



**Culture and Efficacy of Performance Management:
A Qualitative Study in Thailand**

A thesis submitted in fulfilment of the requirements
for the degree of Doctor of Philosophy

Thomas Mounir Doumani

BCom (Mktg), MEdu (Workplace Edu)

School of Management

College of Business

RMIT University

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Declaration

I certify that except where due acknowledgement has been made, the work is that of the author alone; the work has not been submitted previously, in whole or in part, to qualify for any other academic award; the content of the thesis/project is the result of work which has been carried out since the official commencement date of the approved research program; any editorial work, paid or unpaid, carried out by a third party is acknowledged; and, ethics procedures and guidelines have been followed.

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Glossary of Thai Terms

Cultural Value	Definition
Ajaan (อาจารย์)	<p>An Ajaan (อาจารย์) is a teacher, a title usually conferred on someone of high standing, such as a school master, university lecturer, or professor. When used as a title for a Thai Buddhist Monk, it would be reserved for those monks of senior status.</p>
Baramee (บารมี)	<p>From a direct translation it means <i>merit, prestige</i> or <i>virtue</i>. In a broader sense it refers to the influential and charismatic power of a person (Komin 1990b). In a managerial or leadership sense the principal components of <i>baramee</i> are: <i>pradait</i> (พระเดช) which refers to the authority and control that the leader or manager possesses, and <i>prakhun</i> (พระคุณ) refers to the favour, kindness, or grace that the manager or leader exhibits towards their subordinates. Pradait - prakhun are like the yin-yang of Thai leadership style.</p>
Bpen-gaan-guu-naa (เป็นการกู้หน้า)	<p>See <i>face-saving</i> below.</p>
Bun khun (บุญคุณ)	<p>Bun Khun(บุญคุณ) means obligation – debt of gratitude: regarded as one of the most important values influencing the form of relationships for Thais (Holmes, Tangtongtavy & Tomizawa 2003; Roongrerngsuke & Liefoghe 2012). It is a strong sense of moral obligation that supports personal relationships. Good deeds done by the manager or leader, builds a store of <i>bun khun</i> and followers will feel a sense of their obligation to the leader through the value of <i>katanyu</i> (faithfulness) (Holmes, Tangtongtavy & Tomizawa 2003). Unlike the transitory nature of a patron-client relationship, <i>bun khun</i> is enduring and stable and therefore highly valued (Roongrerngsuke & Chansuthus 1998).</p>

<p>Cheoi (เฉย)</p>	<p>Cheoi (เฉย) may have a range of meanings—from apathetic, indifferent, lacking passion, to calm, quiet, still, or passive—depending upon the context within which it is used. In a managerial sense, it may be used in a positive way to describe demeanour of a manager to a pressure situation as calm, still, quiet, passive, or expressionless. This would then underscore their strength of character to retain self-control, and display leadership to diffuse a difficult situation.</p>
<p>Chuen chom (ชื่นชม)</p>	<p>Admire (regard with pleasure), appreciate</p>
<p>Face-saving Bpen-gaan-guu-naa (เป็นการกู้หน้า)</p>	<p>Research has shown that Thais have large egos, a strong sense of pride, independence and dignity (Komin 1990b). The preservation of another’s ego is fundamental in Thai societal behaviour, whether the relationships are on an ongoing familiar basis, or on a newly encountered unfamiliar basis. Face-saving behaviours manifest themselves in many of the values orientations, such as <i>greng jai</i> (เกรงใจ - see below) (Jarinto 2011; Komin 1990b; Thanasankit, T 2002), and in the Thais penchant to avoid conflict (Roongrerngsuke & Chansuthus 1998).</p>
<p>Farang (ฝรั่ง)</p>	<p>Westerner (Caucasian) – farang (ฝรั่ง) is a colloquial term used for all foreigners of Caucasian appearance, regardless of nationality.</p>
<p>Jai (ใจ)</p>	<p>Jai (ใจ): literally means ‘heart’ in the Thai language, but is commonly used in compound words and phrases that link the meaning to both the heart and the mind. To understand the concept of ‘jai’ is to access the ways Thais look at themselves, others and life (Moore 2006). Moore (2006) describes some 750 Thai words and phrases showing it to be ‘a powerful, pervasive metaphor in the Thai language’ (p. 1). Heart is at the centre of relationships in Thai terms not only with people, but also situations and the essence of truth in all matters. It stems from Buddhist teaching; the heart is at the</p>

	<p>centre of enlightenment and wisdom.</p> <p>Prevalent examples of the use of jai are: <i>jai yen</i> (ใจเย็น), which literally means a ‘cool heart’, and is centred in the Buddhist middle way – ensures the avoidance of extreme actions and emotions and promotes harmony. It is an important prerequisite to the mastery of <i>krengjai</i> (Moore 2006). Greng jai (เกรงใจ) may be described as ‘awe heart’, it is widely regarded as one of the most difficult concepts to translate and one of the most influential Thai values (Holmes, Tangtongtavy & Tomizawa 2003; Roongrengsuke & Chansuthus 1998). In a general sense it may be described to be ‘considerate, to feel reluctant to impose upon another person, to take another person’s feeling (and ego) into account, or to take every measure not to cause discomfort or inconvenience for another person’ (Komin 1990b, p. 164). Being greng jai is a two way process, if one displays greng jai to another, that person is expected to display greng ja in return. It is a very important communicative trait involved in in dealing with sensitive issues like conflict resolution, giving feedback or criticism, and negotiations (Chaidaroon 2003)</p>
<p>Khun (คุณ)</p>	<p>Khun (คุณ) is a title used before the first name. The use of the title shows a mark of respect. To use other titles such as ‘pi’ (พี่) used to address someone older, or ‘nong’ (น้อง) used to address someone younger, or no title at all, would be reserved for those with whom someone has a very close relationship, such that familiarity replaces formality.</p>
<p>Mai Pen Rai (ไม่เป็นไร)</p>	<p>Mai pen rai (ไม่เป็นไร) means never mind, it doesn’t matter. It is prevalent term in common usage and as such is richly laden with Thai values, influenced by Buddhism and the emphasis of the middle way. It is a phrase that can easily be mistaken by foreigners for a lackadaisical or apathetic attitude, but more commonly reflects the desire for the values of peace and harmony, in the manner of ‘jai yen’ (above). It</p>

	can also be about forgiving, and avoiding causing offence or conflict (Kamoche 2011).
Pradait (พระเดช)	Refer <i>baramee</i> (บารมี) above
Prakhun (พระคุณ)	Refer <i>baramee</i> (บารมี) above
Phuk Phuak (พรรคพวก)	Adherent (supporter), partisan (strong support for others, a group, or a party)
Sanuk (สนุก)	Amusing (entertaining), cheerful (having fun), entertaining, fun, joyful, pleasurable, have a good time.
Sa~ngop (สงบ)	To be tranquil, serene, sedate. Primarily relates to one's physical calmness, acting in a controlled manner, not showing physical signs of emotion, acting with reproaches. The difference to <i>jai yen</i> (ใจเย็น)—see above—is subtle. For example <i>sa~ngop</i> (สงบ) might relate to not showing physical signs of anger or annoyance (even though these may be felt), for example through facial expressions, or banging the table and the like. However, <i>jai yen</i> (ใจเย็น) has a broader meaning and relates to a person's state of mind, their heart and personality, resulting a calm state of emotions that manifest in a calm state of behaviour.
Sum Ruam (สำรวม)	To be careful, in control of one's self. It may also be used to describe someone who conducts them self in a reserved manner.
Wai (ไหว้)	A Thai greeting or departing salute—as in the handshake extended in the West—performed by placing the palm against palm, in the manner of a praying, and raising them to the face, with a slight bow of the head. It is usually performed with the Thai term 'sa-wat-dee' (สวัสดี)

Abstract

Globalisation has led an increasing adoption of Western modelled Performance Management (PM) systems in non-Western countries, particularly Asia. The aim of the research is to explore *the effects of Thai culture on the efficacy of Western modelled performance management (PM) in a cross-cultural setting*.

Thailand is becoming increasingly important to Australian businesses, particularly in view of the ASEAN Economic Community Plan, which is now in its final stages implementation (ASEAN 2015). The primary data for this study was sourced from 43 semi-structured and in-depth interviews with 30 participants. The participants occupied managerial positions ranging from CEO executives to middle management, with organisations operating in Thailand. The interviews were conducted with both expatriate and local Thai employees.

Social constructivism, qualitative methodology, and inductive reasoning were applied to the collection, analysis and interpretation of the data. The findings show only a tenuous link between Western values, upon which PM systems are predicated, and motivational values of the host society. As a consequence, Western PM practice can fail to adequately compensate for differing cultural concepts of the *means-action-ends* relationship that constitutes efficacy, which, in turn, affects the efficacy of PM outcomes.

This research has implications for future cross-cultural management studies by expanding the perspectives of inquiry through cultural constructs of efficacy. It also has implications for PM design, and employee cultural awareness training and development. This will assist expatriate and host country management, to compromise cultural values differences. In doing so, closer alignment of expectations may be achieved, within the organisation-manager-subordinate relationships, to deliver efficacious PM outcomes.

Part One: Introduction, Literature Review, Research
Methodology

Chapter 1 - Introduction

1.1 Introduction

In today's globalising economic landscape, the imperative for Australian businesses to engage with and invest in Asia is ever increasing. This brings with it an increasing need to understand how to effectively manage employees of different cultural backgrounds.

Commentators regard Asia as the fastest growing market with the greatest potential for long-term sustainable growth in the global economy (Craig, Elias & Noon 2011; Macfarlane 2003; Quah 2011). Quah (2011) measured the global (hypothetical) economic centre of gravity (that is, where the global weighted average of transactions take place) showing it to be moving from the West to the East. He calculated that in 2008 the economic centre of gravity was just east of Helsinki and Bucharest, but will shift to between India and China by 2050.

Furthermore, Australia's business cycle is becoming increasingly synchronised with Asian economies. This is evident from Australia's resilience to the Global Financial Crisis of 2008-09 due largely to the relative protection afforded by the high proportion of trade with China and ASEAN (Association of South East Asian Nations) countries (Craig, Elias & Noon 2011; Song & Tan 2011) both of which have free trade agreements with Australia. Hence globalisation is particularly relevant for Australian business relationships in Asia, which was highlighted in the release of the *Australia in the Asian Century White Paper* (Australian Government 2012).

With East Asia's continuing industrial development, dynamic economies and cultural diversities, there are many challenges and opportunities for Australian businesses (Lowe 2010). *This research explores how culture affects the efficacy of cross-cultural human resources performance management*; the scope of this research is limited to cross-cultural management within Thailand.

1.2 Background

Thailand was chosen as the cultural setting for the research because it is one of Australia's most important markets in South East Asia (Australian Trade Commission 2012), as indicated by major Australian multinational organisations investing in Thailand, for example BlueScope Steel within the manufacturing sector (Smart & Pintatham 2006), and the ANZ Bank within the finance sector (AFR 2014). According to research conducted by the Australian Thai Chamber of Commerce, Australian businesses see Thailand strategically placed as a hub for South East Asia, particularly with the introduction of the ASEAN Economic Community, which once integrated, will represent a market of over 600 million

people (AusCham Thailand 2012).

Within this cross-cultural backdrop one will almost always get the answer 'yes' when expatriate managers are asked if they have experienced the situation where they explained a performance task to staff of their host country, yet they get an outcome that seems to defy logic or reason. This is notwithstanding they get positive feedback from their staff, and they know the staff have understood what was explained, because their staff are fluent in the expatriate manager's language. *In the words of an experienced expatriate manager, after spontaneous laughter, 'I'm laughing... I'm laughing because it happens to me all the time'.* Such experiences are an ongoing source of distraction and frustration affecting the efficacy of performance management. There is a gap of comprehension between the expatriate manager and local staff; rooted in culture, it renders mutual comprehension extremely difficult, and remains beyond our full understanding or explanation in the abundant empirical literature concerning international cross-cultural management.

Within this context, the research examines cross-cultural human resource management issues. Presently there is little empirically based literature on cross-cultural performance management (PM) in Thailand. Existing research tends to cover specific issues such as conflict management, expatriate adjustment, or industry issues such as engineering and information systems. In examining the PM systems and practices employed in Thailand, by organisations and expatriates of Anglo-western origin, this research begins to address this gap.

Over several recent decades, a plethora of empirical literature has been produced examining national cultures, cultural differences, and issues of effectively operating a business organisation in cross-cultural settings. Such research covers a broad spectrum of management issues such as effective cross-cultural leadership traits and styles, organisational structures, human resource management systems and processes, and training. Notwithstanding this, expatriate managers today experience cross-cultural adjustment difficulties to no less degree than their counterparts of decades ago. Research shows that managers have little understanding of the underlying theories of performance management (PM) design (Haines & St-Onge 2012), even without the complication of a cross-cultural setting. Furthermore, it is common that human resource management systems are developed for use in the home country of a multinational organisation, and subsequently deployed for use in its foreign country operations. When this is done, without realignment of the systems to the underlying cultural values of the new cultural setting (which is often the case), the gap between theory, PM design, and management practices, becomes even wider. When PM systems and practices are not attuned to cultural differences in regions in which they operate, it can have a significantly adverse effect on the efficacy of PM (Hellqvist 2011).

Efficacy and *culture* are both terms that cover a broad spectrum of concepts, neither of which has a consistent definition within the literature. Culture is a complex concept; in recent times the fields of sociology, political science and psychology have embraced the concept. Within this broad spectrum of cultural perspectives, it is difficult to define because it is an elusive concept, one encompassing a complex amalgam of morals, beliefs, knowledge, customs and laws acquired by people as members of a society, which are also reflected in their visible phenomenon, rituals, ceremonies and artefacts (Machado & Carvalho 2008). There are two prominent convergent views of culture within the literature: 1) cultural norms, values and behaviours are learned, and therefore culture is not something people within a society are born with – that is, it is not encrypted within their DNA, and 2) culture is a cognitive behaviour – since it is constituted by accepted patterns of behaviour within prescribed situations; so it is a construct, not a tangible thing (Low & Chapman 2003).

Within business management, there is rarely an explicit account of the underlying cultural values when defining what constitutes an efficacious outcome. The underpinning values tend to be implicit, and not consciously treated as a variable within the assumptions applied to the construct of efficacy. Therefore, when the concept of efficacy is constructed to judge something, it tends to be treated as culturally neutral. Hence, the concept of efficacy is ill-defined within the literature, and is often used interchangeably with efficiency and effectiveness (Seldon 1993). However, efficacy is a construct that has its roots in culture; culture underpins how we conceptualise and fulfil our goals and aspirations, both in what constitutes efficacious *means* (for example strategies and actions), or what constitutes efficacious *ends* (such as goals and outcomes). At the individual level, it is a complex mosaic of cognitive sub-sets, influenced by such things as cultural norms, personality traits, feelings and motives that coalesce to form a view of efficacy. They are transacted through the interrelationship of the constituent elements of efficacy, which are the *means* (plan of action), *actions* (implementation/exploitation of the means) and *outcomes*. The constituent elements of efficacy, hereafter in this thesis, are represented by the term ‘means-action-end’. The interplay of each of these elements that actors bring to bear in their day-to-day involvements, is influenced by the values systems of cultures and their underlying ontology and epistemology (Chia & Holt 2009; Jullien 2004). Where cultures differ, the interplay of these elements can differ in an equally complex way. Yet in the context of cross-cultural PM, the underlying cultural values intrinsic in the design and practice of PM are mostly overlooked. The question that therefore arises is: how does culture affect the efficacy of PM?

