

James Schubert: An American in Japan - A Case Study in Cross-Cultural Management

Neetu Ganapathy

Abstract

Today, the world has become a global village. Almost every organization wishes to set foot on foreign soil, if they have not already done so. Workplaces have become culturally diverse. When people from different cultural backgrounds come together, there are bound to be misunderstandings. These can lead to a failure in communication. In order to succeed, it is essential for individuals and organizations to improve their cultural quotient and understand the ways of people from other cultures.

This case presents the dilemmas an American, appointed as the Director at a company's newly acquired Osaka office, faces. The case illustrates some of the differences that exist in the two cultures. It is aimed at helping the reader to understand the importance of cultural adaptation and the results of ignoring the cultural differences that exist between people from different cultures.

Keywords: Cross-Cultural Communication, Managerial Communication, Intercultural Relations

Introduction

James Schubert, the Director of Grant Thornton's Osaka office, was very worried. It had just been three months since he had assumed office. He already wished that he could return to the home office in Chicago. Three months ago, he had been excited about the prospect of living in Osaka and leading the efforts of the newly acquired office. When he recalled the events of the last few months, his heart was filled with despair.

Background

Four months ago, Ray Thornton, a partner at Grant Thornton's Chicago office, had informed James



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The case writer(s) Neetu Ganapathy, Associate Professor - Systems, SDMIMD, Mysore may be reached at neetug@sdmimd.ac.in Author(s) have prepared this case as the basis for class discussion rather than to illustrate either effective or ineffective handling of the situation. The case is related to a sector and a specific company. The case is based on the information available in the public domain. This publication may not be digitized, photocopied, or otherwise reproduced, posted, or transmitted, without the permission of SDMRCMS, SDMIMD, Mysore. For Teaching Notes please contact sdmrcms@sdmimd.ac.in.

Schubert about his new assignment. He was being promoted as a Director of the firm's new office in Osaka, Japan. Grant Thornton was a large multinational consulting firm with offices in over 20 countries worldwide.

James had been working with Grant Thornton for the last 8 years. He was very happy to hear about his promotion and more importantly about his overseas assignment. He had never been to Japan before and was very happy that he would have a chance to travel, meet people from a different cultural background and work with them. He would be spending the next three years in Japan, leading the team of 30 employees, most of who were Japanese.

Ray had briefed James about the need to build a strategic partnership with Japanese firms. His task was also to acquire new clients. He considered it to be a very simple task given his experience and persuasive skills. He looked forward to his new assignment with great excitement. He had assured Ray of his best efforts and was certain of great success at the Osaka office.

Preparation

With only three weeks to go, James decides to get ready to move to Osaka. He initiates the proceedings to rent his home in Chicago and gets a few of his personal effects shipped to Osaka. He then winds up his work at office and hands over charge to his colleague, Issac George. Between all these tasks, James tries to learn about Japan and its people.

James thinks about how he would lead the team at Osaka. The team was largely made up of Japanese executives and had 3 Americans. James had studied participative leadership styles and was certain that he should apply them at the new office. He planned to introduce management by objectives as was being done at the home office. He decides to announce incentive schemes to encourage individual excellence. With all this thought through, he is all excited to take on his new responsibility.

Meeting with the Grant Thornton Osaka Team

James arrives in Osaka and is received by an American expatriate and a junior Japanese associate. The next few days are spent settling down into his new residence and getting over the jet lag. His first task would be to meet all the employees and share his plans with them. He asks the senior most American on his team, Jim Steiner, to set up a meeting at 10:00 AM the next day.

The next day, he arrives at work at 9:00 AM, ready for a full day's work. He is greeted by Jim on his arrival and showed around the office. He notices that all the Japanese employees are already at work. He reaches his office and checks on his schedule for the day. Jim informs him about the

meeting at 10:00 AM.

When James enters the meeting room, all the Japanese employees are already seated. The Americans are yet to arrive. He greets everyone and introduces himself. He then shares his plans and future directions for the Osaka office. He announces the incentive schemes, talks about participative leadership and his plan to introduce management by objectives. He had thought that his new plans would be met with great enthusiasm. But, it was not so.

At the end of the meeting, the American employees asked a few questions. None of the Japanese asked or said anything. When James specifically asked one of the Japanese consultants what they thought about his plans, all he hears is a sucking of breath and a tilt of the head. He is not sure what that means. Not knowing how to react, he ends the meeting by thanking everyone and saying that he looked forward to working together to take the Osaka office to great heights.

Settling Down

James spends the next few days understanding the work done so far and discussing the new projects that they plan to undertake. One of the tasks at hand is a new client acquisition. There is a meeting next week with a prospective client. He discusses the meeting with Jim and checks on the preparation. By the end of the week, they are all set for the meeting with a Japanese multinational company.

