EFFECTIVE MANAGEMENT APPROACHES IN INTERNATIONAL ORGANIZATION: INFLUENTIAL FACTORS OF THAI EMPLOYEES'S EXPECTATION TOWARDS PRACTICAL MANAGEMENT INSTRUCTIONS OF AMERICAN AND ITALIAN MANAGERS IN THAILAND

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ABSTRACT

        The aim of this research is to find out the most effective ways for foreign managers to win local employees trust. The research will be mainly about feelings and attitude of Thai employees towards their foreign managers. The information and finding of this research from American and Italian managers would demonstrate effective ways to win local employees trust in the workplace. For data gathering process, they are conducted with qualitative approach by focusing on an in-depth interview from individual respondents. The sample groups are from eight respondents of a successful company and eight respondents from a company with failure in management strategies.

        This study indicated that 'Tangible incentive' is the most applicable management approaches for Thai employees. Building relationships results as the second best tactic to efficiently manage Thai workforces and keep them under control.

KEY WORDS: Organizational management/ Thai organizational culture/ Rewarding
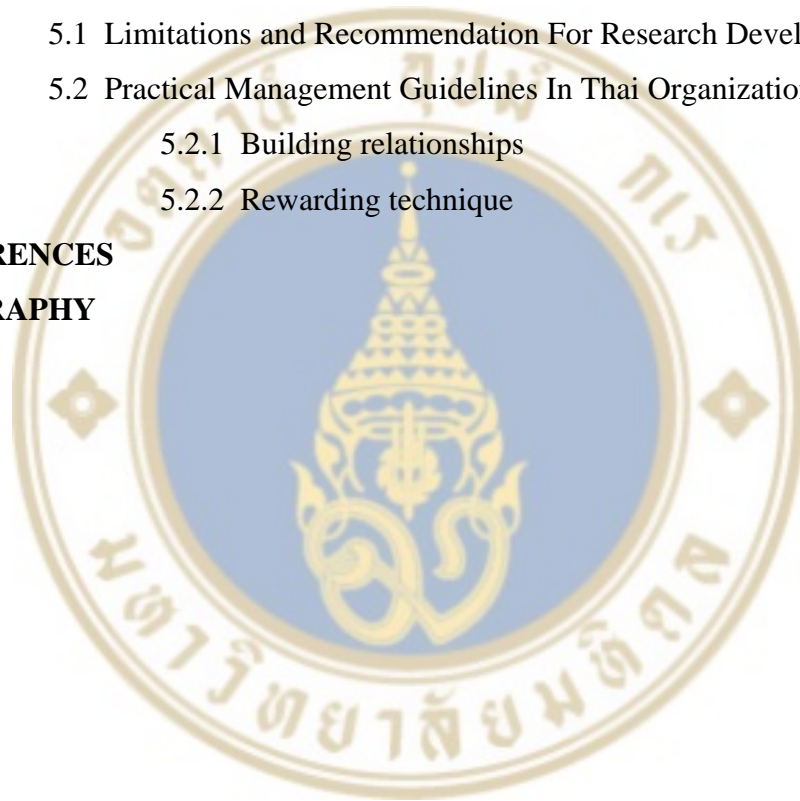   Thais

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CHAPTER I
INTRODUCTION

International business practices vary in a global economy. Culture is one of critical factors in international business. Even though main economic senses comes from many business transactions, profitable relationships appears to depend on being able to resolve international differences arisen from separate cultures. The fundamental step is to understand cultural differences with the learning of managers to develop international cultural competences. The roles of cultural agents are achievable through the knowledge and skills obtained from cross-cultural training. Advancing cultural intelligence and international cultural competence is a key to the future success of managers and leaders working in a global context.

In the context of international business, culture involves various levels in different dimensions including broad and narrow level. For broad level, it includes multinational cultural differences from aspect of regional, religious, ethnic, and linguistic dimensions. On a national level, it means the situation when governments build up sovereign territories to distinguish different nations with legal and political regulatory systems. Subcultures in professional and organizational groups should also so be considered as factors influencing cultural differences.

High levels of cultural intelligence and competence are fundamental characteristic of global managers. They need these skills to navigate different cultures and different cultural perspectives' legitimacy for both internal and external parties. These abilities help their organizations to span international boundaries and be able to obtain successful relationships with international vendors, strategic alliance partners, and global customers.

1.1 Problem Statement

Cohesive international management approaches are the key success factor for international organizations. Without them, acquired companies, merged companies, and global companies appears would have less capable human resource management with insufficient competence of their internal workforces. Cultural misunderstanding and weak cross-cultural cooperation could result in the downfall in the organization.

Globalization opened a new way to do businesses across countries around the world. It allows huge amount of international firms to enter through invisible territories. Cross-cultural management would enable global managers to fully understand their subordinates and effectively manage organizational resources.

Once the company hired employees, the tasks do not end there. Further steps of motivation are vital. Team player ability is a great asset for international managers. They have to be able to effectively manage their human resources to obtain best outcomes for the company. They have to gain trust from subordinates and make them feel as a real part of the team. Next, proper management approaches should be enforced in order to efficiently allocate limited human resources to the right job with the highest productivity rates.

Gaining trust from local employees is not an easy task. Relationships of subordinates and supervisors are an important approach to obtain business competitive advantage. Internal cooperation could not be fully operated without clear understanding between different multicultural aspects of employers and employees. This is the reason why international managers should understand, monitor, and gain full trust from their subordinates. It is not only controlling subordinates, workplace with complete collateral relationships are essential for organizational success.