1.3 Research Setting Thai Context

The principal objective of this research is to explore the effects of culture upon the efficacy of cross-cultural PM, within the context of Anglo-western organisations and

expatriates operating in Thailand. That the different culture adopted for comparison to the Thai culture, is not simply one or the other (for example Thai versus Australian, or Thai versus American), is inconsequential. This is because the aim of his research is not to define the opposing cultures against the Thai culture, but to explore how the broader construct of culture affects the efficacy of PM. One only has to accept that the different cultures selected on the practical reasoning, are different to the Thai culture, which is clearly evident from the weight of the literature in this regard (Holmes, Tangtongtavy & Tomizawa 2003; House et al. 2004; Komin 1998; Niratpattanasai 2008; Roongrerngsuke & Liefoghe 2012). Neither does the choice of Anglo-western cultures suggest that they are unified in their cultural value systems, but is reflective of the need to narrow the focus of the research. To attempt to include a broader representation of Western cultures operating in Thailand, such as Italian, French, German, Greek, and Dutch, would have been beyond the resource limitations of this research. For practical purposes the Western culture orientation was also limited to people and or organisations from English speaking countries, since the researcher's language ability is limited to English, with a rudimentary comprehension of the Thai language.

Further, describing the cultural dimensions as Thai versus Anglo-Western is not to suggest that citizens within these bounds are prisoners of their national culture. As described earlier, culture reflects the values of societies and accepted norms of behaviour. As such, cultural values manifest as *tendencies* of behaviour within societies, not as rules of behaviour dictating the actions of individuals.

1.4 Research Questions.

In addressing the primary objective stated above, this research was framed around the following primary research question:

In the cross-cultural setting of Anglo-western corporations operating in Thailand, what is the effect of culture on the efficacy of human resources performance management?

In exploring this primary research question, the following secondary questions were also addressed:

1. To what extent does culture affect the manager/subordinate relationship in respect to achieving PM outcomes?
2. To what extent does culture affect the cross-cultural communication between manager and subordinate?
3. How does cross-cultural communication affect the relationship between manager and subordinate?
4. What are the main ways managers and subordinates promote effective PM in cross-cultural contexts?

1.5 Philosophical Grounding

The philosophical orientation of empirical research tends to fall along a broad continuum from positivism at one end to interpretivism at the other. The positivist paradigm dominates cross-cultural management research. As a model of knowledge positivism assumes that reality exists independent of the observer, that truth corresponds with reality, and the mind of the researcher is a mirror reflecting reality. As such, this approach does not engage questions of collective meaning and everyday practical experiences. Thus it has little regard for the social context or understandings of societies and cultures (Bjerregaard, Lauring & Klitmøller 2009), and fails to account for perceptions of reality as outcomes of ‘social interactions and linguistic phenomena’ (Westwood & Jack 2007, p. 256).

The interpretivist paradigm however, holds that reality is inaccessible, knowledge does not match the objective world, truth is internal to the inquiry, and thus we must make do with a sufficiency of understanding. Social constructivism, which falls within the interpretivist paradigm, speaks to this process. It purports that our knowledge and understanding of the world is a dynamic process of experiences, cultural and social relationships, and engagements that help us construct meaning in our minds, to facilitate understanding of the world or our perceived reality.

Reality being a construct under social constructivism, it is therefore collective or group-specific, produced by human consciousness and can change through time and place (Denzin & Lincoln 2005). Since cultural values and language, perceptions of efficacy, relationships, and manager-subordinate engagements are central to the research, social constructivism was deemed to be an appropriate epistemological position to adopt. This enables the research to explore the intangible nature and complexities of culture, to address the research questions.

1.6 Research Methods

In keeping with social construction’s epistemology, qualitative research methods were employed to focus on individuals’ experiences, preferences, likes, and dislikes about their performance management experiences (Denzin & Lincoln 2005; Kiessling & Harvey 2005). Qualitative research allows a deep thick description of data in context of the participants’ experiences (for example values, practices, and subjectivity), and when analysed through a process of induction (see below), how to make meaning of those experiences (Bazeley 2013).

Data collection

The principal methods employed in this research were semi-structured in-depth qualitative interviews (Rubin & Rubin 2005) of voluntary participants. Qualitative interviews are a primary empirical tool of qualitative researchers. They are designed to gain insight into

participants' lived experiences, and their world views, thus enabling the researcher to gather deep, rich, contextual data, from an insider's viewpoint of the subject under study (Minichiello, Aroni & Hays 2008).

To provide an avenue for corroboration or validation of the data collected, a triangulation of multiple sources was employed (Patton 2002), between *case subjects* (Andrade 2009) and *general participants*, together with the researcher's *observations* (Bazeley 2013). The use of case subjects afforded the researcher the opportunity to explore complexities in greater depth, through multiple interviews, over a longer period of time, thus providing a richer source of experiential and contextual data. The observation data was gathered by the researcher, while living within the Thai society over two six-month periods (twelve months in total) during the course of the research.

Data Analysis

In keeping with the constructivist philosophical and qualitative methodological grounding of this research, the data was analysed through the process of *inductive reasoning* by looking into the data at the specific or 'local' level to determine themes, issues, topics, concepts, propositions and events, which can be applied to build theory at the 'general' level. This is opposed to deductive reasoning, which seeks to impose scientific classifications to the empirical data (Eriksson & Kovalainen 2008; Pouliot 2007). A content analysis of both primary and secondary data was performed to produce empirically grounded themes across the research participants/settings. These themes that were coded in the analysis, are not necessarily *objective* categories, but rather reflective of a complex interplay between the ideas, opinions and values expressed by the research participants, and the cultural norms and influences apparent upon them (Bazeley 2013; Rubin & Rubin 2005). NVivo was used to facilitate the archiving of the data, and with synthesizing the analysis across the multitude of data. NVivo is a Computer Assisted Qualitative Data Analysis (CAQDAS) software program.

1.7 Summary of Findings

It is argued in this research that the root cause of the effect of culture on the efficacy of cross-cultural PM, is explained by cultural constructs of efficacy. Cultural concepts of efficacy are constructed on motivational values and cultural conditioning, which are deeply rooted in the ontological and epistemological orientations of the culture. Where actors engage in a cross-cultural performance management situation, they can interpret that engagement from different cultural understandings of efficacy at each element of the efficacy

construct that is at the *means, action, and ends* components of the efficacy. In turn, this can cause the actors to experience cultural efficacy blindness, and /or a tension of expectations.

The concept of *cultural efficacy blindness* is a construct developed to explain the phenomenon where a culturally fixated view of efficacy results from *cultural conditioning* of one's environment. For example it is the understanding that no Australian Aboriginal languages have a word for 'drought', yet Western societies view drought as an environment that brings suffering, disaster and death. Aborigines see a different landscape, one with which they maintain a strong spiritual connection, and are able to sustain their cultural way of life (Heathcote 2013; Pascoe 2014). The Aboriginal cultures always see the efficacy in the landscape to sustain life through the natural rhythm of its weather cycles they've experienced over eons of their cultural connection with the landscape. The Western cultures see a different landscape, and tend to be blind to the efficacy that lies within it. In a similar way, cultural conditioning can obscure one's sight of alternate views of efficacy, thus blinding them to *latent and potential efficacy* that are intrinsic to a particular cross-cultural PM situation. This effect can be a contributing cause of *tension of expectations*, and is a root cause of the effect of culture on the efficacy of cross-cultural PM.

Tension of expectations is explained as the tension that arises from differing expectations of the manager and subordinate within a cross-cultural PM situation. Unlike other representations of cross-cultural tensions—that rely on *cultural values* differences to explain it, such as *cultural distance* and *friction* (Fitzsimmons 2013; Shenkar 2012a; Zhang 2009)—*tension of expectations* explains this tension as arising from: 1) the dynamics of differing *cultural values* (constantly vying for efficacy as a PM situation evolves) and, 2) differing views of the efficacy intrinsic within a PM situation. As explained above, this latter effect can blind either the manager or the subordinate from recognising the latent and potential efficacy existing within the PM situation, as a result of environmental *cultural conditioning*.

To explain the effect of culture on the communication between a manager and subordinate, the construct of the *culture-communication effect* was developed. This construct explains the nature of communication and how language is laden with cultural value references. Communication acts as both a *repository* of culture and a *conduit* of culture. With an understanding of values contained within the language, in a cross-cultural PM situation, this can provide impetus to the efficacy of PM, by effectively drawing motivational values of the other's culture. Furthermore, the intrinsic link between communication and relationship was explored to develop the construct of *communication-relationship effect*, to explain how the former enables the manager-subordinate relationship to open up and tap the inherent efficacy within the performance situation. Through this intrinsic link with

communication, relationship acts as a *catalyst for efficacy*, where *relationship* is the key to access the natural efficacy latent within the cross-cultural PM situation.

1.8 Structure of This Thesis

This thesis is presented in two parts. Part One sets the platform for the research and comprises four chapters: 1) introduction, 2) literature review of PM and culture, 3) overview of Thai culture and PM in Thailand, and 4) research methodology.

Chapter 1 sets out the objectives of the research, which is principally to study the effects of culture upon the efficacy of human resources performance management, within the context of Anglo-Western organisations and expatriate workers operating in Thailand.

Chapter 2 provides an overview of the extant literature pertinent to this research, which is presented in two primary sections: performance management, and culture. The performance management (PM) section overviews PM systems in the context of management control systems and theory supporting the practical application of PM. Particular reference is given to motivational theories, such as: self-determination, goal setting and feedback, performance assessment (PA), and rewards and recognition. It found that the design PM is predominantly a Western practice which is heavily influenced by American management theories and practice (Vallance 1999). As an extension of business management control systems, there is a tendency to seek efficacy of PM systems through to controls on uniformity, delivery and efficiencies of practice, which leaves a significant proportion of human resource management professionals, and practitioners (managers and subordinates) dissatisfied with PM systems as ‘something done to people’ (Buchner 2007, p. 60).

The second primary section of Chapter 2 reviews the literature pertaining to the construct of culture, with particular reference to the concept within the *international cross-cultural management* field of research (Boyacigiller et al. 2004). This section also examines the differing cultural perspectives of *efficacy* and how these affect the design of PM systems and practice. It shows that PM design is rooted in the Western orientation of efficacy, which is one that places the individual at the centre creating a vision of the future, devising rationalistic plans to assert forceful action and control over the situation, to make that vision become a reality. This is opposed to the Chinese or Eastern philosophy in which the teaching is to be non-assertive by relying on the inherent power (*shi*) and the propensity of a situation, to work within its flow and transform it allowing the result to come about (Jullien 2004). Buddhist philosophy (which underpins Thai values) also teaches non-assertive action, and that the propensity of the situation is influenced by karma of past, present and future (at the societal and individual levels) of those affected by the situation. Buddhism proffers that efficacy stems from allowing the situation to unfold naturally, and that one’s engagement

with the situation should abide by the Noble Eightfold Path that creates good karma and leads to the cessation of suffering (Payutto 1992a; Sumano Bhikkhu 2013).

Chapter 3 provides an overview of the Thai culture and PM in Thailand. It shows that while there are many values universal to Thai and Western societies, there remains differing degrees of emphasis, priorities and confluence of values adopted by the cultures, which may result in differing behavioural patterns. Therefore, it is important for expatriates exercising PM in Thailand, to have an appreciation of Thai cultural values, if they are going to work effectively with Thais. Without such, they will be less effectual in understanding how to communicate with their Thai counterparts, or to understand how Thais will interpret their behaviours, that the expatriate might think is perfectly normal, but which may appear to Thais as nonsensical or offensive.

Chapter 3 concludes with a *conceptual* framework for this research. The framework limits the scope of the research to four principal themes based on the literature review, namely: PM design – because of the intrinsic cultural values contained within PM design, cultural values – because they are the defining feature of cultures and core to the research question, communication – because it features in almost all facets of cross-cultural encounters and PM practice, and the manager-subordinate relationship – because it is at the heart of PM practice.

Chapter 4 justifies the selection of the social constructivist philosophical orientation of this research. It also provides justification for the adoption of qualitative research methodology, together with descriptions of the data collection and analysis methods used. Descriptions are also provided for: the research participant selection process, ethical issue, and consideration of reliability and validity issues.

Part Two of this thesis presents the analysis and findings of the research. To address the research questions, it includes a discussion to synthesise the findings. In the introduction to Part Two the concepts of two principal themes of this research are introduced, being *Driver* and *Constraint domains* of cross-cultural PM. The characteristics of the *Constraint domain* are those elements that tend to place limits on a person's performance. That is, they tend to be resource-limiting factors. Whereas, the characteristics that comprise the *Driver* domain are those elements that provide impetus to a person's performance, that is, those characteristics that fuel and or energise a person's performance. Part Two is comprised of Chapters 5, 6, 7 and 8.

Chapter 5 provides a detailed account of the first part of the data analysis of the research, covering the Constraint Domain, which is sub-themed into two principal *Categories* of: *Values Adjustment and Efficacy*, and *PM systems/Organisational structures*. An empirical

analysis is presented to develop the constructs of *cultural conditioning*, *cultural efficacy blindness*, and *tension of expectations*.

Chapter 6 presents a detailed analysis of the Driver Domain of cross-cultural PM. The sub-theme categories of *motivation*, *communication*, and *relationship* are presented as the principal drivers of performance in the context of the research. For the motivation driver, the principal motivating factors were found to be extrinsic motivators (such as monetary rewards), intrinsic motivators (non-monetary rewards) of which fun (sanuk สนุก) in the workplace is an essential motivator for Thais. An empirical analysis is presented to develop the constructs of *culture-communication effect*, and the *communication-relationship effect*.

Chapter 7 provides a discussion to synthesise the findings of the preceding two Chapters in addressing the research questions.

Chapter 8 concludes this thesis. It gives an overview of the preceding chapters that address the research questions. Chapter 8 also presents: the extent to which this research contributes to the body of knowledge, limitations of this research, practical implications, observations and areas of possible future research, and the practical implications of this research.

Chapter 2 - Literature Review: Human Resources Performance Management (PM) and Culture

2.1 PM is a Western Practice

Chapter 1 presented an overview of this research supporting the primary research question: *In the cross-cultural setting of Anglo-western corporations operating in Thailand, what is the effect of culture on the efficacy of human resources performance management?* In arriving at this research question, it highlighted the ongoing problem practitioners experience in cross-cultural PM of their staff, which is that actual performance outcomes can be totally at odds with their expectations. This can leave even the most experienced cross-cultural practitioners bewildered and frustrated in their attempts to achieve efficacious PM outcomes. Notwithstanding the abundance of empirical literature in the field of cross-cultural management, the problem of the cultural cause and effect on the efficacy of PM is left largely unexplained.

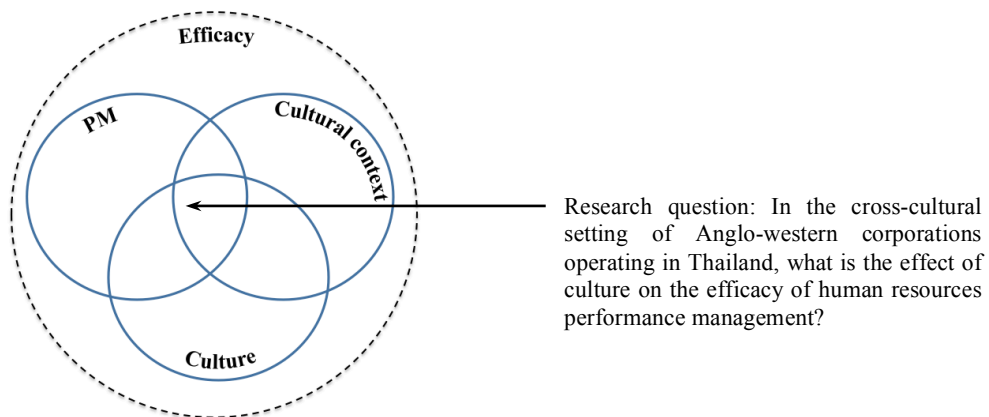
However, it is generally accepted that PM is a Western practice, particularly with a heavy influence of American management theories and practices (Ailon 2008; Erez 2008). As a consequence, through globalisation and the proliferation of multinational organisations, Western modelled PM design has increasingly been transplanted across culture borders, without much consideration to cultural context or circumstance, such as in: *China, Japan, and Taiwan* (Claus & Briscoe 2009; Hellqvist 2011; Tsang 2007), *India* (Claus & Briscoe 2009; Hellqvist 2011) and *Thailand* (Chompukum 2012). The trend of globalisation, in turn, has spawned a strong interest in the cross-cultural performance management. Furthermore, the foundation of this question is *efficacy*: the efficacy of human resources performance management, and in particular the effect of culture on efficacy. The sense of efficacy is itself a cultural construct, whereby different cultures may form different values-based *means to an end*—or *means-action-ends*—constructs of efficacy.

