

### **Executive Summary**

Expatriates are key to this process, so this study also observes the roles they have in building and enhancing the relationship.

The automobile industry was selected for this study as it is considered a key industry leading the Thai economy as well as one being driven by Japanese companies. This study focuses on the cross-cultural problems experienced when Japanese expatriates from an automobile company work with Thai suppliers. In-depth interviews and survey questionnaires were conducted with four key automobile companies – Toyota Motor Thailand Co. Ltd. (TMT), Hino Motors (Thailand) Ltd. (HMT), Honda Automobile (Thailand) Co., Ltd. (HATC) and Isuzu Motors Co., (Thailand) Ltd. (IMCT) – along with 70 suppliers.

The research results show that cross-cultural conflicts still exist in business relationships between Japanese automobile manufacturers and Thai suppliers. Based on reported frequency of occurrence by Thais and expatriates of Japanese automobile manufacturers in Thailand, conflict occurs, on average, with moderate frequency.

Thai suppliers are quite often involved with Japanese expatriates from automobile manufacturers. In this business relationship, various expatriate roles have been identified, which are: Coach, Problem solver, Supporter, Coordinator, and Controller.

Supporter and controller are the roles most frequently adopted by Japanese expatriates in their relationships with Thai suppliers. Almost the same roles occur with Japanese expatriates working at automotive manufacturers and supplier companies. Exceptionally, this study finds that expatriates from automobile manufacturers do not act in a role of “Teacher”. The teacher role is found only when the expatriate works within a supplier company.

Expatriates adopt different roles in different types of suppliers (1<sup>st</sup> tier/2<sup>nd</sup> tier/3<sup>rd</sup> tier) and different stages of business relationships. However same cross-cultural problems happen no matter which role the expatriate adopts. Cross-cultural conflict is most frequent in the early stages of the business relationship and especially during the inspection and quality checking stages.

Expatriates from automobile manufacturers tend to work more closely with 1<sup>st</sup> tier suppliers than with those from the 2<sup>nd</sup> and 3<sup>rd</sup> tiers. More involvement happens where the supplier is a subsidiary company or when technological support is needed from the automobile manufacturer.

Both Thai and Japanese are aware that conflict exists as a result of cultural differences, but when it does occur, both sides tend to blame individuals rather than national differences. One of the major sources of cross-cultural conflict is different perceptions of time and urgency, whereas issues surrounding quality tend not to cause problems.

Language differences can cause conflict, but both nationalities do not regard it as a major problem. However those who perceive that language differences are important tend to perceive that other cross-cultural differences create problems. Using English as a common language and using illustrations and pictures to communicate and instruct are both techniques adopted to aid common understanding. Thais tend to blame themselves as they are unable to speak Japanese rather than to blame the Japanese expatriate who cannot speak Thai. Inappropriate facial expressions and body language are perceived as causing more conflict than verbal language barriers.

Whatever role Japanese expatriates adopt, they need to be very cautious regarding the issue of losing face, as Thais regard this as a major cross-cultural problem. The balance between the levels of importance in work team relationships is also vital. Most importantly, building trust between Japanese and Thais is believed to help minimize cultural conflicts.

#### Publication of the Results of Research Project:

Verbal Presentation (Date, Venue, Name of Conference, Title of Presentation, Presenter, etc.)

##### **Conference Presentation**

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Presenter: Phallapa Petison

Thesis (Name of Journal and its Date, Title and Author of Thesis, etc.)

盤谷日本人商工会議所所報 (2009.11から2010.3の5回) 「タイ人と日本人—異文化と共生」  
パンラパー・ピティサン

Book (Publisher and Date of the Book, Title and Author of the Book, etc.)

##### **Article**

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Book: Quality Magazine

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Author: Phallapa Petison

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