1.2 Research Objectives

1. To discuss effective ways of management approaches in international organizations

2. To conceptually form influential factors of Thai employees' expectation

3. To indicate practical management instructions for international managers in Thailand

1.3 Significance of Study and Expected Benefits

Main outcomes from the study will be directly related to HRM fields. The author focuses on providing technical acquaintance or thorough expertness in the practice of multicultural insights in organizational management. This could be one of the most important approaches to peacefully operate international organizations. Higher level of productivity and superior relationships of managers and subordinates will be achieved with this cross cultural significance.

With the intercultural competence of global managers, international business organizations would obtain lower turnover rates and pleasant working atmosphere which would lead to a sustainable competitive advantage for the companies. Furthermore, professional teamwork is more likely to appear with improves relationship among workforces themselves.

1.4 Scope of Study

This paper is aimed to discuss about expectation and requirement of effective management approaches in Thai organizations. Reliable management theories are applied in the study including Hofstede's cultural dimension, Leadership theories, Bases of power, and Power tactics.

The comparison of two international companies in Thailand, American-Thai and Italian-Thai, are analyzed to illustrate points of success and failure within these two companies, how they approach local Thai employees, how they manage them in the workplace, and results of their organizational management. The findings demonstrate what most efficient ways of Thai local employee management appear to be and develop realistic instructions for global managers to favorably manage their human resources.

CHAPTER II
LITERATURE REVIEW

2.1 The importance of Cross Cultural Knowledge in Thailand

With the objectives of advancing the learning process through different learning stages, cross cultural intelligence is an essential skill of international managers. These competences can be earned by both personal experiences and constructive training. Knowledge, mindfulness, and behavioral skills are integrated through these abilities with more complex skill of cognitive, affective, and behavioral learning.

An increase in one of this knowledge can lead to a big improvement across cultural differences and positive support with a range of adjustment issues for expatriates who regularly experience culture shock in acculturation processes. In other words, the most significant foundation of intercultural competence and cultural intelligence is cross cultural learning integration with the purpose of efficiently engaging in international business situations. The effective cross-cultural differences reconciliation possibly produces more creativity, innovation, and synergy with more productive workplace performances (Wong-MingJi, 2007). These mutual understanding would allow multinational companies to penetrate cross-cultural barriers and be able to enter every market they want without cultural difficulties. In addition, operational conflicts can be internally solved with these competences.

In the perspective of Thailand, the country is not exposed to foreign business culture. With the fact that Thailand had never been colonized and is not familiar with English, it can be seen that the level of cross cultural in Thai organizations is almost zero as they do not even speak English with their foreign bosses. According to Prapphal K., Chulalongkorn University Language Institute, stated that Thailand is considered one of ASEAN countries with the lowest rate of English literacy in adults and tertiary students. This makes Thailand have great language obstacle in educational development (2001). Even English is considered as an international language of tourism and commerce

with English teachers all over the country, Thai students still cannot speak English. Moreover, Thai people do not see necessity of English as their daily life does not need any English skills. With that attitude, Thai people would continue to put very small amount of efforts in English as they do not realize the importance of it. As a result of the language barrier, Majority of Thai employees has very low level of English and are not likely to gain cross cultural knowledge from their foreign co-workers.

2.2 Cross-Culture Management (CCM) as a Competitive Advantage

With the fact that majority of Thai people do not speak English, it is vital for foreign managers to communicate with them through cross-cultural knowledge. Cross-Culture Management would allow foreign managers to completely understand their subordinates from both the aspects of intrinsic and extrinsic values. With the cohesive cooperation, the potential results would be a significant increase in productivity and unity within the organization. Reliance and loyalty between managers and employees are powerfully raised through cultural awareness and will eventually deliver competitive and profit to the company.

CCM are mainly defined as organizational behavior. The approach clarifies how employees from different culture and background learn how to work together within multi-national companies. The brief definition of CCM is not just a simple management approach in cultural differences but includes managerial activity about global networking, internal knowledge management, and active learning from an international firm.

According to Jaamaa, J. Stamford University - Thailand, the most noticeable causes for failures of cross culture business are from the incapability of expatriates or foreign managers especially in the situation when they are not able to handle internal communication, behavior of their subordinates, and differences in culture. This incompetency probably leads to misunderstandings, conflicts, and problems in collaborations. Efficient CCM would provide beneficial outcomes to the company containing the competitive advantages in creativity, marketing, better reputation, and advanced problem solving ability in daily basis. Consequently, it is essential to obtain complete understanding of cultural difference dimensions with deep research information and thorough analysis (2015).

The main focus of this research is to disclose potential challenges of Cross-Culture Management with foreign managers and Thai employees, to understand the reasons behind these misunderstanding situations. Further guidelines for foreign managers are demonstrated to create proficient competitive advantages, avoid drawbacks of cultural challenges, and practical solutions from different management approaches.

2.3 Thai's loyalty

Loyalty is considered to be one of the most important values in Thai society. People pay high attention to level of loyalty and tend to disregard or boycott dishonest leaders. The origin of their belief in leaders is individual's loyalty. High expectation and competency in leading subordinates are fundamental characteristics of leaders in Thai employees' perspective. The admired leader is the one who has to look after his subordinates together with less moneyed activities. Loyalty, thankfulness, obedience, and reverence are given to their respectful leader as a return.

One of the Thailand's oldest belief is that every member in Thai society should be loyal to their parents, relatives, circle of friends, and classmate; even co-workers are expected to give high loyalty to their colleagues. Without this qualification, one is perceived as an outsider and predictable relationship appears to be lost. The concept of Loyalty is valued as the power of the group. In the society, when one perceives to be a member of a group, highest commitment should be certain for that specific group.