The term efficacy is rarely used in the study of performance management except in the context of the self (Buchner 2007; Coleman 2008; Erez 2008), collectivity (Lee, TW & Ko 2010; Tasa, Sears & Schat 2011), or as a synonym for effectiveness. The Macquarie Dictionary (2015) defines efficacy as the capacity to produce effects, or effectiveness. This definition assumes a situation, where an array of existing and introduced factors is brought together to produce a desired outcome. In a performance management situation, the introduced factors constitute the performance management system design, including management intervention and work motivational techniques. Without the introduction of external factors the situation has an inherent efficacy, a momentum of its own that could

produce a different outcome, possibly one that is less desirable. A further implication is the assessment of efficacy is values based. A *desired* outcome is measured against a value set of the desirer. Being values based the concept of what are efficacious means to produce efficacious outcomes is inherently influenced by cultural values that underlie such assessments. In a cross-cultural performance management situation, it is the differing cultural values—or constructs of efficacy—which ultimately affect the efficacy of human resources performance management. This is the focus of this research.

In order to address the fundamental elements of the research question(s)—namely performance management, the concept of culture, the cultural setting of this research, and cultural concepts of efficacy—this chapter presents a review of the literature pertaining to the each of these elements. This framework is illustrated in Figure 2.1 below.

Figure 2.1- Literature Review Framework



2.2 PM and Cultural Effects

To begin to understand the effect of culture on PM, one must first understand how culture affects the construct of PM. What is the purpose of PM, what values underpin its design, and what is the nature of such values in relation to the cultural context of its design and application? These are fundamental question that need to be addressed at the outset.

PM forms part of an organisation’s overall management control systems (Ericksen & Dyer 2005). A shortcoming of management control systems is that the dominant focus to achieve efficacy is through control of its operating resources (including its human resources) and environment. They are measured in the rationalistic terms of economic modelling and management accounting principles. From the point of view of efficacy, this bias for control through process, modelling, planning and the imposition of will upon the world; as a way in

which to achieve one's desired outcomes, is a Western cultural values bias (Bandura 2002; Chia & Holt 2009; Jullien 2004) (the cultural concepts of efficacy is be explored later in the chapter). The Western cultural bias for efficacy through control is exacerbated by the fact that management research literature, and management practices adopted by a large proportion of multi-national companies, predominantly comes from the West and, in particular, the US (Chompukum 2012; Claus & Briscoe 2009; Hellqvist 2011; Tsang 2007).

In the study of performance management (PM) there are a wide variety of definitions of what constitutes PM. This may be because it is a widely studied field, widely practised by organisations throughout the world in a wide variety of situations (Hellqvist 2011). However, there is general agreement that PM systems are designed to exert control through two primary means. Firstly, to direct employees' work effort to align with the organisation's strategic objectives. This is generally the administrative function of PM systems that are typically governed by the organisation's human resources management (HRM) function (Biron, Farndale & Paauwe 2011; Ericksen & Dyer 2005). As such, PM systems are associated with administration of salaries, rewards, bonuses, employee development and succession planning.

Secondly, PM systems are designed to influence (motivate) employees to elevate their effort (performance), and thereby enhance the performance of the organisation (Chiang & Birtch 2010; Claus & Briscoe 2009; Fee, McGrath-Champ & Yang 2011; Hellqvist 2011; Hsi-An, Yun-Hwa & Kim 2005; Sanders & Frenkel 2011; Tsang 2007). The management of the motivational elements of the PM system design is the responsibility of line management within the organisation. That is, the primary delivery of this aspect of PM systems design is through the manager-subordinate relationship. This is the *practical application* of PM systems design.

The governance (HRM) function, or systems aspect, of PM is designed to impose controls and efficiencies in the quest for efficacy of PM processes. Whereas, it is the engagement between the manager and the subordinate that is the practical application of PM. Every touch-point through their working relationship, either overtly or tacitly, intentionally or unintentionally—whether face-to-face, over the phone, email, text message, or even failing to engage in certain situations—constitutes a PM engagement (Sanders & Frenkel 2011). While the PM system provides the framework for PM, the efficacy of the manager-subordinate relationship—the practical application of PM—is the primary means through which efficacy of PM is achieved. In multinational organisations it is often the situation where the PM system designed for use in the home country, is transplanted for use in its foreign operations. Also, some management positions in the foreign subsidiary may be filled with expatriate staff from the home country, or other foreign countries, with many positions filled with local staff of the foreign operation (Hellqvist 2011). Because of this multifaceted nature of cross-

cultural PM, culture can affect the efficacy of PM through both PM systems design and the manager-subordinate relationship. Therefore, it is important to review the effect of culture on both the systems aspect of PM and the practical application of PM.

2.2.1 PM Systems Design and Cultural Effects

The literature tends to use the term ‘performance management’ in reference to both an organisation’s overall management control systems and the HRM systems. Either way, the performance of an organisation is reliant upon its employees and how they make decisions and interact both internally within the organisation and the external environment. Hence, the organisation’s overall performance management systems and its HR performance management systems are intrinsically linked (Otley 2012).

PM systems are integrated within an organisation’s management control systems in two principal ways: vertically and horizontally. Vertical integration refers to the alignment of the HR strategies with the organisation’s strategic objectives, whereas horizontal alignment refers to the alignment of the various components of the HR strategies, such as employee selection, remuneration and training (Ericksen & Dyer 2005; Fee, McGrath-Champ & Yang 2011). While much of the literature makes the claim that PM systems improve an organisation’s performance (Ericksen & Dyer 2005; Fee, McGrath-Champ & Yang 2011; Hellqvist 2011; Otley 2012) there is also much dissatisfaction with PM systems (Biron, Farndale & Paauwe 2011; Buchner 2007; de Waal 2006; Haines & St-Onge 2012). One criticism is that they fail to deliver improved performance towards the organisation’s achievement of its strategic objectives. Here, much of the dissatisfaction relates to behavioural aspects, such as when the use of the system becomes a process that is a burden upon management (Biron, Farndale & Paauwe 2011) or poor accounting of the systems for contextual factors, such as the cultural environment, particularly in a cross-cultural setting (Fisher & Härtel 2003).

The integration of *systems* place emphasis on *process* as a mechanism of *control* in the design of PM systems. This sees the design characteristics of management control systems mirrored in the design of PM systems. For example, the performance requirements for individual employees (usually set for each fiscal period, such as 12 months) will usually include an apportionment of the organisation’s financial targets or budgets, that is, the individual’s share of the organisation’s financial performance targets he/she is expected to achieve. The performance requirements may also include contextual goals, such as behaviours and actions that support the psychological, social and organisational environment in which the technical aspects of the job are performed (Hellqvist 2011). As such, the design of PM systems—the organisation’s HRM function of policies, procedures and processes—affects the mindset and comprehension of managers and performers in the way that PM is

conducted within the organisation, such as priority setting, timing, and form-filling. Such cultural emphasis on control, efficiency, and economic rationalism in PM systems design, are the principal means to achieve PM efficacy at the organisational level, yet they may have the opposite effect at the level of the individual.

The human (people) aspect of PM is intended to be central within PM systems, yet the human element may be overwhelmed by the PM processes, relegating it to a secondary status. This often leads to dissatisfaction by performers with PM, leaving them with a sense of being at the mercy of the PM system, and in the worst case with PM being ‘something done to people’ (Buchner 2007, p. 60). This may be an underlying cause, as to why a significant proportion of HRM professionals are dissatisfied with PM systems. They don’t believe they deliver improved organisational performance (Biron, Farndale & Paauwe 2011; Haines & St-Onge 2012). Ultimately it is *people* who have to operate within systems and deliver performance. Their decisions and actions are guided by complex cognitive evaluative processes based on their personal values, desires and needs however they might be inculcated with the values of others or culture (Fitzsimmons 2013). Control systems are not a separate entity or force from the people who operate within them. Therefore the practical application of PM systems is contingent upon the actors within the system and an array of complex causalities. For example, complex causalities may include socio-political and economic environment factors, job tasks and required capabilities, changing technologies, relationships between team members, and the manager-subordinate relationship (Fleetwood & Hesketh 2006). Yet the overwhelming bias of the focus is on the individual within PM design, as if the individual is in control of the outcome of their efforts in isolation from all others, and is undoubtedly a cause for some of the angst experienced in the practical application of PM (Buchner 2007). This focus on PM design, on the individual, is one effect of culture on PM, and stems from a widely accepted Western cultural value (bias) often referred to as *individualism* (Erez 2008).

2.2.2 How Culture Affects the Practical Application of PM

There is an array of ideas, coming under the broad banner of motivational theories, developed to explain the dynamics at play in the practice of PM, especially with regard to the practical application. Primary theories include: self-determination, goal setting and feedback, performance assessment (PA), rewards and recognition (Aggarwal & Bhargava 2009; Budhwar 2002; Claus & Briscoe 2009; de Waal 2006; Erez 2008; Paik, Vance & Stage 2000). Each of these common behavioural elements is founded on cultural values. For instance, self-determination theory proffers that human motivations are driven by an innate need for competence, a desire for stimulation to be sustained at an optimal level, and a personal motivation or self-determination (Eccles & Wigfield 2002). Self-determination theory

purports ‘there are different types of motivation that underlie or regulate goal-directed behaviour’ (Graves et al. 2012, p. 1656) which have their roots in the concept of *self*. One conceptualises a sense of self through self-enhancement (the desire to maintain a positive view of one’s-self), self-efficacy (the self-perception of one’s ability to complete a certain task) and self-consistency (the desire for a coherent view of one’s interaction with their environment), which are regarded as primary motivators.

Culturally, each of the three primary motivators appears to be universal. They are central to peoples’ sense of wellbeing and their ability to maintain a consistent relationship between their sense of self-awareness and personal goals. They also appear to be consistent themes of cultures around the world (Erez 2008). However, this does not mean that people of different cultures express these motivations in the same manner. Their expression will be influenced by the values and norms of behaviour of culture. For example, an *independent* concept of self of an individualistic oriented culture, such as Australia, is different to an *interdependent* concept of self of a collectivist-oriented culture such as Japan. People of independent cultures are likely to be motivated by values of personal autonomy, concern for self before others, and self-fulfilment. Whereas, people from collectivist oriented cultures are more likely to have an emphasis on *we* rather than *I*, and be motivated by concerns for group obligations and social harmony (Gelfand, Erez & Aycan 2007; Huang 2009).

In the practical application of PM, defined above, the individual performance is the central focus and therefore the concept of self is paramount to the effect of motivational practices employed. Notwithstanding cultural influences on peoples’ concept of self, the design of PM systems and work practices have for decades been founded on Western motivational theories, ‘overlooking the cultural factor and its potential effect on work motivation’ (Erez 2008, p. 501). In order to further understand how cultural differences may affect the efficacy of the design and practice of PM, an overview of other primary motivational practices mentioned above (goal setting and feedback, performance assessment (PA), and rewards and recognition) follows.

Cultural Effects on Goal Setting and Feedback

Goal setting is considered integral to PM (Buchner 2007) playing a central role in influencing performance as an ‘informal control mechanism by directing attention, motivating, and sustaining performance’ (Fee, McGrath-Champ & Yang 2011, p. 368). It is therefore also regarded as central to HRM strategies and PM systems through the vertical alignment with the organisation’s strategic goals (Chompukum 2012; Nankervis, Stanton & Foley 2012).

A general shortcoming of these models and application of theory is that they do not take into account subconscious drivers and values that motivate people in performance. They are limited to logical, consciously set goals as a motivational influence of performance (Latham & Pinder 2005). Goals need to be in sympathy with the values of the relevant PM national cultural environment, since cultural values moderate motivational values (Fee, McGrath-Champ & Yang 2011). For example, people in individualistically orientated cultures (such as Australia) tend to prefer goals that are challenging that offer a sense of accomplishment; they prefer to distinguish themselves from others. Yet people of a collectivist society (such as Japan) tend to prefer moderate goals. Their orientation is towards the group and maintaining harmony, thereby promoting their group membership (Kurman 2010). Also, cultures with high sensitivity to *loss of face* will tend to be more risk averse in goal setting than people from cultures who have a low sensitivity to loss of face (Erez 2008). In a cross-cultural setting goals need to be set to accord with the cultural context, if they are to be an effective motivator. To set challenging individualistic goals in a collectivist-orientated culture, is unlikely to be an effective strategy, and potentially have an adverse affect on the efficacy of PM.

Empirical research also shows that culture moderates goal specificity. For example it is argued the use of context in communication varies across cultures. Cultures/countries have been ranked accordingly, into either high or low-context cultures (refer *Culture and Communication* section p. 31). Asian cultures tend to be high-context, whereas Western cultures tend to be low-context (Kittler, Rygl & Mackinnon 2011). In high-context cultures individuals were found to draw on situational cues to interpret the information conveyed to them. However, individuals of low-context cultures, rely much more on the content of the information, making the specificity of the task more crucial to their interpretation (Erez 2008). Therefore, the nature in which goal setting is communicated should be congruent with the communication characteristics of the culture. Otherwise, culture is likely to moderate goal setting as a motivator, thereby affecting the efficacy of PM. Furthermore, there is often little or no account of the implicit value assumptions upon which the motivational techniques employed are based, thereby ignoring potentially moderating effects of culture. Is the profit maximisation goal of a Western organisation for one's personal benefit, necessarily a motivational goal for an employee in a Buddhist-based society?

Feedback is also regarded as an important aspect of goal setting theory. It is an ongoing process in the day-to-day performance as opposed to the formal *performance assessment (PA)* process (see below) that forms part of the six monthly or twelve monthly performance management process administered by HRM. Feedback enables staff to monitor their progress, whether their performance is in line with goals and expectation, and therefore acts

as a moderator for goal-setting and motivation (Seijts & Latham 2012). Feedback is an area commonly cited as a source of frustration in cross-cultural settings. In Western cultures it is common to give direct feedback where the cultural orientation is towards the individual. In Eastern cultures, where the concept of self tends to be group oriented, feedback tends to be implicit, less confronting, and empathetic to one's sense of self-worth – face-saving (Erez 2008). Therefore, as with goal setting, cultural values differences in regard to feedback can affect the effectiveness of the motivational value and thereby the efficacy of PM. While feedback is an important aspect within goal setting theory, it also features prominently in other motivational aspects of PM and motivational theories, particularly performance assessment.

Cultural Effects and Performance Assessment (PA)

PA is widely regarded as a major component of PM (Aggarwal & Bhargava 2009; Budhwar 2002; Claus & Briscoe 2009; de Waal 2006). PA involves the assessment of an employee's achievements against a set of performance targets, which are often rated on a scale from good to poor. The administration of PA in an organisation resides with its HRM function, while the practical delivery of PA is the responsibility of line management (Sanders & Frenkel 2011). HRM rely on line management to provide their ratings data for collation by HRM enabling them to appropriate salary increase and bonuses as rewards and incentives for performance, which for a long time have featured prominently in most organisation's PM motivational strategies (Chompukum 2012; Kohn 1993; Mattson, Torbiörn & Hellgren 2014; Rhee & Sigler 2005) – see below.

The line manager-subordinate relationship is pivotal to most aspects of PM, and is a primary point where culture is negotiated in a cross-cultural setting. How each party conceptualises their self-view, and therefore how they relate to others, is important to the success or otherwise of such negotiations. For instance, managers most often base PA of a subordinate's performance on personal judgements, which has long been a contentious issue (Maley 2009). People's response to PA ratings, whether negative, constructive, or positive, will be influenced by their need for a positive self-view. Where an employee feels aggrieved by the PM processes, this can have an alienating effect on the employee's behaviour such as lower citizenship, satisfaction and commitment (Hellqvist 2011; Maley 2009). In a Western individualistic oriented culture they are likely to preserve their positive-self view through protective mechanisms such as self-serving bias error, and attribute the negative outcomes to circumstances, or the actions of others (Erez 2008). In an Eastern culture such as Thailand (while it might seem counter intuitive) is also an individualistic culture because of the values of Buddhism and its focus on the sense of *self* (Roongrengsuke & Liefoghe 2012), an

employee is likely to cognitively adopt similar protective mechanisms. However, if the assessment is delivered without cultural sensitivity, such as in a direct and forthright Western style manner in the case of a Thai, their reaction is more likely to be one of retreat, silence and resignation from the organisation, because Thais place a high value on face-saving (Holmes, Tangtongtavy & Tomizawa 2003).