James plans to spend the weekend travelling around Osaka and getting to know it better. He asks Jim to show him around. He also decides to buy a few of his favourite items like peanut butter and maple syrup from the grocery store. He wants to make Clam Chowder and looks for the ingredients at the store. He is disappointed to find that not all ingredients are available. Most of the items he looks for are not in the stores. He wonders how he would manage given that he needed to spend the next three years in Osaka.

Jim drives James around the city and tells him about the history of Osaka. James admires the buildings, old and new, and the impressive skyline. They visit the Osaka castle which is beautiful. Jim informs him that Osaka is known as the "Venice of the East" as it has over 1000 bridges over the network of canals and waterways. They also visit the museum and James finds the experience to be fascinating.

Meeting With a Prospective Client

On Monday, James, Jim and a Japanese research associate, Naruto Watanaka meet the team from the Japanese firm. The Japanese team has 5 members; two Vice Presidents, the Director

and two junior members. Everyone is dressed in a black suit excepting James, who is dressed in a T-shirt and jeans. James extends his hand for a handshake while the Japanese bow.

The members of the Japanese team present James with their cards. James accepts them and puts them in his pocket without even seeing them. He realizes in that moment that he has not carried his business card. Everyone settles down and the meeting commences.

James starts off by thanking the team for coming to meet them. He then says that he knows that they are all busy individuals and that he did not wish to waste their time. He says, "Let's start right away. Jim, will you present our proposal to the team?" Jim presents the proposal. After the presentation, James mentions the cost of the project and says it was a ballpark estimate. The Japanese look at each other. Naruto, sensing that the Japanese did not understand, translates what James has just said.

At the end of the meeting, James asked the Japanese what they thought about the proposal. The Japanese did not respond immediately. James assumed that they had not understood the proposal very clearly and starts off with the highlights of the proposal. At the end of it, there is silence. James does not know what to do. Naruto speaks in Japanese and at the end of the conversation informs James that they would think about the proposal and meet again.

A month later, James and his team meets the Japanese firm once more. James finds that there are new members on the team who were not there for the first meeting. The meeting mainly has the Japanese team ask questions on the same points that were explained earlier. James starts to become impatient as he cannot seem to understand why they were asking the same points that had been discussed before.

At the end of the meeting James says, 'I hope you are happy with the proposal. Shall we sign the deal?' The senior most member of the Japanese team stands up and says, "We need to think.". James is unable to understand what they need to think about. He sees no reason for the delay. He says, "If you do not agree to the terms, we can negotiate right away." He receives silence as a response.

Further Action

It is two months since the first meeting with the Japanese firm. There has been no progress and the deal has not been inked. James is unable to understand the reason for the same. He summons Jim to his office and discusses the matter with him. Together they conclude that they need to understand the client better. They decide to ask Naruto to help them.

When Naruto enters James' office, he is greeted heartily by James. James then explains the situation to him and impresses upon him the importance of the task at hand. He asks him to find out about the client in greater detail and prepare a report on what is to be included in the proposal to better meet their needs. He instructs Naruto to have it ready in a week's time. His instruction is met with silence. He hears Naruto suck in his breath and finally he says, "I don't know what to say." James tells him to get to work right away and sends him on his way.

Naruto leaves James' office in a confused state. He knows that he will never be able to complete the report in a week's time. But he could not say this to James. He had hoped that James would understand that the time given was unrealistic. But, he did not. On his part, James wonders why Naruto had not given a clear response. He assumes that should Naruto have had a problem, he would have told him. He gets back to work, assuring himself that the report would be completed in time.

At the end of the week, James checks with Jim for the report. When Jim speaks to Naruto, he is astonished to find that the report is not ready. He conveys this to James. James is furious. He walks to Naruto's work desk. Naruto is discussing a matter with another colleague. He interrupts their discussion and asks him why the report was not ready. Naruto is silent. He tells him to have the report ready in the next two days and leaves.

The next day when James arrives in office, he finds Naruto's resignation letter. Naruto has resigned stating personal reasons. James tries to reach Naruto on his phone. There is no response. James does not understand why Naruto chose to resign. All he had said was to have the report ready in two days' time. What was wrong with that? Over the next few days, he is unable to reach Naruto, however hard he tries.

During the week, James notices that the morale of all the Japanese staff is very low. He is unable to comprehend the reason for the same. He is frustrated that he is unable to understand them. In the meanwhile, the Japanese firm seeks another meeting with James and team.