The concern of saving face attitude is another important personality variable of Thai people. They pay attention to what other people's opinion and try to gain respect from them by acing in compliance with the expectation of individuals around them. The inability of foreign leaders to truly understand this social norm could result in inappropriate decision making and may indirectly send the signal of failures to co-workers (Pimpa, 2012).

Although gaining loyalty and trust from local Thai employees is a very tough achievement for expatriates or foreign managers working in Thailand, it is one of the most essential steps to successfully run a business in the Thai society. Thai people are very loyal to their leader, as in the same way of a supervisor and subordinates. The relationship is in every place including outside the workplace. In order to reduce

the image of an outsider within a Thai company, foreign managers should professionally manage their internal human resources and truly understand the expectation of Thai employees. Once they are loyal to their supervisors, a significant growth in collaboration and company's productivity will occur resulting in a profitable future of an organization.

2.4 Thai's Old Fashioned Managerial Strategies

Thailand is a country with strict hierarchical positions in every unit of organizations. Everyone's position is defined in a rigid hierarchical structure. Most Thai companies, businesses, or departments are operated in the old-fashioned management style called "family business". In other words, most of them are run by a patriarch dictating everything to his subservient people and never let them think. The approach seems to be decisive and powerful, but narrow point of view from their leader. This looks like an antiquated top-down management style from the old Thai monarchy that discourages anything other than blind obedience.

In reality, their Thai headman can be seen as a failed manager who does not even delegate tasks nor decision power because there is not enough trust within their reciprocal relationship. Such a patriarchal system may have worked well in the past with reasonable success in a small, limited scope and low ambition family business but is doomed to collapse in a modern and globalized world. The current world's marketplace requires the ability of growth and forward-thinking corporations to compete in international levels. No single headman could ever hold these responsibilities and requires the entire organization to think as a whole.

Referring to the old-fashioned Thai style of management, Thai employees under a Thai manager's supervision are just followers. Chorkaew, S., NIDA Development Journal, claimed that self-promotion is not highly valued in Thai organizational culture which means that number of Thai employees do not realize the importance of self-evaluation and rarely propose new ideas (2014). Consequently, these old-fashioned behaviors somehow led to failure in Thai organizational management.

Cross cultural knowledge would violate this false belief and contribute to the new style of management. It is not the case that Thai employees have never concerned on their companies, but it is the permission that is hardly given. They have rare chance

to express their opinion with their supervisors and usually perceived they have always been disregarded. More cooperation and discussion would occur and the internal flow of information will be powerfully encouraged with the support of understanding expatriates. Effective information exchange with broad business insight from local and international perspective will definitely appear.

CHAPTER III
RESEARCH METHODOLOGY

Qualitative research methodology is the only method within this paper. Face to face interviews in depth are conducted with participants from two different company which are American – Thai company and Italian – Thai company. Both Thai companies are acquired by these two nations and had become one of their branches. This session will describe data collection process, sample interview questions, and data analysis.

3.1 Population and Sampling

The target population is divided into two groups from two companies in order to get different perspectives and in depth information. Foreign managers and subordinates from the two companies are interviewees. Their expectation, requirement, and attitude toward each other are reviewed in this paper. The perspectives and attitude of both parties, foreign managers and subordinates of the two companies, will logically explain different criteria of their work expectation. The interview on these two groups of participants will be carried out with the purpose of their perception and expectation comparisons.

The sampling size of this research is 14 individuals which are two foreign managers with five subordinates from American – Thai company and two foreign managers with five subordinates from Italian – Thai company. These two groups of foreign managers have close relationship with their employees as they work together on daily operational activities.

Their monitoring methods are also clarified during the interview to clearly identify the strengths and weaknesses of their management strategies within their acquired company. American – Thai company was established more than 20 years ago with the great success in their garment business. The American had acquired this Thai company

and proficiently managed Thai human resources. However, the Italian – Thai company was combined around 5 years ago. The Thai company was acquired and become one of their most important branches in Asia. But with the cultural differences and different perspectives, the two third of previous management team were fired. Without local information from the former team, the branch struggled for several years and now regaining their position in the market.

3.2 Data Collection & Sample Interview Questions

As the main scope of research is to analyze perspectives of both foreign managers and subordinates, it requires real work experience of participants rather than statistics from quantitative approach. Furthermore, some follow-up questions are required in order to obtain needed information during data gathering process.

With this qualification, qualitative interview is the most suitable research method in order to be competent on acquiring specific information for this research. The method consists of investigations to seek answers to questions, to collect evidences from predefined set of questions, produce realistic findings from the data, and develop practical results based on the content of research with the insights from perspectives of local population it involves. Culturally specific information regarding opinions, values, behaviors, and social contexts of particular populations are thoroughly collected through qualitative approach.

Besides, the method make relationship between participants and researcher less formal which would create more opportunity to respond more elaborately in greater details. Meanwhile, researcher has more opportunity to instantly react to what interviewees express by tailoring subsequent questions to answers of interviewees. The approach of In-depth interviews are ideal for the data gathering process as it efficiently assembles series of information on individuals' personal histories, experience, and perspectives on different specific issues (Family Health International, n.d.).

Two set of interview questions are conducted for two groups of participants which are the first group of foreign managers and the second group of Thai subordinates. Questions are formulated based on different theories of organizational behavior and cross cultural management including Hofstede's cultural dimension, Leadership

theories, Bases of power, and Power tactics as a mean to obtain real job experience from all participants. Guidelines of questions are illustrated as follows:

Foreign managers: specific questions on their leadership styles and their monitoring process.