PA is an important process of PM regardless of culture, for it affords the opportunity for the recipient of the assessment to receive affirmation of what is being done well, plus opportunities for improvement for the ensuing performance period. However as shown above, because it is rooted in the values of self-determination PA can be a sensitive area with demotivating effects. This sensitivity can be exacerbated in a cross-cultural setting with significant effect on the efficacy on PM, where ‘negligence in this area can have a devastating effect on the organisation’s globalisation success’ (Maley 2009, p. 108).

Cultural Effects and Rewards

Organisations have long used rewards—particularly monetary rewards, such as salary increases and bonuses—in the belief that employees are motivated to work harder, because they make the connection between reward and work performance. This belief has its roots in economic theory that assumes monetary incentives stimulate workers to improve their performances (Mattson, Torbiörn & Hellgren 2014). Agency theory, in particular, assumes that parties enter principal-agent relationships on the basis of the most efficient contract, which drives individual behaviour and performance, and often assumes that self-interest is a key motivating factor (Mattson, Torbiörn & Hellgren 2014; Rynes, Gerhart & Parks 2005).

However, psychologists regard these types of rewards as extrinsic motivators. They have a much less motivating influence than intrinsic motivations and can undermine intrinsic motivators (Guo 2007; Kanfer 2009; Kohn 1993; Long & Shields 2010; Mattson, Torbiörn & Hellgren 2014). Extrinsic motivators are those external to the activity or performance, such as: pay, salary increases, bonuses and the like. Rewards that are gained from the actual undertaking or performance—internal to the performer, such as job satisfaction—are intrinsic motivators (Mattson, Torbiörn & Hellgren 2014). There is much evidence that extrinsic rewards are ineffective motivators. For example, rewards can rupture relationships, since they are individualistic in nature and yet business performance is a collective result (Ferreira & Otley 2009; Long & Shields 2010; Mattson, Torbiörn & Hellgren 2014; Rynes, Gerhart & Parks 2005).

With the controversy of rewards, organisations have looked to other means of motivation such as *social recognition*, which is deeply rooted in motivation theories (Haines

& St-Onge 2012; Long & Shields 2010; Mattson, Torbiörn & Hellgren 2014). Employees generally use a variety of non-cash recognition means, such as awards recognising personal achievement and valued contribution to the organisation's performance, personal acknowledgement by the manager on day-to-day performance tasks, and training development programs (Long & Shields 2010). Such forms of recognition may benefit motivation and performance outcomes as a valuable form of feedback for intrinsic motivation factors (Mattson, Torbiörn & Hellgren 2014) and self-efficacy (Findler 2007). In practise there is a tendency not to replace monetary rewards with non-monetary rewards, but rather to use non-monetary forms of recognition to supplement them (Long & Shields 2010).

Again, the theory drawn upon with regard to rewards and recognition elements in the design and practice of PM relates to Western theories inculcated with Western values. The individualistic nature of rewards does not necessarily fit well with collective oriented cultures 'where individually based differential rewards can violate the group harmony, as they differentiate among group members' (Erez 2008, p. 516). For example, studies show team-based rewards in Japanese organisations were more effective in delivering high performance, than were individual-based rewards (Allen et al. 2004). The opposite was found to be true for American organisations (Erez 2008). According to *self-determination* theory, how an individual's intrinsic motivation is affected by rewards, depends upon their cognitive interpretation of the rewards. In this way all rewards have controlling tendencies, with the reward contingency defining the distinction between desired behaviour and undesired behaviour, and therefore, rewards provide feedback to the performer on the link between behaviour and performance outcome (Guo 2007; Mattson, Torbiörn & Hellgren 2014). Yet people of different cultures will apply differing value sets to the nature of rewards and recognitions they receive, or do not receive. Therefore the effectiveness of a reward system will be largely determined by its compatibility with the contextual cultural values within which it is applied, thus having a moderating effect on PM.

2.2.3 Conclusion

Through the universal values of self-determination, goal setting and feedback, rewards and recognition, and PA are all effective motivators across cultures. PM is designed to exploit motivational values in the quest for efficacy of PM, which is ultimately measured in improved performance of the organisation (Horwitz & Horwitz 2012). However, in the design of PM, motivational values should be constructed such that they are in harmony with the cultural value nuances relevant to the cultural environment (Chiang & Birtch 2010; Claus & Briscoe 2009; Dulebohn et al. 2012; Fisher & Härtel 2003; Gelfand, Erez & Aycan 2007; Hellqvist 2011; Vallance 1999). Otherwise, the PM motivational strategies may not be

effective due to the moderating effect of cultural values, as illustrated in the preceding sections.

The literature covering such cultural effects tends to focus on cultural value differences, in a linear cause and effect or one-on-one relationship, apart from the effect of culture on communication (high and low context). The predominant focus is on the symptomatic effects of cultural values, with little focus or exploration of the root causes of such differences. For example, as illustrated earlier, a collectivist cultural values orientation gives rise to an interdependent concept of self, which gives rise to goal seeking motivations oriented towards promotion of one's membership within the group. This is opposed to a individualistic cultural values orientation which gives rise to an independent concept of self and with goal seeking motivations oriented towards distinguishing one's self from others – *collectivist* versus *individualistic*, and *interdependent* versus *independent*. While such approaches have been useful in our understanding *what* is happening due cultural value differences, and to a lesser extend the *how* culture affects motivational values, but are of limited use in understanding *why* cultural value differences affect the efficacy of PM. Are there other cultural moderating factors involved? How does culture affect the *means-action-ends* relationship—that is, the construct of efficacy—of PM, and if so why? To delve further into this problem, we need to look to the construct of culture and cultural constructs of efficacy.

2.3 The Constructs of Culture and Efficacy

Culture is a complex concept. Writer Raymond Williams describes 'culture' as one of the two or three most complicated words in the English language (Jenks 2003). It covers a broad spectrum of concepts. One end of the spectrum is high culture or culture with a capital 'C', that is, culture as described by the English poet and cultural critic Mathew Arnold in a series of essays entitled 'Culture and Anarchy', which were published in the late 1860s. For Mathew Arnold, culture was the best that has been thought and said, that is, literature, philosophy and the arts (Kuper 2005). At the other end of the spectrum, culture with a lower case 'c', is aligned to an anthropological sense of everything that is passed from one generation to the next, which is not contained within our genes (Ridley 2013). In recent times the concept of culture has been embraced by sociology, political science, psychology, and international business and has become increasingly important in theory and in practise (Zhang 2009). Each field brings its own perspective to the concept of culture. Because of this broad spectrum of cultural perspectives it is difficult to define. In its broad concept, culture is a construct that explains observable ways members of groups or societies behave (Hofstede 1999; Varner & Beamer 2011). It is a complex amalgam of morals, beliefs, knowledge, customs and laws acquired by people as members of a society (Machado & Carvalho 2008). These are reflected in their visible phenomenon, rituals, ceremonies and artefacts (Aycan

2005; Hofstede 1999; Zhang 2009), which ‘you would see, hear, and feel when you encounter a new group with an unfamiliar culture’ (Schein 2010, p. 23). Culture in this sense is not something innate within the psyche of members of a society, but learned and stored within the patterned thinking in the form of values and beliefs, (Hofstede 1999; Machado & Carvalho 2008) which act as a silent force to influence behaviours (Low & Chapman 2003; Smith, Peter B., Dugan & Trompenaars 1996; Varner & Beamer 2011). Two prominent convergent views of culture within the literature are firstly, that cultural norms, values and behaviours are *learned*, culture is not something people within a society are born with; it is not encrypted within their DNA. Secondly, culture is a cognitive behaviour – since it is constituted by accepted patterns of behaviour within prescribed situations, it is a construct not a tangible thing or chattel (Low & Chapman 2003).

Throughout the literature, it is generally accepted that cultures change over time. This might seem obvious when one looks at history to realise the views of European societies (for example) regarding the right to life and freedom today are vastly different to those of the Roman Empire. Cultures are in a state of flux and change when they come into contact with one another, through trade, environmental pressures and migration (Kuper 2005). However, there are differing views about the resistance to change of cultural values. Do they change over time? If so, do they change quickly or slowly? If not, can we regard some cultural values, for example, national cultures, as relatively immutable? (Zhang 2009). Notwithstanding the rate of change of cultural values within a society, and the ever-increasing contact societies have with one another, through the rapid advances in globalisation and communications, there is little evidence of a convergence of cultures. As Hofstede, Hofstede and Minkov (2010) proffer, the young Turk of today is very different to the young Turk of 100 years ago, but still remains very different to the American of today, as so he did 100 years ago. The pressures of globalisation have not seen a convergence of societal structures or economic models across the globe, which are dominated by country-specific imperatives (Leung et al. 2005).

Values are central to most definitions of culture, and as a means of distinguishing between cultures. Values transcend all the humanities and social sciences such as anthropology, education, economics, political science, and social psychology. Values are also a defining variable in explaining cognitive behaviour of people as social actors and decision makers, who are also influenced by culture and its social institutions of their society (Komin 1990b). Values at the societal level represent the norms and patterns of behaviour and can be inferred from the social and community structures within a society such as families, laws, commerce and institutions. Whereas, at the individual level, values are reflected in their judgements about the value of symbols and objects, right versus wrong, good from evil, and

worthwhile from worthless. At this cognitive level, values being a subject of judgment, are neither fixed or predetermined, but flexible, evolving and contextual (Smith, Peter B, Peterson & Thomas 2008; Zhang 2009):

Those properties of culture which seem most distinctive of it and most important are its values. In fact values provide the only basis for the fully intelligible comprehension of culture, because the actual organization of all cultures is primarily in terms of their values. These values are variable and relative, not predetermined and eternal. (Kuper 1999, p. 57)

As a cognitive element values are not neutral but have affective and behavioural elements linked to emotions. If values are challenged they are likely to lead to action, since they constitute a belief about what is desirable and therefore beliefs about the means to achieve that desire. As such, values are intrinsic elements of the means-end relationship, and therefore *goals* may be likened to the mechanism through which values are applied to action (Komin 1990b; Latham & Pinder 2005).

The field of anthropology, particularly social anthropology, has laid the foundations for our understanding of the concepts of cultures, the differing value systems that have evolved to govern how different cultures view their world, and define what it is to be human and solve their problems for ongoing survival (Davis 2009). The field of international cross-cultural management research has drawn on many of the value concepts framed within anthropology, to develop new cultural constructs to address the problems faced by businesses, with the ever increasing cross-cultural engagements and the evolution of globalisation (Sackmann & Phillips 2004). In the study of cross-cultural PM it is important to review the relevant cultural constructs within the field of cross-cultural management research. This will not only serve to draw on such constructs to aid our understanding, but importantly will enable an understanding of their limitations.

2.3.1 Cross-cultural Management Studies and the Concept of Culture

The concept of culture within international cross-cultural management studies came into prominence post World War II, particularly driven by American scholars with the internationalisation of American businesses expanding into Europe to assist with the rebuilding of the war-torn countries (Kuper 2005). Since the seminal works of Geert Hofstede (Hofstede 1978, 1980) there has been a strong interest in international cross-cultural management research (Magnusson et al. 2008). Over the post-War period international cross-cultural management research has evolved along three principal streams of inquiry. Each stream is based on differing ontological and epistemological premises to define their socio-political assumptions and research methodologies. These three streams remain current today and lead inquiry into various research problems depending upon the researchers'

paradigmatic orientation and particular research problem that is the focus of their interest. These three principal streams of international cross-cultural management inquiry are termed by Boyacigiller et al. (2004) as: *cross-national comparison*, *intercultural interaction*, and *multiple cultures*. The essential differing characteristics of each of these streams are tabled in Appendix 1, p. 235.

A review of each of the three principal streams of cross-cultural management research is presented in the proceeding section. It will be evident that notwithstanding the depth and breadth of international cross-cultural management research, and the frameworks developed within these streams, they do not provide adequate insights into how or why culture may have a confounding effect on cross-cultural PM. In conclusion, it will be argued that the concept of *cultural-constructs of efficacy* is a new means to provide a discourse to deepen our understanding of cross-cultural management.

Culture and National Comparisons Frameworks

Following the seminal works of Hofstede (1980), the national comparison research stream saw an explosion of interest. This is attributed to his publication of *Culture Consequences* and the accessibility of comprehension it provided (particularly for managers), and ease with which it could be applied within empirical studies (Boyacigiller et al. 2004). As a consequence, the national comparisons stream dominates international cross-cultural management research (Ailon 2008)

There are many recognised value-based cultural models. The most recognised of these in the literature are: the widely influential work of Hofstede (1980) and his extensive body of work that followed, the works such as Schwartz (1995), the works of Trompenaars and Hampden-Turner (1998), and the Global Leadership and Organizational Behaviour Effectiveness (GLOBE) study of House et al. (2004) (Magnusson et al. 2008; Minkov 2011; Shi & Wang 2011).

Hofstede developed his original model based on data collected in the late 1960s from the employees of the computer organisation IBM, which involved some 116,000 survey questionnaires sampled across 72 countries (Minkov 2011); though only 40 country samples we used to underpin Hofstede's original model (McSweeney 2002). His original model included four bipolar dimensions: *power distance* (strong versus weak), *individualism versus collectivism*, *masculinity versus femininity*, and *uncertainty avoidance* (strong versus weak). Circa 1991, in collaboration with Michael Bond (of the Chinese University Hong Kong), Hofstede added a fifth bipolar dimension of *long-term versus short-term orientation*. A sixth dimension was added in 2010, this time in collaboration Minkov (2011); this dimension was

called *indulgence versus restraint*. Brief descriptions of the six dimensions are detailed in Appendix 2 a) p. 237.

While Hofstede's work received much acclaim, it has also received an abundance of criticism (Magnusson et al. 2008). This is levelled at the construct validity of Hofstede's research, for example McSweeney (2002) criticises the theoretical grounding of the research, with sampling done from only one organisation to represent cultural values at a societal level, in addition to the age of the sampling. Others cite that revisions from four to five dimensions (later to six) were due to the flawed nature of the original sampling (Magnusson et al. 2008). The ontological and epistemological grounding of the research is also criticised, in that the reasoning was subject to Hofstede's own cultural bias, which only served to promote the status quo, transcending the notions of cultural relativism that Hofstede's findings claimed to represent. Further criticisms were levelled on the methodological use of science to discover *real* cultural differences, using the voice of science as a political mechanism, to sanctify what is said in the name of science (Ailon 2008).

Hofstede vigorously defended these criticisms justifying his methodology and clarifying the many assertions and findings of his research (Ailon 2008; Magnusson et al. 2008; Minkov 2011). He was not surprised at the level of criticism, claiming that his doctrine (on cultural differences) was a paradigm shift in the way culture is viewed, and 'paradigm shifts in any science meet with strong initial resistance' (Hofstede 2002, p. 1). Whether his was a paradigm shift is a moot point, but nevertheless, Hofstede's work did trigger a new way of thinking on culture and the controversies surrounding his representations spawned a host of other researchers to attempt to improve on his works (Magnusson et al. 2008).

Particularly inspired by Hofstede's works was the GLOBE study, which was an ambitious project covering a sample of some 17,300 managers across three industries (food processing, financial services, telecommunications), 951 organisations and 62 societies. It involved 20 contributing authors, five editors, and numerous more collaborators and volunteers (House et al. 2004). The study measured culture at different levels: industries, organisations and societies. Data was primarily sourced from survey questionnaires, which was supplemented with data from interviews, focus groups, and analysis of print media. The study measures cultural dimensions in two manifestations: *modal practices* (as is, or what are the common practices), and *modal values* (what should be) or contextual values, as opposed to those displayed in practise (House & Javidan 2004).

