtongtavy 1995) would support both consensual decision-making and quality circles, since both practices rely on group activity. In addition, one of the advantages of the consensual decision process is that it helps reduce confrontation. This is also compatible with Thai culture (Sethi, Namiki and Swanson 1984). The hypotheses are presented in table 2.

Regarding the differences between the Thai and the Japanese, the Japanese managers are expected to have more positive attitudes toward all of the Japanese HRM practices. Since most managers in these companies are Japanese, if they have a negative perception to these HRM practices, it would be very difficult to implement them in their operations in Thailand. To determine the managers' views, a focus group meeting of the Japanese managers who work for some of the participating companies was conducted.¹ The managers were requested to discuss the support for Japanese HRM practices in their companies in Thailand. All the participants concluded that there was a 15 to 20 years time lag between the management practices in Japan and those in Thailand. It would possible to install the Japanese HRM practices in Thailand although they would no longer be implemented in their parent companies in Japan.

Based on this discussion, it is hypothesized that the Japanese managers have greater agreement with Japanese HRM practices than the Thai staff (see table 3).

Results

The results are considered in two sections. First, the Thai staff attitudes toward the Japanese HRM practices are addressed. After this, results concerning the direct comparison of the Japanese managers and the Thai staff responses are considered.

1 The focus group was conducted in April of 2001 at the Human Resource Management Committee of Japanese Chamber of Commerce in Thailand. Fourteen committee members were managing directors of leading Japanese manufacturers in Thailand.

Table 3 Hypotheses for Japanese perceptions to Japanese HRM Practices

H6	The Japanese are significantly more positive to the life-time employment than Thais.
H7	The Japanese are significantly more positive to the seniority system than Thais.
H8	The Japanese are significantly more positive to the consensual decision-making than Thais.
H9	The Japanese are significantly more positive to the quality circles than Thais.
H10	The Japanese are significantly more positive to the house unions than Thais.

Agreement with Japanese HRM

The results of the single-sample *t*-tests assessing the Thai staff's level of agreement with the Japanese HRM practices are shown in the table 4. It was expected that the Thai staff would be in favor of life-time employment (H1), seniority system (H2), consensual decision-making (H3), and quality circles (H4), but against house unions (H5).

The results suggested support for life-time employment. The Thai staff demonstrate a more positive attitude toward working for one company than for working several companies. The Thai staff also disagreed that life-time employment results in lower work performance. Hypothesis 1 regarding life-time employment is confirmed.

The finding regarding seniority is negative and hypothesis 2 is not confirmed. Although the Thai staff recognize the importance of years of

Table 4 Results of single-sample *t*-tests for Thai attitudes toward Japanese HRM practices

Questionnaire item	Single-sample <i>t</i> -tests (Thai only ^a)		
	Mean	<i>t</i>	<i>p</i>
Life-time employment results in good workers. (-) ^b	3.40	-6.96	.000
Prefer to work for one company.	2.97	-0.55	.583
Prefer not to work for several companies. (-)	3.75	-14.40	.000
Long service should result in higher wages.	3.02	0.43	.670
Employees should be evaluated on seniority. (-)	1.94	20.76	.000
Years of service should be considered in deciding lay-offs.	3.35	6.12	.000
Consensual decision-making does not take too long. (-)	3.41	-8.63	.000
Practice consensual decision-making. (-)	3.19	-3.64	.000
General consensus should be reached before meetings. (-)	3.04	-0.74	.463
Conduct quality circles after work. (-)	2.56	7.96	.000
Quality circles are appropriate in Thailand. (-)	3.89	-18.57	.000
Should have co-operative union.	3.56	9.64	.000

^a *n* = 302 for all analyses.

^b Variables with (-) are already reversed questions.

Table 5 The results for hypotheses concerning Thai attitudes toward Japanese HRM practices

Japanese HRM practices	Hypotheses confirmed/ not confirmed	Transferable to Thailand or not
Life-time employment	Confirmed	Transferable
Seniority	Not confirmed	Not transferable
Consensual decision-making	Confirmed	Transferable
Quality circles	Confirmed	Transferable
House union	Not confirmed	Transferable

service for a criterion for lay-offs, they support merit-based rewards based on performance, which is the opposite of seniority.