Leadership theories

1. Trait theory:
   a. Do you always order your subordinates as a boss?
   b. Do you emphasize the power of your position?
   c. Do you make your subordinates know that you are in charge of everything?

2. Behavioral Theory:
   a. Do you have close relationship with your employees?
   b. Do you monitor them by yourself?
   c. Do you work with them all the time?

3. Contingency Leadership:
   a. How do you see your employees?
   b. Are they Unable-unwilling, unable- willing, Able-unwilling, or Able-willing to change or work?

Subordinates: specific questions on the characteristic of their corporate culture.

Hofstede's cultural dimensions

1. Power Distance:
   a. Do you have big distance with your boss?
   b. Do you discuss all problems with them?
   c. Do you treat them as equal to the same position?
   d. Do you always talk to your boss directly about any issues?

2. Uncertainty Avoidance:
   a. Do you always plan everything ahead and follow the schedule strictly?
   b. Do you always rely on your boss about decision making?

The lists of question above are only some question examples from the questionnaire, more detailed questions are also on the lists and available in the appendix.

The reasons why questions are organized based on different management theories is to gather the most practical instructions with practical results for possible guidelines for foreign managers working in Thailand. As they are divided into various theories, it clearly demonstrates all the research findings and contributes to the realistic Thai employees' expectations.

3.3 Data Analysis

The researcher focus on getting essential information contributed to the real expectation of Thai employees towards their foreign managers, and to make a comparison of their different perspectives.

It is most appropriate to analyze data retrieved from qualitative research with four levels of initial coding, focused coding, axial coding, and theoretical concepts (Hahn, 2008). The data gathered within this research can be effectively analyzed by the first and second level of coding approaches. In the initial coding process, keywords occurred in interviews of different interviewees are marked. Those words will be systematically recorded and examined in data analysis. Moving on level two of focused coding, the gathered data is revised and grouped into different categories. Word repetition appeared during the interviews are attentively verified in order to categorize useful keywords in data analysis processes. These repetition also leads to their real belief and individuals' thinking patterns.

Narrative data analysis is another suitable analytical approaches. The method is to examine data gathered from storytelling interviews. The method consists of four different investigations which are the way stories were elaborated, the structure of stories, how they were co-constructed, and visualization used to complete the story. New innovative ways to collect data and examples from interviews can be efficiently obtained through the method. Narratives makes sense more than sharing how it was made through the form of stories. Social environment of individuals is viewed as various objects in the world, the way it happened in everyday situation, as well as subjective and interpretative interviews. In other words, it makes sense to use narratives as numerous stories people tell are the understandable reflection of who they are (Bamberg, 2010).

The researcher believes that mentioned approaches are sufficient for practical coding strategies of this research and systematically scrutinize all data gathered from sample groups.

CHAPTER IV
FINDINGS ANALYSIS

This part of research clarifies and categorizes data groups with further explanation. Demographic profiles of interviewees are illustrated though tables. According to the research objectives, the practical mind sets and instruction of effective management approach for Thai employees will be displayed. Employees from two companies will be selected to participate this research (14 individuals including foreign managers and Thai employees). The finding will clearly guide differences in Thai and foreign people expectation which would lead to the middle point of understanding between the two parties.

4.1 Demographic Profiles of Respondents

The table below illustrates demographic background of 14 respondents which are four foreign managers and eight Thai employees working in the two acquired companies. Foreign managers came to the two companies with the past acquisition but Thai employees have been working in the companies before they were acquired until present. In the total of four managers, three of them are males and one of them is a female. For 10 Thai employees, eight of them are females and two of them are males. All of participants have been working for the companies more than five years and have great experience in their business

Table 4.1 Demographic Background or participants

Demographic Background	Quantity	Frequency (%)
Gender		
Male	5	35.72
Female	9	64.28
Total	14	100.00
Age Range		
21 to 40	3	21.43
41 to 60	9	64.28
Over 60	2	14.29
Total	14	100.00

4.2 Research Findings

4.2.1 Hofstede's cultural dimension

The theory describes different national cultures around the world. With a large research project into national culture across subsidiaries of multinational corporations, the theory contains, identifies, and validates five main cultural dimensions which are Power Distance, Individualism, Masculinity, Uncertainty Avoidance, and Long-Term Orientation. These models of the Hofstede's Cultural Dimensions are substantially beneficial in analyzing a country's culture (Universities of Maastricht and Tilburg, 2011). However, only two of them are applicable to this research.

Individualism – Collectivism: Foreign managers in American company always come down and work together with their subordinates. They often solve problems together as a team and use bottom up management in daily operations. Every problem is reported or seen directly by foreign managers. However, in Italian company, employees work separately based on their tasks. Managers only look through reports and send issues to the head quarter in Italy. Employees are monitored and evaluated case by case based on the relationship with managers. In other words, they work separately and compete with other departments.

Power Distance: As a result of big language barrier in Italian company, there is a big distance in Italian company as subordinates and foreign managers rarely talk or communicate. Their interaction requires an interpreter as a medium, so it is quite hard to work together and discuss problems of daily operations. But in the American

company, foreign managers, Singaporean and American, speak in English and all the managers are guided to closely monitor their subordinates. They directly talk to their employees about every issue.

4.2.2 Leadership Theories

The brief definition of a leader is person leading a group of people or an organization. There are four main characteristics of an admired leader which are leading people with practical influences, consistently monitoring their followers, effectively driving the group through crisis, and having possible vision with realistic strategies. Great leaders should be competent in thinking and reacting creatively in non-routine situations. According to literatures of leadership, main theories consisted of Trait theories, Behavioral theories, Contingency theories, Transformational theories, and Transactional theories are enforced (Doyle and Smith, 2001). With the content of this research, Trait theories were not used because of irrelevant focuses.