The GLOBE study defined nine sets of values that differentiate cultures: *power distance*; *uncertainty avoidance*; *institutional collectivism*; *in-group collectivism*; *humane orientation*;

performance orientation; assertiveness; gender egalitarianism; future orientation. Brief descriptions of the values are detailed in Appendix 2 b) p. 238.

Even though House et al. (2004) paid tribute to the preceding works of Hofstede, Hofstede was quite critical of the GLOBE study (Hofstede 2006). He made a detailed comparison between his methodology and analysis and that of the GLOBE study, highlighting flaws in the latter, but his main concern was whether the questionnaires used in the GLOBE study measured what the researchers intended them to measure, because the questioning was ‘formulated at a high level of abstraction, rather far removed from respondent’s daily concerns’ (Hofstede 2006, p. 885).

Criticism of national comparison cultural frameworks

Trying to define culture is difficult enough in itself, however trying to define national culture differences, in the manner of the frameworks mentioned above, is fraught with even greater difficulty. This might be the reason they are so often criticised as being too simplistic, being rooted in essentialism, and easily adopted as constructs ‘for clearly-delineated and non-specific entities in the real world’ (Wierzbicka 2002b, p. 3). Notwithstanding this criticism, Wierzbicka recognises that such constructs are useful particularly in cross-cultural communication and education, whether across borders or within countries with multicultural societies. However, she proffers that the *theory of cultural scripts* provides a much more reliable methodology to identify cultural norms and attitudes, than vague notions of national culture, national ethos or national character. The theory of cultural scripts purports that widely held cultural norms of a given society are reflected in language, in culturally specific keywords, phrases and conversational routines (Wierzbicka 2002b).

Post-colonial views of culture can be critical of values-based cultural frameworks, also asserting amongst other things that such models’ treatment of national culture as homogeneous and bounded by national borders is too simplistic (Banerjee & Prasad 2008; Childs & Williams 1997; Sullivan 2006). Neo-colonialists also claim that culture is transmitted through other means, such as economic might, language, and political agencies thereby extending beyond its national borders (Sullivan 2006).

Bandura (2002) makes the criticism that such models bound culture by ‘territory rather than by psychosocial orientations and social customs’ (p. 276). Cultural models tend to be static in nature (failing to account for the dynamics of cross-cultural encounters), measure slight characteristic variations on a dichotomous scale (such as individualism versus collectivism), and fail to account for regional diversity within a country (Sullivan 2006). Through their generalisations they also fail to account for variations amongst individuals, for

example people from a collectivist-oriented society do not always act in a manner that places group interest above self-interest. This contentious dualism pits:

autonomy against interdependence; individualism against collectivism and community; and personal agency against social structure. The determinants and agentic blends of individual, proxy and collective instrumentality vary cross-culturally. But all agentic modes are needed to make it through the day whatever the cultural context in which one resides. (Bandura 2002, p. 269)

Such criticisms highlight a fundamental problem in the way such frameworks have been applied in the study of cross-cultural management research. There has been a tendency to treat such frameworks as paradigms, with their assumptions taken for granted (Zhang 2008). Consequently, the statistical measurements and cultural value scores, of such frameworks, have been applied to the measurement and development of other cross-cultural modelling, such as marketing and joint ventures, outside their intended use. This is problematic for the construct validity of such research (Ailon 2008; Shenkar, Luo & Yehekel 2008). Further, the static nature of such frameworks limits their usefulness in research the dynamic nature of cross-cultural encounters (Weisinger & Trauth 2000; Zhang 2009). Assuming cultures are static or immutable in this manner, limits their capacity to explain the dynamics of *intercultural interactions*: why and how culture affects the behaviour of individuals in cross-cultural encounters in a variety of situations, such as the cross-cultural manager-subordinate PM relationship and moderating effect of culture within the dynamics of this relationship.

The Intercultural Interaction Stream

While such frameworks, the likes of Hofstede (1980) and the GLOBE study are valuable in advancing the understanding of cultural effects, their limited capacity to explain behaviours of people from different cultures when they work together, led researchers to study the dynamics of intercultural interactions. The increasing pressures of globalisation saw an increasing awareness of the complexity of the concept of culture, and of problems faced by international business (Boyacigiller et al. 2004). This gave greater recognition to the need to study culture in context, to move beyond *comparison* to a narrower and sharper contextual focus on the essence of management, which is *interaction*. Hence, the emergence of the *intercultural interaction* and *multiple cultures* to bring alternate research paradigms to address issues of cultural interactions in business, which are shortcomings of research falling within *international comparison stream* described above. The international comparison stream comprise studies founded on positivist epistemology employing large scale quantitative research methods, while the intercultural comparison and multiple cultures streams adopt interpretative epistemologies and qualitative (or mixed) research methods,

which allow for thick description of data in context (Boyacigiller et al. 2004; Sackmann & Phillips 2004; Smith, Peter B, Peterson & Thomas 2008). While the emphasis is on national cultures, the cultural interactions research stream brought a focus on *organisational cultures*, and the effect of culture on *communication* that can lead to distortions through misperceptions, misinterpretations, and misunderstandings (Sackmann & Phillips 2004).

Organisational Culture

The concept of organisational culture (also referred to as corporate culture) has been popular within management and organisation studies since the 1980s (Willmott 1993). It is a loose concept and does not have a unifying accepted definition (Hofstede & Hofstede 2005). Fayolle, Basso and Legrain (2008) refer to it as the collective history of the corporation, of its successes and failures: ‘lessons drawn from experience are encapsulated in organizational knowledge’ (p. 217) that give effect to the corporate values and influence the behaviour of the employees. The idea of organisational culture can range from something that an organisation has—being an independent variable that can be exploited by management to achieve their ends—to something an organisation is (Boyacigiller et al. 2004). Hofstede, Hofstede and Minkov (2010) make the distinction that while the term *culture* is used for both corporations and nations, the two concepts are different: ‘national cultures are part of the mental software of the mind acquired in the first ten years of our lives...organisational cultures are acquired when we enter a work organisation...they are more superficial’ (p. 284).

Proponents of organisational culture regard it as being a fundamental factor within PM control systems and staff motivation (Balthazard, Cooke & Potter 2006; Fee, McGrath-Champ & Yang 2011; Gulev 2009; Haines & St-Onge 2012; Herath 2007; Lynch, Leo & Downing 2006; Setthasakko 2012). Willmott (1993) took a more critical view, asserting the promotion of corporate culture within an organisation is a mechanism of control through promotion of ‘employee commitment to a monolithic structure of feeling and thought, a development that is seen to be incipiently totalitarian’ (p. 517).

Organisations are institutions within societies and, therefore, are reflective of the cultures of those societies. This is also true of multi-national corporations, which are influenced by the cultural and institutional characteristics of their country of origin (Thite, Wilkinson & Shah 2012) . This is because the parent companies of multi-national organisations are normally based in the country of origin. Research shows that the operations of the foreign subsidiary companies, are controlled or influenced by their parent companies, via the transfer of systems, corporate policies, practices, and senior executives (Brumana & Delmestri 2012). Bhaskaran and Sukumaran (2007) claim, however, that many other factors such as economic, legal and regulatory operating environments have a much more profound influence on the

organisation's culture. They caution against judging the culture of a corporation based on 'nationality-based beliefs, behaviours and orientations of the owners and managers of organisations' (p.54). Notwithstanding this, there is the perception that common cultural values of multinational corporations, stem from their desire for a homogenous cross-cultural set of corporate values within their corporation globally. Therefore it is not so much a matter of managing diversity of cultures, but rather creating an organisational culture that transcends such difference to effect control of behaviours in a uniform fashion (Özbilgin 2008). However, it is not clear whether this can be achieved. To do so, they need to understand and manage the diverse array of national cultural values within their operations toward a common set of values. In attempting this, it is assumed that national culture and economic ideology are primary forces that shape managerial work values (Ralston et al. 2008).

Gulev (2009) supports the notion that organisational cultures emulate national characteristics, asserting they are isomorphic in nature. His study showed that organisational culture could be defined in terms of national culture, falling under three dimensions. Firstly, national cultures with strong interpersonal and trust-driven characteristics, tend to foster organisational cultures that explicitly and tacitly support knowledge sharing. Secondly, national cultures that have a strong authority foundation foster organisational structures that tend to be flat, disseminating power away from the top and more egalitarian in character. Thirdly, national cultures with strong independence characteristics favour distinctiveness tend to spawn organisational cultures that favour output controls, rather than input controls, to direct behaviours. For example, setting targets and goals promoting individual effort are preferred over 'communal supervision and socialisation of employees into the organisation and its values' (p. 277).

However, organisational culture is hardly comparable to national cultures since organisations are in a far more rapid state of change with the competitive pressures of globalisation and new technologies, in addition to constant changes in management and personnel. Proponents of organisational culture seek to establish a locus of control through determining the values, behaviour, and the relationship between employees and the organisation (Haines & St-Onge 2012). Therefore, it is not really a culture, more strategic element within an organisation's management control systems design. As such, organisational culture constructs are focussed on cultural interactions, more so than those of the cross-national comparison stream. Yet they have very limited capacity to explain the effect of culture on cross-cultural engagements at the individual level, since they are constructs defining behavioural tendencies at the organisational level. The weakness of such frameworks, is that they tend to simplify the question of culture, 'subordinating culture to the world of work and aiming to make steadfast cultural claims, whereas the cultural subject—

like personality—is necessarily transient and unstable’ (Witte 2012, p. 147). Cross-cultural communication, however, is at the forefront of cross-cultural engagement, so much so that Hall (1959) proclaimed that ‘culture is communication and communication is culture’ (p. 186).

Culture and communication

Cross-cultural communication is pivotal to cross-cultural PM since communication affects many of the motivational strategies incorporated in PM design (Buchner 2007). Clearly for PM to be effective, good communication between manager and subordinate is needed. However, cross-cultural encounters often experience difficulties arising from misunderstandings and incorrect interpretations, which will most likely lead to ineffective PM outcomes. A major contributor of culture shock, experienced by expatriates, is attributed to ineffective cross-cultural communication (Chen, Lin & Sawangpattanakul 2011). Clyne (2006) asserts that intercultural communications breakdown and stereotyping people of other cultures, is due to a failure to recognise variations in intercultural pragmatics. He identifies three main causes for ineffectual cross-cultural communications: 1) different assumptions underlying situations and appropriate behaviour, 2) different means of framing information and arguments, and 3) different conventions of speaking, for example issues of prosody, and their interpretations.

Edward T Hall (1976) developed the concept of high and low-context communication in application to cross-cultural research. He explains his concept, as:

A high-context (HC) communication or message is one in which most of the information is either in the physical context or internalized in the person, while very little is in the coded, explicit, transmitted part of the message. A low-context (LC) communication is just the opposite; i.e., the mass of the information is vested in the explicit code. (p. 79)

The use of Hall’s concept has been applied to rank cultures and countries, according to their communication tendencies, as either high or low-context cultures (Kittler, Rygl & Mackinnon 2011). The contextual communication concept emphasises the importance of cultural context through the model of ‘meaning’ as a function of ‘information’ and ‘context’. For information to have meaning its context must be understood. Therefore when people from different cultures communicate they might share the same information but they will have different cultural contexts, possibly leading to different meanings (Hall 1971). However, the issue of context extends beyond cognitive processes to include the organisational, social, and hierarchical or power structures in the relationships that all influence how culture affects communication and ability to bridge differences experienced in cross-cultural communication (Bjerregaard, Luring & Klitmøller 2009).

Language (verbal and non-verbal) not only acts as the medium for communication, but also is reflective of culture in the way societies do things. Linguist Clyne (2006) refers to the different styles of speaking, such as the instrumental or exacting style (Anglo, Northern, and Western European) versus the succinct and subdued style (Southeast Asian), or the elaborate and dramatic style (Middle Eastern). He identifies six different styles contained within the literature, emphasising that they are not stereotypical of cultures, but illuminate tendencies that 'are underpinned by cultural values and history' (Clyne 2006, p. 102).

Linguist Wierzbicka (2001) draws on the theory of *cultural scripts* (mentioned earlier) to illustrate that language and communication contain the general attitudes, cultural norms, and values of a society; 'cultural scripts are representations of cultural norms which are widely held in a given society and which are reflected in language' (Wierzbicka 2002, p. 2). In the Australian context, for example, terms such as fair-go, mateship, whinger and so on, are all laden with values and national ethos that reflect the values of the society. Common expressions are particularly revealing; former Prime Minister of Australia John Howard liked to depict himself as a *little Aussie battler* appealing to the labour heartland of the opposition party (Martin, B 2007), by appealing to the minds and hearts of the people who identify with the cultural values the expression contains.

Since communication is heavily imbued with cultural references and values, it is an important aspect of cross-cultural performance management. Research shows that there are many filters of communication that need to be understood in the language of cross-cultural communication (Chen, Y-C, Wang & Chu 2011; Clegg & Gray 2002). The most obvious is the participants' individual mastery of the language. Clearly, if one has a low level of mastery, then effective communication will be difficult. Even if the second language speaker has a strong literal understanding of the language, he/she interprets through a different set of values that can lead to differing understandings. Far too often cross-cultural engagements 'result in misperceptions, misinterpretations, and a negative evaluation of the cultural other's intentions and abilities' (Boyacigiller et al. 2004, p. 122). Learning a few words and phrases of the foreign local language may open up a whole new world of opportunity to build relationship and performance management effectiveness (Clegg & Gray 2002). Understanding cultural differences through language and communication, is a prelude to understanding the differing attitudes and values of other cultures, and requisite to understanding the difference in ways societies do things and solve problems (Wierzbicka 2002b); which in turn extends to the attitudes and values they bring in forming the views of efficacy.

Researchers who may be categorised within the intercultural interaction stream tend to view culture as a group-level phenomenon, a social construct that incorporates shared values

and meaning making. They place an emphasis on organisational culture, but as a subset of the national cultures that people bring to a multinational workplace setting. They recognise the importance of cross-cultural communication, and its potential impact on the effectiveness of multinational workplace settings. This perspective advances our understanding of the importance of contextual factors in cross-cultural engagements, which is a departure from the cross-national comparison stream. However, beyond cultural value differences and the effect of culture on cross-cultural communication, these alone do not serve as explanatory means to understand the effect of culture on the efficacy of cross-cultural PM, at the individual level. The multiple cultures stream, however, moves even further away from the fixed, static and immutable concepts of the cross-national comparison stream. Researchers within the multiple cultures stream view culture as ‘a collective social phenomenon that is created, rather than inherited by group members’ (Zhang 2008, p. 41).

Multiple Cultures Stream

Within this stream, the relevance of defining cultures based on national boundaries is questioned. With the geopolitical upheavals experienced in the world, such as in Eastern Europe, Middle East, and Asia, economic and political issues are being determined across regions and continents, for example through the European Economic Union (EU) and Association of Southeast Asian Nations (ASEAN). The multiple cultures stream is similar in many ways to the cultural interactions stream, but brings an even finer focus on the effects of culture in context. Globalisation is becoming increasingly pervasive, with expansion of international business, technologies opening up communication and markets for individuals and business well beyond the reaches of those in the past. Workforces are becoming ever more globalised, as delivery of services is no longer geographically bound to markets. Hence researchers falling within this stream do not see organisational culture as one that is homogeneous or monolithic, but rather that workers bring with them a multiplicity of cultures. Workers develop shared sets of assumptions within the workplace, developing many organisational cultures as subsets that are overlapping, superimposed and nestled together. Members may identify with several cultural subsets simultaneously, for example: functional domains, nationality, gender, work-group, tenure, which influence their behaviours depending upon their circumstances at the time (Boyacigiller et al. 2004; Sackmann & Phillips 2004)– refer also, organisational cultures Section 2.2.3.6 earlier.