The Thai staff have generally positive attitudes toward consensual decision-making. However, they do not show very strong support for it although there is no serious objection to consensus. Hypothesis 3 is confirmed.

The Thai staff disagreed that quality circles were inappropriate in Thailand, but they preferred that quality circles be performed during work hours rather than after work. Hypothesis 4 is partially confirmed.

The negative attitude of the Thai staff toward having a union that co-operates with management was not confirmed (hypothesis 5 was not confirmed). On the contrary, they agreed that the company union should be supportive to management. This analysis indicates that house unions are transferable.

The results of the hypothesis testing are shown in table 5.

Comparison of the Japanese and Thai attitudes

Table 6 revealed a significant overall pattern of differences across all 12 dependent variables (Hotelling's Trace = 0.391, $F [12,501] = 16.33, p = .000$). The MANCOVA showed that controlling for demographic, work profile, and cultural training variables had little impact on the differences between Japanese and Thais on attitudes toward the Japanese HRM practices. The comparisons of each dependent variable are set out in table 6.

Hypothesis 6 regarding life-time employment was not confirmed. The Japanese managers indicated higher preference for working for one company as well as working for several companies. But there is no statistical difference between the Thais staff and the Japanese managers concerning the disadvantages of life-time employment.

There is no statistical difference between the Japanese managers and the Thai staff for seniority (hypothesis 7 not confirmed).

The Thai staff support consensual decision-making more than the Japanese managers do. The Thai employees think this is useful and they think

Table 6 **MANCOVA comparing Japanese and Thai attitudes toward Japanese HRM practices**

Questionnaire item	MANCOVA (Japanese vs Thai means ^a)			
	Japanese	Thai	F	p
1. Life-time employment results in good workers. (-) ^b	3.46 (agree)	3.37	1.43	.190
2. Prefer to work for one company.	3.35 (agree)	3.06	5.85	.000
3. Prefer not to work for several companies. (-)	3.02	3.85 (agree)	13.29	.000
4. Long service should result in higher wages.	2.78	3.05 (agree)	2.00	.053
5. Employees should be evaluated on seniority. (-)	1.74	1.97 (agree)	1.61	.130
6. Years of service should be considered in deciding lay-offs.	3.21	3.34 (agree)	1.80	.086
7. Consensual decision-making does not take too long. (-)	3.03	3.42 (agree)	5.84	.000
8. Practice consensual decision-making. (-)	2.93	3.14 (agree)	3.61	.001
9. General consensus should be reached before meetings. (-)	2.96	3.05 (agree)	2.02	.051
10. Conduct quality circles after work. (-)	2.35	2.65 (agree)	2.21	.032
11. Quality circles are appropriate in Thailand. (-)	3.61	3.90 (agree)	5.00	.000
12. Should have co-operative union.	3.07	3.63 (agree)	5.46	.000

^a Means are adjusted for effects of covariates; $n = 243$ Japanese and 277 Thais for all comparisons.

^b Variables with (-) are already reversed questions.

that consensus should be reached before meetings, which is consistent with the Japanese practice. Hypothesis 8 was not confirmed.

The Thai staff attitudes toward quality circles were somewhat mixed: the Thai staff disagreed that they were inappropriate in Thailand (hypothesis 9 was not confirmed), but they preferred that they be performed during work hours rather than after work. The Thai staff more than the Japanese managers support quality circles with some adaptation.

The Japanese managers are less supportive of a co-operative union with management than the Thai staff (hypothesis 10 not confirmed).

None of hypotheses 6–10 were confirmed (see table 7).

Table 7 **The results of Thais and Japanese hypotheses in attitude toward HRM practices**

Japanese HRM practices	Hypotheses confirmed/ not confirmed	Who is more positive to the Japanese HRM practices
Life-time employment	Not confirmed	No statistical difference
Seniority	Not confirmed	No statistical difference
Consensual decision-making	Not confirmed	Thais are more positive
Quality circles	Not confirmed	Thais are more positive
House union	Not confirmed	Transferable

The results of both tests reveal that the Thai staff not only accept but also support consensual decision-making, quality circles and house unions more than the Japanese managers do. On the other hand, there is no statistical difference in attitude between the Japanese managers and the Thai staff regarding life-time employment and seniority. The Thai staff accept life-time employment fairly well.