Behavioral Theory: Relationship like family based atmosphere can be seen in American company. Foreign managers always ask about their employees' contribution and sympathy is illustrated. With everyday short morning meeting, it is an obligation for every Thai sub manager to participate the meeting and share problems. They are free to express their point of view and possible solutions for others to get feedbacks. On the other hand, even the Italian company has frequent conference call, they seldom have short meeting. Italian managers rarely talk to their subordinates as a result of language barriers and cultural differences. They often think in a different way and do not always listen to their Thai employees. Or even they sometimes listen, they already have the answer in their mind and do according to their decision disregarding Thai employees' opinion.

Contingency Leadership: There are different points of views in the eyes of foreign managers in the two companies. They see their employees in different ways which would lead to different monitoring processes. Foreign managers in American company view their employees as R3 in the follower readiness level which is "Able but Unwilling". Full encouragement and supports are given to Thai employees. Meanwhile, foreign managers in Italian company perceived Thai employees in the middle of R1 and R2 which is "Unable-Unwilling" and "Unable-Willing". Limited of supports are

given to their employees. The most crucial part is the situation that managers pick only "Willing – Able" Thai employees. Different practices are obviously seen and any Thai employees are forced to accept or resign.
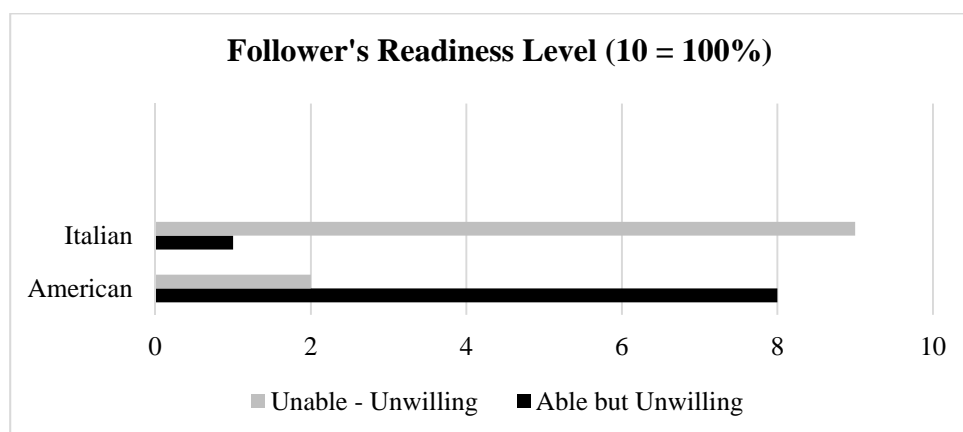

Figure 4.1 Follower's Readiness Level

Transactional Leadership: American company applied the management theory of "Management by exception – Active". Foreign managers closely monitor their subordinates and help them develop their own solution with inspiration. For example, when employees could not remember their work procedures, foreign managers kindly explain the necessity and motivate them to remember. Rewards are also frequently given to well perform employees as their recognition. In contrast, the Italian company applied "Management by exception – passive". They only intervene the work operations when problems occurred. Recognition is purely given to employees who show off about their performance. The importance of employees worked behind the scene is worthless. This practice substantially discouraged Thai employee contribution in their company.

Transformational Leadership: "Intellectual Stimulation" is widely enforced in the American company. Foreign managers regularly raise the issue, explain in details to Thai employees, and ask for feedback or possible solutions. Moreover, some solutions from employees are chosen in the meeting and ask for the real feedbacks from other employees to get their real perspective, increase employee participation, and qualify the best solution for that certain issue. Meanwhile, in Italian company, "Individualized consideration' is perceived by Thai employees. Only capable Thai employees are

selected and receive coaching orientation. Not all Thai employees will have a chance to get the work feedback or proper training. The least level of people development is one of the big concerns for Thai employees in this Italian company.

4.2.3   Bases of Power

The approach refers to the way managers control their subordinates by utilizing their influences including the concept of authority. Understanding the sources of power would allow managers to thoroughly understand different conditions of social relation and how power can be effectively exercised. In other words, power and authority are in the same direction but with different functions. The power is abilities to do tasks or have others do what one has ordered but authority is the grounds where that power is generated. The six bases of power for effective internal operation are coercive power, legitimate power, reward power, referent power, expert power, and multidimensional power (Turner, 2010). Referring to the interviews, only reward power, coercive power, and expert power are visibly implemented.

Reward power: American company habitually offer rewards for great contribution of their employees. Foreign managers would like to express the relationship of with their subordinates as their own family and want to make their employees feel that they are an important asset of the company. Moreover, parties during different festivals are organized exclusively for Thai employees to make them realize the full recognition from the company. On the other hand, there is only a New Year party for Thai employees in Italian company. No recognition from Italian managers for their employees and only the selected one sometimes get the compliments. Consequently, the American company more effectively manages the reward power which makes their employees' contribution naturally occur.

Coercive Power – Legitimate Power: Both companies have an adequate level of punishment in the case that Thai employees violate companies' rules and regulations. Most Thai employees within these two companies notice these punishments and are not likely to make mistakes. They pay attention to their tasks and follow the instruction as much as possible. In the same way, foreign managers in both companies exercise their powers effectively. They make sure everyone knows well about their

position and power. Consequently, Thai employees in both companies are able to see differences in position and admire their leaders.