Within the multiple cultures research stream, researchers view culture as cognitive rather than symbolic. They believe it is a socially created phenomenon that can emerge wherever a commonly held set of assumptions are held by a group culture, not only inherited. This can give rise to people being members of multiple cultures. Therefore researchers look for

commonly held assumptions as precursors to define cultures, rather than seeking to define boundaries around cultures (Boyacigiller et al. 2004). Consequently, cultures can be transitory, evolve, change or decrease with the flux of members and shared assumptions.

2.3.2 A Continued Need for a Contextual Understanding

The models and frameworks that have come out of the *national comparisons* streams of research have been valuable in facilitating understandings, vocabularies, and intellectual dialogues on the concepts of culture and cultural differences. While they encourage stereotyping ‘they are useful tools in explaining cultural behaviour’ (Osland & Bird 2000, p. 66). They provide a basis for understanding the cognitive value systems that give impetus to how people tend to reconcile their desires, wills, commitments and identities within national and organisational contexts they occupy (Smith, Peter B, Peterson & Thomas 2008). However, because they tend to be rooted in a positivist or functionalist paradigm, with a view that culture is static, values abstracted mental codes—removed from their contextual validation—(Bjerregaard, Luring & Klitmøller 2009), they lack practical application at the interface where cultures meet in international cross-cultural management – the workplace. Yet, they continue to dominate the field of international cross-cultural management research. A sharper contextual focus is needed to facilitate understanding of face-to-face interactions of peoples of different cultures. That is, a sharper focus from a cognitive perspective as to how people are influenced by their values and belief systems – how they determine right from wrong, good from evil, and important from unimportant in their quest for effective cross-cultural engagement, and to narrow their cultural distance. In international cross-cultural management, it is where peoples of different cultures come together to negotiate a working relationship with each other that matters (Shenkar 2012b). Their cultural distance can be a cause of frustration and friction as they attempt to negotiate a relationship that aligns their expectations in accordance with one another.

Cultural Distance, Cultural Friction, or Expectations?

The construct of *cultural distance* has been in wide use within international business literature that emanates from the *national comparison* research stream. Proponents of the construct apply a positivist paradigm to measure the degree to which cultures are different or similar, and thus ‘conceptualised national cultures as discrete entities’ (Bjerregaard, Luring & Klitmøller 2009, p. 208). There is some confusion in the literature between the concepts of *cultural distance* and *psychic distance* since the two terms are sometimes used interchangeably. However, it is generally accepted that *cultural distance* is a measure of the degree of differences between two cultures at the national or organisational levels, whereas *psychic distance* is a measure of the degree of difference at the personal level and is

comprised of *cultural distance* plus the individual values of the individual (Evans, Mavondo & Bridson 2008; Sousa & Bradley 2006). In essence it is purported, the greater the distance between cultures, the stronger their differences. There is more likelihood there will be misunderstandings, impedance to communications, knowledge transfer and cooperation with business ventures between cultures (mergers acquisitions, joint ventures, and greenfield start-ups) and thereby adversely impact on performance (Lervik 2008; Stahl 2008).

Cultural distance has come under much criticism (Bjerregaard, Luring & Klitmøller 2009; Shenkar 2012b; Zaheer, Schomaker & Nachum 2012). In his renowned article Shenkar (2001) argues that cultural distance is fundamentally flawed on two dimensions: conceptual properties of the construct and methodological properties employed. *Conceptual properties* refers to illusory assumptions that undermine the foundations of the construct, for example, the illusion of *symmetry*, which suggests that the cultural distance from culture 'A' to culture 'B' is the same distance from culture 'B' to culture 'A', which has proven not to be so. *Methodological properties* refers to instrumentation and measurements employed also contain biases, for example, the measurement of distance between cultures assumes homogeneity within the cultures, which also proves to be a false assumption. In this and later works Shenkar argues that the construct of *cultural friction* should be applied instead, since distance is of no consequence until the two cultures actually engage, plus not all cultural difference are problematic as some may be complimentary in working together (Luo & Shenkar 2011; Shenkar 2012a). Because they are focussed at the national and organisational level (concerning the effect of culture in a variety of management disciplines and international business ventures), they do little to help understand how culture affects performance at the relationship level between a manager and a subordinate, other than provide a vocabulary to assist in assessing such issues.

Rather than presenting cultural differences in terms of cultural distance or friction, much of the focus of cultural effects on performance has been on the issues of *cultural adjustment* that expatriates experience on assignment. Cultural adjustment is recognised as a significant drag on performance since the strain of adjustment can manifest in a wide variety of emotional responses including anxiety, frustration, and anger (Hemmasi & Downes 2013; Takeuchi, Wang & Marinova 2005). It may be defined as the processes of acclimatisation that foreign workers go through to attain a degree of psychological comfort with various aspects of living and working in the host country, including: work related adjustments, adjusting to interaction with others inside and outside the workplace, and general living adjustments (Pinto, Cabral-Cardoso & Werther 2012). The primary focus of adjustment literature has been to look at the antecedents and consequences of cross-cultural adjustment, and the attributes required to be an effective cross-cultural manager or leader (Stock & Genisyurek 2012; Thomas &

Fitzsimmons 2008). Cultural intelligence (CQ) is a more recent construct developed to explain the attributes of a person to be able to adjust to cross-cultural engagements, and therefore as a proxy of their cross-cultural management or leadership effectiveness. It purports that people with a high CQ will be more effective in cross-cultural adaptations, management, and leadership. The principal characteristics of CQ are a person's knowledge and experience with intercultural interactions, having a mindful or sensitive approach to intercultural interactions, and having the adaptive skills, behaviours, and flexibility to be able to be effective in a variety of cross-cultural situations (Deng & Gibson 2009; Rehg, Gundlach & Grigorian 2012). While these concepts study cross-cultural engagement at the individual level, they tend to regard cultural values differences as being a cause for the need for adjustment. They look at the cultural value differences, their consequences and attributes required to deal with them effectively. There is little exploration of the mechanisms or dynamics involved in how cultural differences affect the cross-cultural engagement, particularly with regards to cross-cultural PM. Differing expectations is the common theme in the literature, either implicitly or explicitly, as being a primary impediment to cross-cultural engagements.

Zhang (2009) explores the concepts of cultural values differences and causal mechanisms for their effect on performance with his *values, expectations and contingencies* model. His model has three fundamental elements in international cross-cultural management because: 1) *values* are *context-independent* – since they are enduring beliefs, 2) *expectations* are *context-dependent* – since *expectations* arise from the particular situation, and 3) *contingencies* are occasion-specific – as they are rules of behaviour that are formulated to engage the behaviour of the 'cultural other'. This leads to innumerable, and not always consistent, expectations existing within the cognitions of the actors of the cross-cultural engagement, as they vie for efficacy in guiding behaviour. While this model advances the unpacking of the dynamics of cross-cultural management with the three cognitive variables (cultural values, expectations, and contingencies) within a particular cross-cultural engagement, it does not delve deeply into the dynamics the cultural differences. What is the nature of the values, expectations, and resulting behavioural differences? How can universal values be expressed differently between cultures and give rise to different behaviours and expectations? Notwithstanding the significant advancements in our knowledge of culture and its effects on international cross-cultural management, questions surrounding the dynamics of the root cause of these effects have only been partly answered. There is still much to learn.

Irrespective of how culture is represented, whether in values-based models or contextual models, there is broad agreement that culture is reflected through its influences on the way

people relate to each other and resolve problems that societies encounter and perceive in their world. As anthropologist Wade Davis argues, cultures are:

a unique expressions of the human imagination and heart, unique answers to a fundamental question: What does it mean to be human and alive? When asked this question, the cultures of the world respond in 7,000 different voices, and these collectively comprise our human repertoire for dealing with the challenges that will confront us as a species. (p. 19)

The values, knowledge, beliefs, and customs evolve within cultures as efficacious means to address that fundamental question.

The cultural concepts that have developed through these three streams of international cross-cultural management—the *multiple cultures stream* being by far the dominant of them—have broadened our perspective of culture and how it may affect cross-cultural management. However, they do not provide mechanisms to adequately address questions (detailed in Chapter 1) that are the focus of this research. Cultural values, as defined by such constructs, are broad-based tendencies of behaviours within a society and are symptomatic of a culture's ontology and epistemology; they don't necessarily provide insight into the dynamics of how or why culture can have a confounding effect at the interface of cross-cultural engagement within international business operations, that is, cross-cultural PM.

Cultural constructs developed within the intercultural interaction and multiple cultures streams, while they have contextual focus, they tend to explain cross-cultural coping behaviours, such as Zhang's (2009) values, expectations and contingencies model, or attributes of effective cross-cultural leaders (managers) such as CQ (Rehg, Gundlach & Grigorian 2012). However, they do not unpack the cross-cultural dynamics beyond cultural value differences. To understand how and why different cultures develop different concepts of what constitutes an efficacious outcome and the means by which it is achieved, we need first to understand how cultural constructs of efficacy are developed. This is the starting point to determine how culture may affect the efficacy of PM in a cross-cultural situation. The following section, will argue that the concept of cultural constructs of efficacy, are a new means to provide a discourse to extend our understanding of cross-cultural management.

2.4 Efficacy of Performance and Differing Cultural Values Perspectives

Global PM design with its Western orientation has largely adopted rationalist-type thinking to deconstruct, measure and control the subject of study, which may reach back into scientific theory and positivist methodologies to form views of what constitutes 'efficacy'. The emphasis is on planning, forceful action, and outcome as being the *means to ends* relationship (Ferreira 2009). There is often an indistinct delineation between the concepts of efficacy, effectiveness, and efficiency, without due account of the value judgements that

underlie these concepts (Seldon 1993, Jullien 2004; Chia & Holt 2009; Otley 2012) and the cultural contexts in which such judgements are made. Seldon (1993) attempts to overcome this lack of distinction by defining efficacy as the starting point for efficiency judgements. He argues that if something works it may be efficacious, but it might not be the least costly or the best use of resources, but it is the ‘unassailable starting point for efficiency’ (p. 923). In his view, effectiveness is the next leg towards efficiency; for something to be effective it must work in the practical situation, and must account for judgements of likely future world conditions. Effectiveness—building on efficacy—lays the foundation for efficiency, or in Seldon’s terms *technical efficiency*, which is attained when no matter how the mix of available resources is applied, additional output cannot be achieved. To get additional output, additional resources need to be added. While recognising that other value judgements need to be made when human resources are part of the mix, Seldon asserts that the best measures are cost-based approaches, because they make a holistic assessment, rather than solely looking at individual inputs in the mix. Notwithstanding Seldon’s claim to a *holistic* view of efficacy versus efficiency, it remains culture bound by the rationalist and deductive reasoning upon which his notions are based, and thus is blind to culture and the legitimacy of other world views.

This accounting or economic rationalistic approach is typical of the Western orientation to efficacy. Horwitz and Horwitz (2012) are of a similar vein, arguing that the efficacy of HR interventions is best measured by employing the most cost beneficial measurement procedures, to boost the statistical power of analysis techniques. They make no reference to values or culture in the determination of efficacy. Yet, to impose one’s values upon peoples of other cultures can adversely affect their work motivation, relational communications, and overall work performance (Latham & Pinder 2005).

The Western view of achieving efficacy is oriented towards domination, and control through forceful action; a quest to ‘control’ destiny through deconstruction of the world to be remodelled in the form of plans and actions, in a rational way. However, the reality is that the complexity, fluidity and interdependencies of factors of the situation, are beyond our full comprehension. Strategies to achieve efficacy are but mere caricatures of the situation, and the ‘accompanying strategic narrative remains more a fairy tale than gritty realism’ (Chia & Holt 2009, p.20).

Eastern views of efficacy are different to the Western view, in that they do not have *forceful* action as the central means to achieve an efficacious outcome. In the West the idea is to work harder/smarter/longer/faster in order to succeed, hence forceful action being the means to achieve one’s goals. The Chinese philosophy, however, looks to the propensity of

the situation, to see how it can be exploited to one's advantage (Jullien, 2004). In Chinese philosophy the teaching is to be non-assertive by relying on the inherent power (*shi*) and the propensity of a situation, to work within its flow and transform it allowing the result to come about. Efficacy stems from the link between *opportunity* (or fortune), the right time that presents itself and utilisation of resources (those that are under one's control) to exploit that opportunity. The performance situation has a natural propensity, as the complex interaction and reactions take place in unforeseen or unplanned ways. To exploit the inherent and emergent opportunities, requires flexibility of emergent strategies (Chia & Holt 2009; Hesketh & Fleetwood 2006; Mintzberg & Waters 1985); 'opportunity is the favourable moment offered by chance' (Jullien 2004, p.61). The skill is to recognise the emergence of an opportunity, before it is readily apparent, and to be carried along by it. To act solely when an opportunity is obvious then the advantage may be lost, or its efficacy diminished. The Chinese sense of efficacy, in this way, is conceived through transformation and manipulation of a situation rather than by assertive action, as is the tendency in the West.

The Chinese view of efficacy has the environment or the context of the situation as central to the concept of efficacy, that is, the situation has its own efficacy or tendency within it; it is a tendency or force inherent within the situation that seeks to become *of its own accord*. The actors within the situation can seek to influence outcomes, but cannot impose their will through forceful action that will produce the most suitable outcome. This is particularly the case with a longer-term view which, in itself, is a distinguishing cultural value between East and West. In most cultural frameworks—the likes of Hofstede, Hofstede and Minkov (2010) and House et al. (2004)—attribute Western cultures as having a short-term cultural orientation towards their time horizons, while most Eastern cultures have a long-term cultural orientation.

Each action imposes a new beginning, an unfolding of a host of alternative possibilities. If the action is not natural to the situation, then the issues become, whether it is sustainable:

once a process has begun, its own impetus carries it onward; something that has begun seeks only to "become". *Of its own accord* means that the impetus in question is contained within the existing state of things... the process only comes to fruition if it afforded the right conditions for its unfolding. (Jullien 2004, p. 90)

This implies that action imposed upon the situation might deny those right conditions. If through force the natural tendency is denied, there will be a natural resistance to the intervention. For the intervention to have a semblance of permanency, an ongoing investment of energy or intervention is required to suppress the natural tendencies (Jullien 2004). By way of analogy, using the common household garden as the situation, the tendencies of nature

are always in force to transform it back to a natural state. It is only through the constant investment of energy through interventions such as weeding, mowing, pruning, and insect control that maintains the garden in the *desired* state. If one was to design the garden with flora natural to the environs and suited to its weather patterns, and one that attracts a natural balance of flora and fauna that keeps insects in check, the intervention is by way of a design that seeks to influence the natural tendency of the situation. It is not one that to dominate the situation, and therefore requires much less investment of energy and is more like to be sustainable. Similarly, in a cross-cultural management performance situation, the natural propensity is for people to seek to view and resolve problems based on their cultural world view, cultural values and norms of behaviour, as constituents of their cultural constructs of efficacy. To seek to impose force over these to dominate and control the natural propensity of the situation, requires a higher level of investment of management resources. Such an approach to efficacy is less likely to be sustainable, than if one sought to take advantage of the natural propensity through influence. This is akin to the concept of *strategy without design* proffered by Chia and Holt (2009), which is one to go with the flow, to allow the strategy to emerge from within the natural propensity or efficacy of the situation, through strategy of influence or indirect action.

The corollary of this emphasis on the non-deliberate emergence of strategy is a heightened awareness of the surprising efficacy of indirect action: action that is oblique or deemed peripheral in relation to specified ends can often produce more dramatic and lasting effects than direct, focussed action (p. x)

The Buddhist view of efficacy is also centred on action; not action in the sense of imposing one's will on a situation in terms of getting things done, but centred on one's own actions that stem from intent. It is centred on cause and effect that constitutes karma. All outcomes stem from the actions of the individual and the karma they create from immediate actions and of past actions (Buddhadasa Bhikkhu 2004; Payutto 1995; Sumano Bhikkhu 2013; Tate Taterangsee 2009). Within Buddhism the belief is that people should detach from past events, because nothing more can be done about them and to attach past events to one's current view, only serves to recycle the sufferings in another form. Buddhist teachings are also that the future is an illusion—there is no reality in our vision of the future—the only reality is the present moment. All outcomes stem from individuals' actions according to the laws of karma. All actions flow to the five basic aggregates, which are the 'causally conditioned elements of existence, viz: corporeality, form, feeling, perception, mental formations, and consciousness' (Tate Taterangsee 2009, p. 84). How one engages with the world determines if they create karma that is a result of enlightened decisions based on the truth of the situation according to the laws of karma. Also, karma is not temporally bound,

the cause and effect of one's actions on their karma will be influenced by their current carriage of karma, which may be a manifestation of actions of their past, present or future lives. Efficacy therefore stems from one's ability to exercise mindfulness and wisdom to perceive the *reality* of the present moment—not distorted by defilements of the mind, such as aversion, impatience, anger, greed, hatred, and ill-will—and therefore will lead one's actions to yield good karma (Payutto 1992a).