Discussion

The purpose of this study was to determine whether Thai attitudes toward Japanese HRM practices indicated acceptance of those practices and their possible implementation in Thailand. In addition, the differences between the Japanese managers and Thai staff attitudes toward key Japanese HRM practices were assessed to determine the potential obstacles to implementing Japanese HRM.

The results showed that most of the Japanese HRM practices except seniority are accepted by the Thai staff. Moreover, the Thai employees have more positive attitudes toward consensual decision-making, quality circles and house unions than the Japanese managers in the Japanese manufacturers in Thailand.

Life-time employment

It was hypothesized that the Thai staff would have a favorable attitude toward life-time employment, but that the Japanese managers would be more in favor of it. The Thai employees demonstrated a positive attitude toward working for one company, but they objected to working for several companies. The Thai staff also disagreed that life-time employment resulted in less effective work. As expected, the Japanese managers reported a greater preference for working for one company throughout their career, but they unexpectedly showed support to working for several companies. This finding is similar to the result of Whitley et al. (2003) that Japanese managers who work for overseas subsidiaries have a more flexible attitude toward implementation of Japanese HRM practices than Japanese managers in Japan. The Japanese managers and the Thai staff, however, did not significantly differ on whether life-time employment was a disincentive to hard work.

The fact that the Thai staff prefer working for one company supports the idea that life-time employment is transferable to Thailand. Komai (1988) also found that life-time employment could be suitable to Thailand.

Yet, the idea of life-time employment is not nearly as popular with the Thai staff as it is with the Japanese managers. A life-time employment system depends on a tacit exchange of commitments between the worker and the company (Inohara 1990; Clark 1993). There is no formal way to enforce that commitment in Thailand. In Japan, it is enforced through social norms,

making it difficult to change jobs frequently (Inohara 1990). However, in Thailand, no such norm exists, and the only factor that prevents changing jobs is the continued high unemployment rate since 1997 (Bank of Thailand 2004). Therefore, in Thailand, life-time employment would depend on a one-way commitment, that of the employer to the employee.

Seniority

The results indicated that both the Japanese managers and The Thai staff did not support performance evaluation based on seniority but did not have any strong objection to higher wages for longer service or using tenure as a criterion for lay-offs. The difference between Japanese and Thais, however, was not significant for any of the variables related to seniority.

The lack of any strong support for seniority suggests that it may not be transferable to Thailand and that its implementation is likely to result in objections. Other research shows that local employees in South East Asia supported the seniority system. For example, Amante (1995) points out that Filipino-Chinese enterprises also use the seniority system. However, given the strong preference for merit-based evaluation found in this study (as indicated by the strong disagreement with seniority-based evaluation, question 5), it is recommended that companies operating in Thailand consider performance in determining promotions and pay increases and use seniority only as a supplemental consideration.

Consensual decision-making

The results indicated that the Thai staff on the average accepted Japanese consensual decision-making. They disagreed with the statements that indicate an overall objection to consensual decision-making and that it takes too much time. They were neutral regarding that consensus should be achieved during or after meetings, rather than before meetings, which is typical in the Japanese approach.

There was no significant difference in the response to Japanese consensual decision-making on the grounds that consensus should be achieved during or after meetings. The Thai staff actually showed less objection than the Japanese managers did to practicing consensual decision-making because it takes too much time.

The results suggest that the practice of consensual decision-making is potentially transferable to Thailand. This is not surprising, since one of the main advantages of Japanese-style consensual decision-making is the avoidance of conflict that may result from public disagreements, and Thais too would prefer to avoid conflict (Roongrensuke and Chansuthus 1998).

Interestingly, the responses indicate that many of the Japanese managers reported that they do not practice Japanese consensual decision-making. One

possible interpretation of these findings is that they do not reflect Japanese attitudes toward the consensual decision-making process itself, but that they reflect the possibility that the Japanese managers believe it is inappropriate to practice consensual decision-making in Thai-based firms.

Regardless of the interpretation, the failure by Japanese to practice consensual decision-making even though Thais are in favor of it could be a possible source of strain. Especially among Thais who understand that this is a common Japanese practice, it may be seen as an attempt to shut the Thais out of the decision-making process.

Quality circles

It was hypothesized that Thai staff would agree that quality circles are appropriate in Thailand because of a collective orientation (Hofstede 1991), and the overall Japanese managers would show more favorable attitudes than the Thai staff toward quality circles.