Expert Power: More expert power is enforced in American company. Foreign managers always work together with their Thai employees. They make them know that managers have to work just like their Thai employees but with more responsibilities. Close monitoring process are definitely provided. Foreign managers here make sure every Thai employees clearly understand different tasks assigned by asking questions for feedbacks after their detailed explanation. American managers will go through different tasks step by step and visibly describe work procedures to make their subordinates voluntarily follow the instructions. On the other hand, together with huge language barrier, Thai employees in Italian company rarely get direct explanation from their foreign managers. Most of the time during the operations, they would have to guess what their managers say and try to follow cluelessly.

4.2.4 Power Tactics

Many experts define power as the ability to act, react, or perform a task efficiently including the capability in succeeding or accomplishing new assignments. Everyone of us has some kind of power but just do not recognize our own potential. People are not comfortable with their own power and had no idea of having it. The seven basic powers which would drive the success are Coercive Power, Connection Power, Expert Power, Informational Power, Legitimate Power, Referent Power, and Bargaining Power (Bennington, 2012). Informational power, Connection Power, and Bargaining Power are the most applicable for the case study.

Informational Power: Foreign managers from both companies usually try to explain different tasks to their subordinates. However, Thai employees in American company tend to believe more as they fully understand English of their foreign managers and admire their status. For Thai employees in Italian company, they receive almost zero information from their foreign managers. Everything must be explained through an interpreter.

Connection Power: Closer relationships appear more in the American company as foreign managers and Thai employees work together for most of the time. This action directly builds great relationships among colleagues and managers. Thai

employees here feel that they can discuss every topic with their managers including personal ones. High respect, obedience, and admiration are given to their foreign managers as a result of this relationship in the workplace. Thai employees are happy to work with their managers and listen more to their suggestions. Whereas in Italian company, as they do not directly speak to each other, there is no common relationship in the workplace. Even they greet each other nicely everyday, the relationship ends there because they cannot communicate and work together in detail. Gaps between them are becoming larger and larger.

Bargaining: For this category, there is a big difference in the practices of foreign managers in these two companies. Rewards are prioritized and firstly offered to Thai employees in American company before any new tasks begin. For example, foreign managers would offer plane tickets to employees who are able to memorize all new version of manual. Surprisingly, Thai employees become competitive and pay high attention to the manual. At last, employees would get to do the test and the one who has the highest marks will have that reward. The method incredibly improves the internal operation and sufficiently raises the contribution of Thai employees in American company. Meanwhile, there is no such a practice in Italian company. Thai employees here would just come to work and look for their salary. No further commitment or expectation toward their company, neither internal operation development.

From the observation made during the data gathering process, other bases of power are enforced in the company's internal activity but less frequent. These three bases of power are considered the main management methods foreign managers use in their company as a way to exercise their management power.

4.3 Discussion of Effective Management Approaches

4.3.1 Communication Challenges
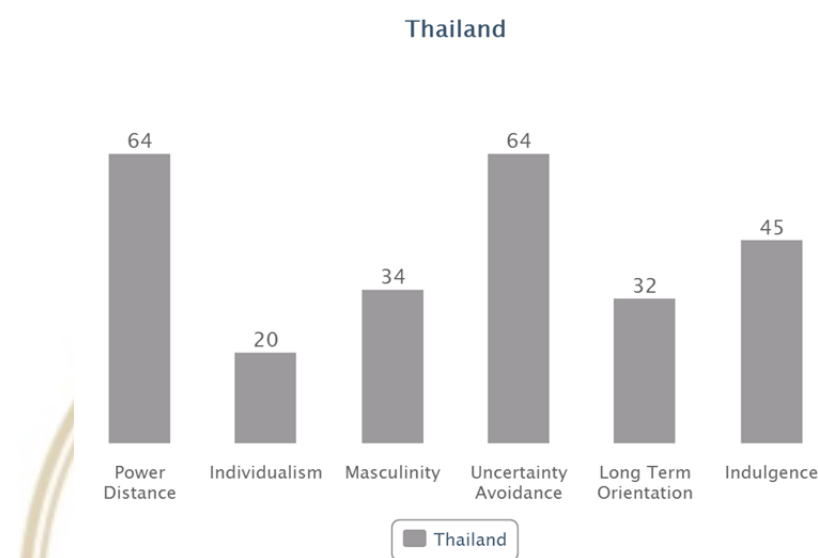
Thailand

Figure 4.2 Hofstede's finding of Thailand from itim International (n.d.)

Hofstede's experiment states that Thai people score low in individualism which means they have high scores in collectivism. They prefer to work as a group and would like to work together with their boss in their daily operation. Even they do not like to debate or directly show their real feeling to their boss, they prefer to have close relationship rather than just be at the office and work. They like to know what their supervisor feel and perceive their supervisor's recognition towards their commitment. For the Power Distance, as Thai employees have high power distance with their foreign managers, they would not discuss about every single issue. With this value and huge language barrier, the distance between Italian managers and Thai employees is enlarged. Effective communication was lessened and misunderstanding frequently occured. With the considerate attitude from hierarchy system in Thai society, Thai employees in Italian company would prefer to be quiet and just smile. Unlike those in American company, they have low power distance with their foreign managers because they work together everyday. Consequently, they are more open-minded to discuss all the

problems during their working hours naturally. This is more effective than just to discuss problems only in meetings.

4.3.2 Productivity and monitoring processes

According to the theory of "Bases of power", it can be assumed that Thai employees prefer to know what they would get if they accomplish tasks. In general, they do not have high motivation on their job and tend to do it day by day. Rewards and recognition will be a great way to efficiently motivate them and raise their contribution. Operational activities could be speed up with some extra incentives.