There is a similarity between the Buddhist view of efficacy and the Chinese view, in respect to need to be in harmony with the environment, to achieve efficacy. The significant difference is that, while the environment has its own propensity and efficacy, the Chinese view is to flow with this propensity, to influence rather than control and take advantage of emerging situations, that may include elements or good fortune, or luck. Whereas, the Buddhist view is that all outcomes arise from the cause and effect of karma, it is wisdom of one's intent and actions in relation to the five precepts and harmony in accord with the four sublime states that will lead to wise actions and karmic efficacy. One has control of one's own actions; the efficacy of one's actions will be determined by the natural laws of karma. The engagement with the environment or situation is always in the *now*. We can plan for the future using the past as a guide to likely outcomes, but in doing so we are likely to only create another version of the past, which does not improve enlightenment, wisdom, or freedom from suffering (Payutto 1995; Sumano Bhikkhu 2013; Tate Taterangsee 2009), which are the ultimate test of efficacy.

The Western tendency is to put the performer or strategist at the centre, separate from and in control of their situation, independently able to deploy resources and take action (Chia & Holt 2009). However, performers are not separate from, but enmeshed with their environment and subject to a milieu of relationships and external forces upon which they are both at the mercy of, and reliant upon, to achieve performance outcomes (Hesketh & Fleetwood 2006). 'Performance is a form of human agency that brings individuals with culture in an enacted manner' (Kincheloe & McLaren 2005, p. 314). In this context, the regimen of PM design and application may become an end unto itself, with the actors lacking the flexibility to enact their performance within the flow of the situation and be driven to action for action's sake, thereby losing opportunities to develop an efficacious outcome natural to the situation. Such a procedural or rules-bound application of PM is often a criticism of the system (Buchner 2007).

In the Eastern view – with recognition that the world or the situation is a place not to be acted upon, but rather one in which we form a part and not apart from – efficacy can be achieved by harnessing the propensity of the situation, going with the flow and influencing

the outcome; one which is natural to the situation and sustainable, because it is not imposed (Jullien 2004). Spectacular success can be achieved by dint of forceful action in the short run, but will tend not to be sustainable as was evident with the home lending strategies developed by Fannie Mae and Freddie Mac in America, that ultimately lead to the Global Financial Crises (GFC) of 2008 (Chia & Holt 2009). In a Buddhist sense such catastrophic outcomes are the natural flow of karma at the societal level, from the cumulative actions of the many within society being in contravention of karmic law (Payutto 1992b).

In this way *efficacy* is a construct that has its roots in culture. The Buddhist teachings of the five precepts and the Noble Eightfold Path described above, permeate Thai culture and values, and hence permeate the Thai sense of efficacy. As a construct, efficacy underpins our approach to conceptualise and fulfil our goals and aspirations, both in how and what we seek to achieve.

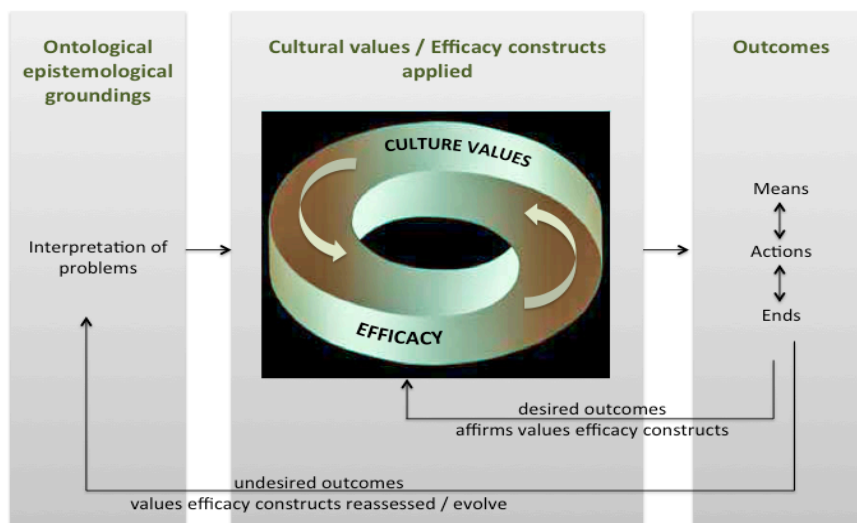
Therefore efficacy is at the heart of the ontological and epistemological grounding of a culture. The values that are formed and nourished by a culture's ontology, are drawn upon to form a view of efficacy, one reinforces the other. That is, values held by a culture, are applied and if proven to be efficacious over time, they reinforce their ontological grounding. If values prove not to be efficacious within the context they are applied, then they are modified, or the ontological grounding adjusted (however slightly) to form new constructs of efficacy. As the world changes or a culture's worldview changes, to meet whatever new challenges a culture may face, values that both stem from the culture and help form it, continue to evolve. The values at the heart of a culture's ontology, are drawn upon, influence and shape its views of efficacy.

For the purposes of this research, *efficacy is defined as a construct comprising the means, actions, and ends employed to produce a desired effect, in accordance with a culture's values and ontological/epistemological grounding.* Therefore, what is regarded as efficacious in one culture, might not be regarded so in another culture. For example, a desired effect (efficacious outcome) within one culture might be based on economic rationalist measures, through the application of cost accounting or econometric modelling techniques. However, when viewed by another culture the outcome might not be regarded as efficacious where, in terms of its values priorities, they are fractious to relationships or not sustainable over a different timeframe.

At the individual level, efficacy being a cognitive process of judgements made where cultural values, personal values, and motives vie for efficacy, different values will be drawn on to derive a perceived efficacious course of action. This may be modified with a different set of, or different priority weighting of, cultural values, depending upon the circumstances.

The constituent elements of efficacy (means-action-ends) are therefore flexible, changing as the circumstances of the situation evolve. The degree of flexibility depends upon the cultural influences – as presented in the previous section the Western orientation of efficacy being one of action and control (imposing a will upon the situation), whereas, an Eastern orientation may be more flexible, going with the flow as the situation unfolds. At the cognitive level, a person’s attitude may evolve over time with new knowledge and experiences; this may cause modifications to a person’s concept of efficacy. In this way, there is a virtual cycle of values and perception of efficacy; without beginning or end in the relationship between the two. In many ways it is a *chicken and egg* rhetorical question: do cultural values come before efficacy (being the components of the construct) or do values become enduring as such, because they prove to be efficacious? This inter-relationship of cultural values and cultural constructs of efficacy is depicted in the Figure below.

Figure 2.2 - The Interrelationship Between Cultural Values and Efficacy



Each of the constituent elements of efficacy is determined by the virtual cycle of values and perception in the determination of their individual efficacies. This may be primarily determined on their interrelationship, or primarily on their individual merit. For instance, if one was to take a consequentialist view, wherein the end justifies the means, the constituent elements of the *means* and *actions* are of less consequence to the *ends* in the determination of efficacy. On the other hand, if one was to take a deontological viewpoint, each of the constituent elements would need to be efficacious, in terms of value judgments applied to them individually, not primarily determined by the efficacy of the *ends*. Hence the constituent elements of efficacy are represented in the *Outcomes* column in the above figure, not only the *ends*.

The concept of cultural constructs of efficacy provides a means to shed new light on our understanding how people of other cultures view their world, and to understand the relationship of their cultural values and how they coalesce to form cultural constructs of efficacy, to solve problems and negotiate their way through aspects of their lives. Cultural constructs of efficacy can enable us to look beyond the hitherto predominant focus on cultural values differences, which manifest in symptoms such as reactions to cultural adjustment, cultural distance, and cultural friction. Rather, cultural constructs of efficacy enable us to delve deeper in to the root causes of such symptoms, deeper into the ontology and epistemology of the cultural other in our quest to understand why and how culture affects the efficacy of cross-cultural management.

However, it is important to highlight that the cultural construct of efficacy modelled in Figure 2.2 above, is intended only as a means to ground a general perspective of culture upon which to base this research. Its purpose is not to serve as a model of culture to generate concrete hypotheses, which can be empirically tested.

2.5 Conclusion

It is evident from the literature that the theories underpinning the design and delivery of PM systems has been dominated by Anglo-Western (particularly US) social ontology and epistemology and their associated value systems that determines what constitutes effectiveness. The issues of effectiveness are central to the underlying theories and, in turn, the design of PM. However, the value systems that underpin the associated definitions are predominantly Western values. While there is much research on cross-cultural effectiveness, both in PM systems design and practical delivery, it predominantly deals with specific issues and rarely, if ever, examines differing cultural views of efficacy and how this, in turn, affects either PM design or the practical delivery of PM in cross-cultural settings, and thereby how culture affects the efficacy of PM.

To explore these issues, and help resolve the problem and questions presented in Chapter1 and at the beginning of this chapter, this research adopted the conceptual framework as detailed below.

Conceptual Framework

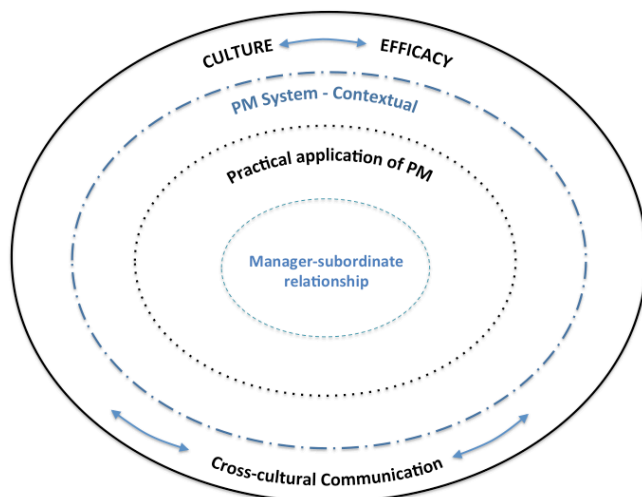
PM is ostensibly a management control system designed to align employees' attitudes, motivation and work effort to the goals and strategies of the organisation. To limit the scope of the research, it explores the following recurring elements of PM design:

- PM design including the control elements employed, such as goal setting, performance assessment (PA), rewards and recognition, and corporate culture.

(Biron, Farndale & Paauwe 2011; Cascio, Wayne F 2014; Fee, McGrath-Champ & Yang 2011).

- Cultural values. Values are at the core of culture being formed by societies' ontological and epistemological orientations. They are a defining feature of cultures and therefore a means of distinguishing between them (Kuper 1999; Smith, Peter B, Peterson & Thomas 2008; Zhang 2009).
- Communication features in almost all facets of cross-cultural encounters. This is particularly true with PM and the relationships between superior and subordinates in effectiveness of cross cultural PM (Bjerregaard, Luring & Klitmøller 2009; Chen, Y-C, Wang & Chu 2011; Clyne 2006).
- Manager/subordinate relationship. As with communication, relationship is a key feature both within PM and cultural values orientations. The practical delivery of PM is essentially the spearhead of the relational engagement between manager and subordinate (Chompukum 2012; Jorfi & Jorfi 2012; Sanders & Frenkel 2011). This research framework is depicted in the Figure 2.3 below:

Figure 2.3 - Conceptual Framework: Culture, Performance Management and Efficacy.



The central oval of the conceptual framework above depicts the *manager-subordinate relationship* as being at the heart of this research. This concept is contained within, or represents the conduit for the *Practical Application* of PM, which is represented by the next outward concentric oval. It is at this level that performance objectives are interpreted, action

plans implemented, and performance outcomes are ultimately delivered. Therefore, it also represents the area in which people of different culture negotiate shared outcomes across cultures, that is, the dynamics of where cultures meet.

The two concentric ovals moving out from the area labelled *PM Systems - Contextual* represent the contextual factors of this research. This represents the systems design aspect of PM as described in Chapter 2 (Section 2.2.2). This is the aspect that governs the manager-subordinate relationship, and the practical application of PM. Secondly, the outer most oval in the above Figure 2.3 represents the broader cultural contexts of the research. This includes the constructs of culture, efficacy and communication as described in Chapter 2 (Section 2.3) that influence both the design and practical application of PM. The nesting of each of the areas within the conceptual framework, represents the perspective of moving from the micro focus of contextual factors (manager-subordinate relationship) in graduations outwards to the macro focus of the outermost area *culture-efficacy and cross-culture communication*.

Culture, efficacy and cross-cultural management are the essence of the questions posed in this research, the findings of which are presented later in this thesis. However, prior to examining the findings of this research, it is important to have an appreciation of Thai cultural values and their potential effect on cross-cultural PM, and the research methodology employed in this research, which are presented in chapters three and four respectively.

Chapter 3 - Overview of Cultural Context: Thailand

3.1 Thai Culture – A Brief Perspective

Thai history is much older than the modern colonial history of Australia, with settlements dating back to the Bronze Age and the coming of rice agriculture approximately 2,500 BC (Baker & Phongpaichit 2010). The first polity of Thai-speaking people emerged during the Sukhothai period 800 AD to 1200 AD initially coming under the domination of the Daravati a Mon civilization, and later under the Khmer kingdom of Angkor. Circa 1240 AD the Khmer forces were defeated by Sri Indritya after which began the first independent polity of Tai speakers (Fry, Nieminen & Smith 2013), an ethnic group originally from Southern China, who over the early centuries AD spread culture, agrarian capabilities (especially rice growing), and language as their influence gradually migrated westward (Baker & Phongpaichit 2010).

During the Sukhothai the predominant cultural influences were Animism (Khmer) and later Buddhism (Ceylonese) (Roongrerngsuke & Chansuthus 1998). The historical periods predominant in the cultural influences of leader-subordinate behaviours are the: Ayudhya period, which saw cultural influences of Brahmanism from India; Ratanakosin period, influenced by the Chinese and Confucianism, and; American/Western (post WWII) including the current globalisation forces of the world economy, which has seen a results orientation influence upon the Thai culture (Roongrerngsuke & Liefoghe 2012). A summary of the cultural values each of these historical periods brought with it to the Thai culture is Table: 3.1 below:

Table 3.1 - Summary of Cultural Influences of Leader-follower Behaviours

Influence Source	Influence Type	Assumptions formed
Khmer	Animism	<p>Our parents re benevolent creators: we owe them our lives and obedience.</p> <p>All things in nature (animate or inanimate) are spiritual and worthy of respect.</p> <p>Our well-being s dependent on the spirits of nature.</p>
Ceylonese	Buddhism	<p>We must live in harmony with the natural world.</p> <p>Extreme emotional states prevent the discovery of truth and increase suffering.</p> <p>Neutrality and complaisance enhance the quest for truth and promote peace and harmony.</p>
Indian	Brahmanism	<p>Inequality is the natural order and therefore is right.</p> <p>The higher one is in the natural order, the closer one is to divinity and the greater one's virtue.</p> <p>Superiors lead and inferiors follow.</p> <p>Disobeying or challenging a superior is unnatural and evil.</p> <p>All human beings in the natural order have dignity, differing only by degree.</p>
Chinese	Confucianism	<p>We exist and are defined by our relationships with others; these relationships are hierarchal structures.</p> <p>Harmony is ensured if each party honours the requirements of role relationships.</p> <p>Projecting a good image of self in public is virtuous.</p>
American	Western	<p>Productivity is more important than relationships; results should not be sacrificed to maintain the appearance of harmony.</p> <p>Conflict can be constructive and creative.</p> <p>Confrontation an effective tool to deal with to resolve conflict.</p> <p>Face-saving and enhancing are counter productive</p>

Source: adapted from Roongrerngsuke and Liefoghe (2012).