The Thai staff accepted that quality circles are appropriate in Thailand, but suggested that they should be conducted during normal working hours, rather than after hours. However, the Japanese did not agree as strongly about the appropriateness of quality circles in Thailand. Moreover, the Japanese managers reported slightly more agreement than the Thai employees did that it is better to conduct quality circles after work. One of the Japanese managers interviewed in the focus group explained:

Quality circle activities in Thailand are more like a part of the annual company party. The groups of employees are requested to present their quality improvement suggestions. They work hard because they do not want to lose face at the presentation. But after they receive a reward from the president of the company, it is rare that the improvements are implemented in the workplace. In Japan, quality circles are voluntary activities of employees after work. But if we ask Thai employees to do quality circles activities after work, not many employees will join.

The results demonstrated that both the Japanese managers and the Thai staff think that quality circles could be successful in Thailand, if performed during the work day rather than after hours. Thus, these findings suggest that quality circles are transferable to Thailand, but need to be adapted to Thai concerns.

Although the Japanese managers agreed that quality circles are appropriate in Thailand, the results indicate that the Japanese managers support the implementation of quality circles less than the Thais do. Some Japanese managers believe that there are other reasons that quality circles are not appropriate in Thailand. They believe that Thai employees cannot perform quality circles as competently as Japanese employees can. The Japanese managers

frequently expressed a concern about the capability of Thai workers to do detailed work. Such differences of opinion between Thai employees and the Japanese managers are a potential source of conflict, which it would be valuable to explore in future research.

House unions

The hypothesis that Thais would object to a company union co-operating with management was not supported. In fact, Thais agreed more strongly than the Japanese that the company union should co-operate with management. The results indicate that Japanese-style house unions could be transferable to Thailand. The same preference for avoiding conflict that underlies the Thai acceptance of Japanese consensual decision-making also provides positive support for Japanese-style co-operative unions.

Conclusions and recommendations

This study found the potential transferability of most Japanese HRM practices to Thailand, except seniority. The Thai staff accept life-time employment, consensual decision-making, house unions, and quality circles.

Consistent with Komai's (1988) findings, the present results also suggest that most Thais would prefer to work for one company during their career. However, because of the lack of social norms that enforce the commitment that maintains life-time employment, this practice in Thailand would depend on the one-way commitment of the employer to the employee. Nevertheless, given the potential benefits to Japanese companies, such as building employee commitment and developing a stable workforce, it is recommended that Japanese firms attempt to implement this practice in their Thai subsidiaries.

Regarding the seniority system, the strong preference for merit-based evaluation suggests that companies should use the seniority system only to supplement performance in determining promotions and pay increases.

The results indicate that consensual decision-making is somewhat transferable to Thailand. However, there is some evidence of greater resistance to this system in Thailand among the Japanese managers than among Thai staff. Focus meetings with Thai employees in Japanese manufacturers expressed their concern that they would be left out of important decisions. They believe that the Japanese management conducts consensual decision-making only with their immediate Japanese subordinates with whom they can communicate easily. The lack of English language proficiency makes it difficult for Japanese management to get consensus from the Thai staff. Thai employees feel this attitude increases the gap between the Japanese and the Thais. They also believe that whenever there is a need for consensual decision-making, it should be based on task-based considerations instead of ease of communication (Onishi 2003).

Japanese firms operating in Thailand should be aware of the possibility that some Japanese managers may not consider this practice to be workable in Thailand and that such an attitude impedes its effective implementation. Where this attitude exists, efforts should be made to make Japanese managers aware that consensual decision-making is acceptable in Thailand if it is done appropriately.

Quality circles are also transferable to Thailand, but they should be performed during normal working hours, rather than after work as practiced in Japan. However, the Japanese respondents were more likely than the Thais to believe that quality circles are not appropriate in Thailand. In addition, Japanese firms should make efforts to make their expatriate managers understand that quality circles can be effectively implemented in Thailand, albeit not in the classic Japanese approach.

Since this research focused on Japanese senior managers and Thai middle management, future research should attempt to extend the findings of this study. Future research should include lower level employees of Japanese firms in Thailand, as well as in other countries in South East Asia. This would provide a more complete picture of the potential impediments to implementing Japanese HRM outside of Japan.

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