

# Chiba case study

Business



Chiba International, Inc. Question 1. Philosophy: Chiba's philosophy reflects aspect of Japanese National Culture. With an Individualism score of 46, Japan shows a leniency towards Collectivism, that is, they believe in putting harmony over the expression of individual opinions. However, unlike many of their neighbouring Asian countries, they are not only loyal to family, or those people who have been in their inner group since birth, but also to situational groups.

This means that unity is an important factor in groups outside of family, and friends.

Chiba emphasizes on a family-oriented environment, and are united for a common goal. They put pressure on personal relationships because they believe they are essential for the success of the company. For example, when there is a problem within the group they organise "kompass". This is an off-premises meeting where the employees meet up to resolve problems, and work harmoniously.

In contrast, the company's attitude towards career advancement, large amounts of effort expected from employees, and high company goals express Japan's high Masculinity score of 95 indicates that they are driven by competition, achievement and success.

Meetings: Chiba holds numerous meetings which gives every single employee (from salaried to top management) the opportunity to speak and express any thoughts or concerns they like. They also focus on building a close relationship between employees and commitment to the company by hosting company-sponsored activities such as parties and sports. During the

meetings they also discuss the company goals which are linked with the annual company bonuses distributed equally amongst the employees. This shows that they lean towards unity and success for all, rather than individual profits.

Japan's power distance score of 54 shows that there is a relative amount of centralized power.

The frequency and procedures of the meetings show the power distance, however giving the employees the opportunity to speak freely shows that Chiba is a more democratic organization, rather than autocratic or laissez-faire. Sales: Chiba's outlook on sales is very different from the American way. Their motto indicates that « Sales » represents Sincerity, Ability, Love, Energy and Service. Sincerity in selling a product, the Ability to do so. Energy to work at 100%, and finally Service to the customer.

Managers also expect honesty from the sales team, even about any mistakes they could have made.

Employees are dependant on upper management, and management is dependent on them for feedback on customer preferences. Power distance is evident, however not as prominent. Management Style: Chiba International's management style differs from American management in several ways. First, given that they are more individualistic, they enter the company wondering whom they will directly report to, as well as scouting out those who have « power » and gain their approval.

However, Chiba's collectivist perspective believes the employee will « report to the company » as a whole, rather than one individual. They look for <https://assignbuster.com/chiba-case-study/>

devotion, dedication and an aggressive attitude in managers, without paying much attention to their credentials.

They are interested in their way of thinking more so than their skill. The company believes that « the joy of working for the company can be identical to personal happiness with the family», which is different than the American mind-set.

The Japanese manager will think of the future of the company first, rather than his/her personal happiness, « Live to work», achievements and reaching goals are all characteristics of a masculine society. Financial Principles: Chiba's financial principles show a great deal of uncertainty avoidance, which reflects Japan's score of 92. Their frequent meetings, and updates on company progress, along with their founder's conservative management style which asks the question: « If we close down tomorrow, what would our liquid assets be? » (pg.

26).

They strive for putting their inventory at zero. They follow the « noodle peddle theory» Which in short is a strategy in which the company must maximize output with minimum expenditure, review daily basis of sales, return, net shipment costs and expenses. According to Chiba's principles, the successful peddler doesn't have time to examine opportunities in the text town, which is why they do not have a marketing department. Japan has one of the highest uncertainty avoidance scores on earth, and it is attributed to the constant threats of natural disasters in Japan.

This fear is implemented in the society, which is taught to prepare themselves for any uncertain situation in any aspect of society.

**Communication Policy:** Chiba has open communication with all of its employees. This is done through meetings, suggestion boxes, and personnel getting in touch with employees face to face. Here is where « kompa » is introduced. For example, when some departments that have to work together do not get along, they gather outside of the office to deal with the issues.

**Appraisal and Reward Systems:** The company does not offer lifetime employment, yet it does have an explicit no lay-off commitment.

They take responsibility for the employee and expect the employee to do the same for the company. They have a more collectivist sense in the fact that they prefer to hire from with-in, instead of from outside. That does not mean however they choose favourites or family members. In more detail, they train their own employees and promote them when they have acquired sufficient skills.

The rewards system focuses on two-way communication between the employees and managers in order to provide feedback.

Employees are rewarded as equally as the efforts they put in, and recognition is given to those who had outstanding results. Quality & Service

**Orientation:** Quality and customer service are a part of Chiba's philosophy.

Using founder Mr. Amano's zero defect theory, the company has 100% visual inspection of all small parts, inspect finished packages under the

microscope, and the staff required for the inspection is 1/6th of the production staff.

The company wants to avoid any uncertainty of mass produced items that are defects, not only for their company image and gain, but also for providing good customer service and products.