Beyond those rewards, hierarchical status should be clearly set. Referring to the research finding, it is quite true that Thai employees prefer to have close relationship with their foreign managers in order to be open minded to every issues. However, it is vital to make them know who their boss is because close relationship in Thai society can lead to significant disadvantages. Sometimes these good relationships are used by Thai employees as an "excuse". Tasks can be suspended and disregarded when they believe that they can use whatever reasons to make their close managers allow them to get extra day offs. Punishment, certain regulation, and strong position of foreign managers should be established to professionally keep Thai employees under control and keep the entire operation smooth.

Using Reason, Friendliness, and Bargaining techniques of "Power Tactic" theory can be competent solutions for foreign managers to obtain admiration and obedience from their Thai subordinates. Clear reasons should be provided to make Thai workers fully understand their roles and content of new tasks. Explanation and instruction should be supported for the key operational activities of the company.

Friendliness is another crucial characteristic of foreign managers in purpose of gaining trust from Thai employees. Referring to the high score of Power Distance in the statistic above, Thai employees put high value on hierarchical status. They have high respect and obedience to their admired managers. Consequently, it is vigorous for foreign managers to build good relationships with Thai employees in their company as it is a proficient way to get into their mind, obtain their real feedback inside, and accurately detect their real performance towards the work content.

Another important method from "Power Tactic" is to use Bargaining approach. Conducted questionnaires from the research state that Thai employees often lack of work motivation. The main reasons why they come to work are mostly because of their month-end salary. They do not seek any self-development and would just complete the ordered tasks. Neither innovative ideas nor further improvement occur in their normal operations. Bargaining and offering extra rewards would help foreign managers achieve extra contribution and assurance from their local Thai employees.

4.3.3 Challenges of language barrier

Foreign managers in Thailand generally have problems on their daily communication with Thai subordinates. English language deficiency has been a big cause of internal communication for a long period of time for international company in Thailand. Interpreters always play an essential role between foreign management team and Thai management team. It appears to be quite impossible to see Thai managers or Thai employees at lower working levels fluently speak to their foreign supervisors. With this barrier, thorough understanding within the company is obstructed and tends to be dreadful.
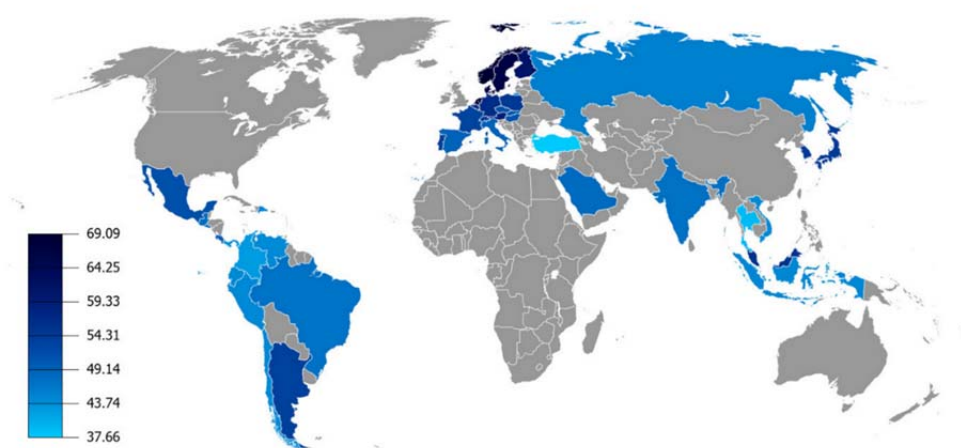

Figure 4.3   Thailand's rank of 42nd with 39.2% of English literacy among Asia
Source: DISQUS (2012)

Mentioned in the figure above, the English language proficiency of Thai people is very low compared to other countries in Asia. With the very short and simple sentence from Thai employees, most foreign managers will just perceive that their Thai workforce is nothing but incompetent. No great work could be carried out with this incapable team. However, as many international companies had already decided to operate their business in Thailand, their foreign managers in this country should also be open minded enough to understand the real contribution of Thai employees regardless to their terrible language ability. Sufficient language training, at least for Thai managers, should be supported in line with the improvement of internal communications and language skills of lower workers. With the professional language skills and Thai managers as a role model to speak English with foreign management team, issues of misunderstanding and cross cultural conflict could be prominently reduced and mutual trust will be automatically given among Thai employees and their foreign managers.

## 4.4 Guidelines of Practical Implementation

It is vital for foreign managers to understand Thai culture and its differences. They should keep balance in their own expectation towards Thai employees and clearly specify a middle point between what they expect and what can be obtained from their Thai employees. Realistic perspective of Thai employees and their capabilities should be visibly examined before giving any important tasks as giving too complicated or disoriented tasks may lead to more chance of errors and mistakes in daily operation.

Generosity and politeness should be in common manners of foreign managers as Thai people pay high attention to relationship in workplace. No Thai employees are absolutely unwilling to change and incapable of learning, it just takes time. Sufficient training and supportive reasons must be set in purpose of building Thai employees practical motivation. If foreign managers want to successfully manage their Thai workforces, their leadership style must include professional explanation of tasks in details with polite manner. Thus, they can build good relationship with Thai employees and gain their trust at the same time.

For the language barrier, this issue is still inevitable and challenging. Learning some basic Thai language may seem to be hard for foreign managers but it is considered

to be one of the most effective ways to improve communication efficiency as they are more competent in learning more than Thai operational workers. However, if it seems to be impossible to develop Thai language skills, choosing the right people to work with is another good option. Foreign managers can build deeper relationship with qualified Thai employees through their gestures and non-verbal sign and gradually transform them to be role models for other Thai employees.