This time James notices that yet again there are new members who were not there in the earlier meetings. He finds this to be ridiculous. He would have to repeat everything all over again. With great patience, he answers all the questions raised by the team. At the end of the meeting, he says, "We have wasted enough time. Let's sign the deal." The senior most member of the Japanese team says, "We need time." James is impatient. He stands up, throws his hands in the air and says "Oh, come on!" The Japanese team rises and leaves.

Two days later, James receives a mail from the Japanese company regretting their inability to enter into a partnership with Grant Thornton. This is a major failure for James. He cannot seem to understand what to do now. Should he return home or meet the Japanese company again to see what went wrong? What should he do differently to win the confidence of his team? He is uncertain of his next step.

Notes:

Hofstede's Cultural Dimensions

Geert Hofstede defined 6 cultural dimensions (Hofstede, 2001). They are:

1. Power Distance

Power Distance is defined as the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally (Hofstede, 2001). In certain countries, the power distance is high while in others it is low.

As per research findings, America scores 40 on this dimension, while Japan scores 54. In American society, there is a lot of emphasis on equal rights for all. It is easy to approach superiors and decisions are arrived at very quickly. Managers would typically consult employees and seek their opinions on matters of importance. Communication is generally informal, participative and direct.

Japan is a borderline hierarchical society. Here decisions are arrived at very slowly after much deliberation and all decisions must be confirmed by higher ups. Directions are given by the boss and are to be followed by the subordinates. (Hofstede, n.d)

2. Individualism

Individualism is the degree of interdependence a society maintains among its members (Hofstede, 2001). In certain societies, the individual is more important than the group and such societies are known as individualist societies. Here, the individual's achievements and success are given greater importance than the group. In other societies, the group is given importance and such a society is termed to be collectivist. Here, individuals are expected to act for the greater good of the group and not for themselves (Hofstede, 2001).

On this dimension, America has a high score of 91. In American society, individual achievements and success are given greater importance than the group. This is evidenced in the way the individual is considered as important in society. Employees are expected to take initiative and be self-reliant.

Japan has a score of 46. The group is considered as more important than the individual. Decision making always is a slow process as group consensus is important. People like to belong to a group and their actions are influenced by their family, friends and colleagues. People are very loyal to the company in which they work and most of the time, people work for their entire lifetime in one company (Hofstede, n.d).

3. Masculinity

Masculinity implies a society that lays great emphasis on achievement, success and competition. A feminine society emphasizes caring for others and having a good quality of life (Hofstede, 2001).

America scores 62 on this dimension while Japan scores a 95. America is considered to be a Masculine society. Talking about their achievements comes easy to Americans and a display of success and power are considered to be very important.

Japan is considered to be one of the most masculine societies in the world. Here material possessions are a measure of the success achieved (Hofstede, n.d).

4. Uncertainty Avoidance

The dimension of Uncertainty Avoidance relates to the way that a society deals with the fact that the future can never be known: should we try to control the future or just let it happen (Hofstede, 2001)? Each culture has a different way of dealing with this. Some cultures prefer to take things as they come and believe in destiny while others try to eliminate any uncertainty that exists (Hofstede, 2001).

America has a below average score of 46 on this dimension while Japan has a score of 92. Americans are very accepting of new ideas and are always willing to try something new. They are open to others ideas and are more tolerant.

Japan is one of the most uncertainty avoiding countries on earth because Japan is always under the threat of natural disasters. A lot of effort is put on feasibility studies and risk factors are worked out for each project to reduce uncertainty (Hofstede, n.d).

5. Long Term Orientation

This dimension describes how a society maintains its links with the past while preparing for the future (Hofstede, 2001). Certain societies who have a low score on this dimension prefer to stick to their traditions and do not welcome change. Other societies who have a high score on this dimension accept change easily and give education a lot of importance and consider it as a

necessity to prepare for the future (Hofstede, 2001).

On this dimension, America scores a 26 and Japan scores an 88. American businesses measure their performance on a short-term basis while Japanese businesses measure their performance on a long-term basis. Americans strive for quick results while the Japanese believe that you have only one life and that you need to do your best, which requires time. The Japanese believe that companies are not here to make money but to serve stakeholders and society for many generations to come. (Hofstede, n.d)

6. Indulgence

This dimension is defined as the extent to which people indulge their desires. If they give in to their desires with ease, it is called indulgence. If they control their desires, it is called restraint. "Restraint". Cultures can, therefore, be described as Indulgent or Restrained (Hofstede, 2001).

America has a score of 68 on this dimension while Japan scores a 42. The Americans are known to "Work hard, play hard." They are very indulgent while the Japanese are restrained. In Japan, there is not much emphasis on leisure as they feel that indulgence is wrong and that it is important to control their desires.

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