Question #2: One of Chiba's manager's major concerns is the Individualistic nature of the Americans who join the company. The United States, with a score of 95 (according Geerd Hofstede's 5-dimension model theory) shows that Americans are more concerned towards themselves and their immediate family. They work for the company, however their individual incentives prevail over group incentives, and their commitment rate is low.

Those characteristics contrast with the Japanese collectivist nature of working in a group for the company as a whole. The individualistic nature of Americans also leads to power conflicts amongst themselves, and overlap in sovereign areas.

This happens when additional responsibilities are bestowed upon them, they see it as an extension of their individual legitimacy ( they have a thirst for personal achievements and accomplishments) Japan's high degree of masculinity conflicts with that of Americans in the sense that Americans pay equal emphasis to personal life as well as professional.

They have a more « Work in order to live» mentality, whereas the Japanese « Live in order to work» and find fulfillment and personal happiness in their professional career. They are very devoted to the company and have a strong pressure to succeed. The Japanese often say « The joy of working for  
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the company can be identical to personal happiness with family». This excessive focus on dedication and devotion to work can create work stress for Americans who put personal and family happiness first.

This leads to a communication gap between the Japanese and the Americans, which is evident every time Japanese employees stay after hours to have meetings and discussions in Japanese, after the Americans have retired for the day.

We may also add that this created apprehension in the American's mid-set, however management tried to rectify the issue by clarifying that all decisions should be taken in the presence of all concerned employees. Another issue Chiba International encountered was getting the Americans to understand the values of the company.

However, they implement their philosophy very slowly, and with time they begin to understand and participate in philosophy-related activities in order to fully grasp it. In summary, there are 5 main problems: 1. Communication the company philosophy -Solution: Slow/Gradual progress 2. High number of meetings - Solution: Make meetings more interesting, less formal, exercises 3.

Sales attitude - Solution: Open communication, less competition 4. U. S. Management / Communication Solution: Ongoing education to break language barrier, incorporating Americans in decision-making, and fair treatment of employees 5.

Lack of available, technically trained people Solution: Develop expertise internally, job training, demonstration by personal operator. Question 3: Can  
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a model such as Chiba's be applied in France ? What adjustments could be done ? In order to answer the question : " Can such a model be applied in France or Mexico ? ", we're going to compare different characteristics of Japan (which are mostly found in Chiba's philosophy) with the main characteristics of France and Mexico, according to Geert Hofstede 5-Dimensions model.

The two countries have relatively close Power Distance scores (Japan: 54/France: 68), which classifies them in the middle-high power distance range. This is translated in the work place by a dependance of subordinates to superiors, to some extent a large emotional distance and a centralization of power. The two countries also have very close scores of Uncertainty Avoidance (Japan: 92/France: 86), which are high . Thus, they both need a lot of rules even if these are not respected, and both countries have the tendency to resist to innovation.

According to these two aspects, Chiba's model could be applied in France, however the others aspects of national cultures are not corresponding.

We can consider that the association of Masculinity and Collectivism, that scores high in Japan, represents the main line of thinking in Chiba's International, indeed, this is traduced by a full dedication to the company. In Chiba's philosophy, any employee should love the company and consider it equally as important as family or personal happiness: " Live in order to work" and not " work in order to live" which is the case in Feminine countries such as France.



Individualism that scores high in France promotes self-achievement whereas the association of Masculinity and Collectivism in Japan and Chiba promote company achievements. In order to apply Chiba's model in France, the philosophy should be focused on short-term and individual goals rather than collective goals. Participation in events, meetings and other activities encouraged in employees should be lowered as well, however, it would destroy the basis of Chiba's philosophy.

Can a model such as Chiba's be applied in Mexico ? What adjustments could be done ? Chiba's model would fit better with a country such as Mexico, indeed the line of thinking we discussed earlier that is based on Masculinity and Collectivism correspond to Mexico scores for these dimensions (Masculinity: Japan: 95/Mexico: 69; Individualism: Japan: 46/Mexico: 30) We can assume that Mexican workforce is likely to commit to its company and to make its interest more important than personal life.

Uncertainty Avoidance scores are also very similar (Japan: 92/Mexico: 82) and this shows that both countries will set rules and procedures in the workplace. However, Power Distance score in Mexico is relatively higher than Japan's (Japan: 54/Mexico: 81). That would be traduced by a higher emotional distance between managers and subordinates. The freedom of speech in the daily meetings, as well as the freedom of subordinates to speak openly about concerns and ideas would be less acceptable in Mexico.

However, some training and a period of adjustment in this of company could fix these power distance issues.

We can assume that the differences in Power Distance would not be a major problem as the scores are both above 50, which categorise companies of these countries as “ Pyramid of People” according to Stevens typology. We can conclude by saying that Chiba’s model could be applied to Mexico with only few adjustments being made. Given that Chiba’s philosophies are very slowly incorporated, with time a company in Mexico could eventually learn and accept the Japanese ways of management.