The trend of globalization tends to increase more and more in the future. The interactions of people across cultures would largely be exposed to international business. The comprehensive skills through different cultural dimensions allow people to obtain initial knowledge to develop cultural intelligence and insights for profitable international business relationships. Cross-cultural training can be indispensable for some cases to advance the learning process of global managers as they are the one handling international assignments. More opportunities to shape international competitiveness with new multiculturalism management methods should be acquired to develop a complete mutual understanding with local communities in an era of globalization.
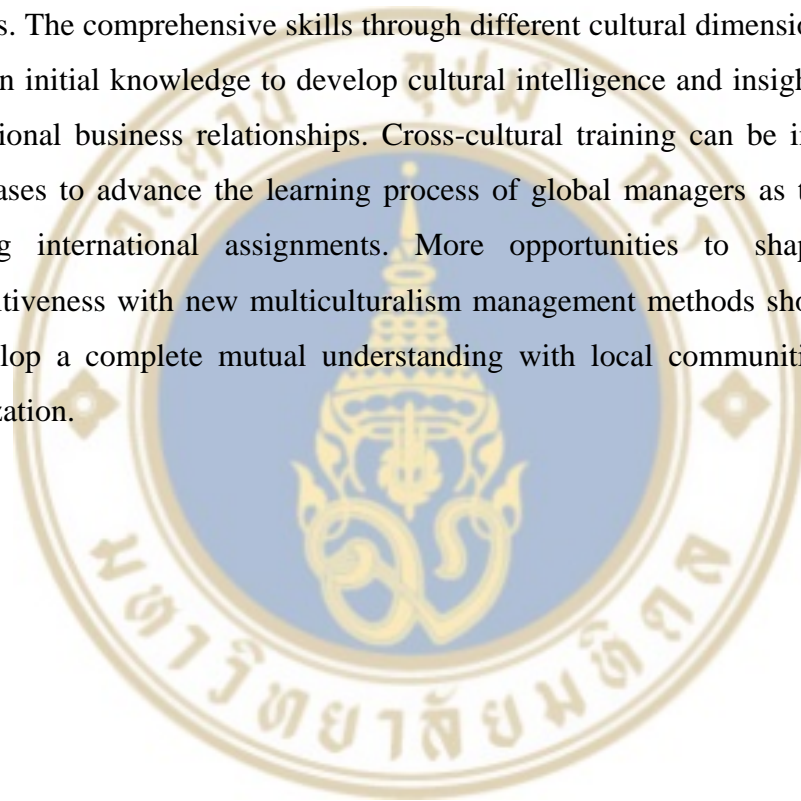
CHAPTER V
RESEARCH LIMITATIONS AND RECOMMENDATIONS

5.1 Limitations and Recommendation For Research Development

The most obvious limitation in this research was to get real perspective and opinion of foreign managers. As the author is a Thai native, it is quite uncomfortable for them to reveal all of their feelings towards Thai employees within their own organizations. At first they are very reluctant to participate in the interview because they think the script may be disclosed to their employees and tons of internal conflicts could possibly incurred. The information gathered in this research could be just one side of their feelings and hidden side might not be unveiled.

The recommendation for this problem could be using observation methods. More time in data gathering process should be allocated in order to collect the real operational atmosphere in the company by observing their real work procedures and management approaches used by foreign managers.

The second limitation faced during the research development was to make an appointment with foreign managers. It was very hard to fix an appointment with them as two of interviews were postponed due to their business activities. Even while the author was conducting the interview in a fixed appointment, many phone calls interrupted the conversation and took foreign managers out of the topics. Their concentrations were distracted and it was quite hard to bring them back to the point.

Fixing appointments during weekends could be an effective solution for this issue. The author should have asked foreign managers to conduct interviews during their weekends to avoid these interruptions. More and deeper follow up questions could have been asked with better interview time slots.

5.2 Practical Management Guidelines In Thai Organizations

5.2.1 Building relationships

Thai employees prefer to work with open-minded managers. They tend work better together with their managers in daily operational activities. Even language barrier is one of the biggest obstacles in Thai organizations; Thai employees love to see their managers working with them. Managers can also show them recognition in order to encourage them and motivate them to increase their productivity.

Building relationships is a very practical approach to gain trust from Thai employees. They would work with less stress when they know what expectations of their managers are. However, be careful to make too close relationships as they possibly turn out to be excuses.

5.2.2 Rewarding technique

Beyond the intangible methods of great relationship management and well work based recognition, managers should provide explicit benefits or tangible rewards to their subordinates. Thai employees love to compete and get returns. They would like to know what they can have if they get the tasks done. Offer what they want or desire, they would have the work done promptly.

However, do not provide excessive amount of rewards for every task assigned. The technique is effective only to boost the operational processes. Too many rewards can also cause drawbacks that the entire work flow would be delayed without incentives.

5.2.3 Learning Thai language

It may be impossible for foreign managers to learn and professionalize the language of Thais as its whole language foundations are completely different. There are no ways to improve Thai language ability within a short period of time. Nevertheless, it is a basic requirement for foreign managers to work in Thai organizations for long-term career path.

As Thai language is hard for foreigners, a foreign language is very hard for Thai people as well. Imagine how hard to practice and improve those language ability

every day. Managers should take initiatives to be a role model for Thai employees. They can start from very beginning words related to their work content and show that even foreign managers can speak Thai, Thai people would be able to speak English too. Additional benefits from these actions are more trust from Thai employees and work flow improvement as these actions present win-win situations.

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