The table above illustrates the many influences that have been layered together over a long history, to form the Thai culture of today. Notwithstanding these many influences, Buddhism remains the strongest influence on Thai culture (Baker & Phongpaichit 2010; Fry, Nieminen & Smith 2013; Komin 1990b). It is beyond the scope of this thesis to give a detailed account of Buddhist beliefs and the concept of karma. However, it is important to consider an overview on these matters to understand how they potentially affect the Thai cultural view of efficacy.

In Theravada Buddhism—the oldest teaching of Buddhism and the dominant Buddhist teaching in Thailand (Soontayatron 2013)—the essential teachings of the Buddha in deciding whether something is a true and valuable representation of the path are, the *four noble truths*: 1) the truth of suffering, 2) the origin of suffering, 3) the cessation of suffering, and 4) the path leading to the cessation of suffering. These are important in consideration of what constitutes efficacy, because the Buddha taught that suffering is the nature of life in *samsara* – *samsara* is a Pali word meaning continuous flow and refers to the cycle of life, death and rebirth (Tate Taterangsee 2009). No matter what we do, achieve, gain, lose, we are all still bound by suffering. Whether we are a millionaire or a homeless beggar, we are equally bound in this cycle of suffering. The ultimate test of the efficacy of our actions within Buddhism are those actions that lead to the cessation of suffering; otherwise known as *enlightenment* or *nirvana/nibbana*. The path leading to the cessation of suffering, as taught by the Buddha, is called the Noble Eightfold Path and it comprises: 1) right view and 2) right intention (these two constitute wisdom), 3) right speech, 4) right action and 5) right livelihood (these three relate to ethical conduct), and 6) right effort, 7) right mindfulness and 8) right concentration (the latter two comprise concentration of the mind and control of thought) (Payutto 1995). These are all things that one has to *actively cultivate* because all actions have consequences; cause and effect, which is central to Buddhist belief and the effect of karma that flows from one's actions.

Karma is a complex concept that affects both the circumstances one faces, and is affected by one's actions in relation to those circumstances. A proverb in Buddhism says that *if you want to know your past life, look at your current circumstance, and if you want to know your future life, look at your current actions*. There is a range of meanings of karma, which can be summarised into four different levels (Payutto 1992b):

- Karma as intention. Intention is the underpinning of action, which gives rise to cause and effect. However in a Buddhist sense intention itself – in the form of thought – whether followed by action or not, will have a karmic effect.

- Karma as a conditioning factor. It is the force that shapes life's direction. Through intention within the mind that leads to good, bad or benign states, which flows to action, shaping the body and speech. Again intention is the essence.
- Karma is a personal responsibility. Through the expression of one's thoughts through speech and action, one is responsible for the karma they create, which can have immediate effect or ripple through time into the future, next life, or future lives.
- Karma has a social perspective. Through social activities, work and professions karma is affected and affects the conditions with which one is faced. How one conducts one's self within the social context will determine whether beneficial or harmful karma is created in their lives.

Actions resultant from intention will have a beneficial or deleterious effect on one's karma and therefore on the efficacy of one's actions. Ultimately efficacy is manifested in the karma one creates. If one observes the five precepts or virtues of Buddhism, namely: 1) abstain from killing, 2) abstain from stealing, 3) avoid sexual misconduct, 4) abstain from lying, and 5) abstain from drinking alcohol, then such is considered to be skilful or wise behaviour from which beneficial karma is created. If one exercises unskilful behaviour, through actions in contravention of the five precepts, or with intent or ulterior motives that are tainted in this way, such as fear, anger, and greed—that is, karma that propagates suffering—then harmful karma will result. In a social context one's actions should be in accord with the four *sublime states* of: 1) goodwill and friendliness, 2) the will to help others, compassion, 3) sympathetic intent and joy at other's good fortune, and 4) equanimity. As mentioned above, Buddhist beliefs hold that the only reality is the present, the *now*. Therefore the future always flows from *now*. By one's actions, a continual flow of karma is created that will reap happiness or suffering. It is through exercise of self-control by adherence to the five precepts, and being fully present in the *now*, and thereby to perceive reality, that one can strive for wisdom and create beneficial karma, or an efficacious outcome.

The long history of Thailand has resulted in a strongly traditional society with deep-rooted traditions and cultural values. To evaluate Thai cultural values Komin (1990b) in 1978 developed a Thai Values Survey 'realising the need for a less-Western biased measurement instrument' (Komin 1990a, p. 687). At that time her survey involved a sample of 2,469 Thais across a range of geographical regions and occupations and educational levels including: university students, farmer, businessmen, government officials and employees. The survey was run again in 1981 with a sample of 2,149, which excluded Bangkok. A high correlation was found between the rankings of value hierarchies in both surveys;

notwithstanding they were two different national samples from almost completely different sets of provinces, drawn from a wide variety of socioeconomic strata of the Thai society, and the time difference in the surveys. From her research Komin (1990b) concluded that of the utmost importance in Thai society were *interpersonal relationships* and *individualism*. Nine value clusters were identified, ranking in psychological importance were: 1) *Ego orientation* – Thais have a very strong sense self, dignity and pride, 2) *Grateful relationship orientation* – this is related to a highly valued quality of gratefulness in a person and is reflected in the *bun khun* (บุญคุณ) relationship value (see below), 3) *Smooth interpersonal relationship orientation* – values of self-control and politeness rate highly, as opposed to achievement, ambition and self-actualisation that rate highly in Western societies, 4) *Flexibility and adjustment orientation* – ‘Thais are situation-oriented, not principle or ideology-oriented, neither are they system-oriented’ (Komin 1990a, p. 692). Thais tend to see themselves as flexible as opposed to being truly honest. 5) *Religio-psychological orientation* – a manifestation of religious beliefs and a spiritual life rooted primarily in Buddhism, 6) *Education and competence orientation* – education is seen as a ways to elevate one’s social standing as opposed to bettering one’s self through the acquisition of knowledge and wisdom, 7) *Interdependence orientation* – Thais have many ethnic groups including regional ethnicity, Chinese and Muslims. This orientation is reflected in their community collaborative spirit coupled with their smooth interpersonal relationship orientation, 8) *Fun-pleasure orientation* – while superficially Thais might seem fun-loving and easy going, like a relaxed time and abhor hard work, it is not so. Thais have a strong work ethic. Their fun orientation function as a means to maintain good interpersonal relationships and keep smooth face-to-face interactions, 9) *Achievement-task orientation* – ranking lowest of the value orientation, does not equate to task and achievement not being important within Thai society, but that it ranks lower in priority than in Western societies. Thais rank interpersonal or social smoothing values of greater importance than task orientation.

Throughout the literature, the predominant Thai cultural values are embedded in their language, in the form of cultural scripts and feature in everyday usage and are important to understand in working with Thais. They are: *baramee*, *pradait-prakhun*, *bun khun*, *jai, jai yen*, *greng jai*, and *mai pen rai* (Bi 2012; Holmes, Tangtongtavy & Tomizawa 2003; Kamoche 2011; Roongrerngsuke & Chansuthus 1998; Roongrerngsuke & Liefoghe 2012; Sriussadaporn 2006). Face-saving (*bpen-gaan-rak-saa-chuu-siiang*) is also regarded as an important value within Thai society (Jarinto 2011; Komin 1990b; Sriussadaporn 2006; Thanasankit, Theerasak & Corbitt 2002). These values are discussed briefly below, but a broader list can be viewed in the *Glossary of Thai Terms* at the beginning of this thesis.

Baramee (บารมี): From a literal translation it means *merit, prestige* or *virtue*. In a broader sense it refers to the influential power of a person. In meaning it has no direct English equivalent. The closest meaning would be charisma combined with goodness and loving kindness (Komin 2002). The characteristics of *baramee* include: 1) its influence is natural, not forceful, people learn from it, and relate to the goodness of the possessor, 2) it is built up over time by deed, not an existing personality trait 3) it is not possessed by position, and can be lifelong, 4) a person who has earned *baramee* does not expect favour in return, nor do they exercise favouritism or seek to control others. ‘A person who has *baramee* can command respect, love, loyalty, and sacrifice from others’ (Komin 2002, p. 279). In a managerial or leadership sense the principal components of *baramee* are: *pradait* (พระเดช) which refers to the authority and control that the leader or manager possesses, and *prakhun* (พระคุณ) refers to the favour, kindness, or grace that the manager or leader exhibits towards their subordinates. *Pradait-prakhun* are like the yin-yang of Thai leadership style. *Pradait* is the tough leadership that exercises control, is decisive in decision-making, and commands loyalty. *Prakhun* is the benevolent style that displays understanding, is supportive in the form of a relationship with a father/mother, ensures faithful service by providing rewards, recognition, prestige and protection (Kainzbauer 2013). For an effectual leadership style a balance of both traits is required. A dominance of the ‘*pradait*’ trait may mean less loyal followers with dampened efforts in the pursuit of common goals. Conversely, if the ‘*prakhun*’ trait is too dominant followers may take advantage of the manager’s kindness. In this fashion *baramee* is not bestowed upon a person, but in a similar fashion to trust, must be earned over a period of time, which will give the manager power and strength that is derived from the respect and loyalty that has been engendered in their followers from the leader’s *baramee*. This is only achieved by exercising the appropriate balance between *pradait* and *prakhun* throughout the relationship (Holmes, Tangtongtavy & Tomizawa 2003; Kainzbauer 2013; Komin 2002; Roongrerngsuke & Chansuthus 1998).

Bun Khun (บุญคุณ): Obligation – debt of gratitude: regarded as one of the most important values influencing the form of relationships for Thais (Holmes, Tangtongtavy & Tomizawa 2003; Roongrerngsuke & Liefoghe 2012). It is a strong sense of moral obligation that supports personal relationships. Good deeds done by the manager or leader, builds a store of *bun khun* and followers will feel a sense of their obligation to the leader through the value of *katanyu* (faithfulness - refer Glossary of Thai Terms) (Holmes, Tangtongtavy & Tomizawa 2003). Unlike the transitory nature of a patron-client relationship, *bun khun* is enduring and stable and therefore highly valued (Roongrerngsuke & Chansuthus 1998).

Jai (ใจ): literally means ‘heart’ in the Thai language, but is commonly used in compound words and phrases that link the meaning to both the heart and the mind. To understand the concept of ‘jai’ is to access the ways Thais look at themselves, others and life (Moore 2006). Moore (2006) describes some 750 Thai words and phrases showing it to be ‘a powerful, pervasive metaphor in the Thai language’ (p. 1). Heart is at the centre of relationships in Thai terms not only with people, but also situations and the essence of truth in all matters. It stems from Buddhist teaching; the heart is at the centre of enlightenment and wisdom. In Buddhism the essence is to control thought, which knows no bounds and moves from one thought to another in a seemingly constant motion. Control is exercised through *sati* (สติ), which is when the thought is separated from feeling, and brought temporarily to a stop. When thoughts are stopped and captured, through *sati* (สติ) they are transformed into the heart. This state of mindfulness prevents the mind from wandering off into anything and everything, enabling one to see the truth of the situation and exercise wisdom (Tate Taterangsee 2009); hence the richness of jai as a cultural script within the Thai language.

Prevalent examples of the use of jai are: *jai yen* (ใจเย็น), which literally means a ‘cool heart, and is centred in the Buddhist middle way – ensures the avoidance of extreme actions and emotions and promotes harmony. It is an important prerequisite to the mastery of *greng jai* (Moore 2006). *Greng jai* (เกรงใจ) may be described as ‘awe heart’, it is widely regarded as one of the most difficult concepts to translate and one of the most influential Thai values (Holmes, Tangtongtavy & Tomizawa 2003; Roongrerngsuke & Chansuthus 1998). In a general sense it may be described to be ‘considerate, to feel reluctant to impose upon another person, to take another person’s feeling (and ego) into account, or to take every measure not to cause discomfort or inconvenience for another person’ (Komin 1990b, p. 691). Being greng jai is a two way process, if one displays greng jai to another, that person is expected to display kren jai in return. It is a very important communicative trait involved in dealing with sensitive issues like conflict resolution, giving feedback or criticism, and negotiations (Chaidaroon 2003).

Mai Pen Rai (ไม่เป็นไร): never mind, it doesn’t matter. It is prevalent term in common usage and as such is richly laden with Thai values, influenced by Buddhism and the emphasis of the middle way. It is a phrase that can easily be mistaken by foreigners for a lackadaisical or apathetic attitude, but more commonly reflects the desire for the values of peace and harmony, in the manner of ‘jai yen’ (above). It can also be ‘about forgiving, and avoiding causing offence’ (Kamoche 2011).

Face-saving (bpen-gaan-rak-saa-chuu-siiang - เป็นการรักษาชื่อเสียง): the literal translation of which means ‘to protect the reputation’. Research has shown that Thais have large egos, a strong sense of pride, independence and dignity (Komin 1990b). The preservation of another’s ego is fundamental in Thai societal behaviour, whether the relationships are on an ongoing familiar basis, or on a newly encountered unfamiliar basis. Face-saving behaviours manifest themselves in many of the values orientations, such as *grewng jai* (Jarinto 2011; Komin 1990b; Thanasankit, T 2002), and in the Thai penchant to avoid conflict (Roongrerngsuke & Chansuthus 1998).

In exercising PM in Thailand, it is important for expatriates to have an appreciation of Thai cultural values, if they are going to work effectively with Thais. Without such an appreciation, they will be less effectual in understanding how to communicate with their Thai teams, or understand how Thais will interpret behaviour that the expatriate might think is perfectly normal, but to the Thais might appear nonsensical or even offensive (Holmes & Tangtongtavy 2003; Roongrerngsuke & Liefoghe 2012; Sriussadaporn 2006; Niratpattanasai 2008).

3.2 PM in Thailand

The literature on cross-cultural management in Thailand tends to deal with specific issues such as leadership and management (Holmes, Tangtongtavy & Tomizawa 2003; Niratpattanasai 2008; Roongrerngsuke & Liefoghe 2012), conflict management (Roongrerngsuke & Chansuthus 1998), expatriate and adjustment issues (Kainzbauer 2010), organisational citizenship (Fisher & Härtel 2004), specific industry issues, such as engineering and management information systems (Thanasankit, Theerasak & Corbitt 2002), the hotel and tourism industry (Sisavath & Siengthai 2005). There is a veritable dearth of empirical literature on PM in Thailand (Kamoche 2011). What little there is tends to deal with specific issues of PM, such as performance appraisal (Shrestha & Chalidabhongse 2006; Vallance 1999). However, a study into cross-cultural effectiveness of Western expatriate-Thai client interactions was conducted by Fisher and Härtel (2003). Their qualitative study included in-depth interviews and focus groups of 55 managers (25 Thais plus 30 Westerners) who were professionals, consultants, and specialists working in cross-cultural settings. Their findings show: firstly, cultural differences between expatriate workers and the host country need to be incorporated in into international human resources (IHRM) interventions. Also that task effectiveness of the interaction between expatriates and host country workers is affected by culture. This implies that it is important that assessment criteria for expatriate performance, accounts for factors that host country nationals consider important in effectiveness evaluations. Secondly, it is important for IHRM intervention frameworks to

draw upon multiple disciplines in their design. The study suggests a framework that integrates the disciplines of: intercultural effectiveness (drawing on literature of culture and cross-cultural communication), socio-biographical characteristics (such as cultural setting, age, gender, ethnicity, education, and intercultural experience), and individual effectiveness (individual performance assessment measures). Finally, based on the foregoing knowledge IHRM interventions should include training that incorporates ‘diversity awareness, cross-cultural issues, and ‘expatriation preparation that teaches employees relevant cultural mental models and how to take these into consideration in host country interactions’ (Fisher & Härtel 2003, p. 20). While this study provides an insight into the need to draw upon multiple disciplines in the development of IHRM interventions, it does not provide an examination of PM application at the relational level of manager and subordinate, nor does it explain how or why culture affects the efficacy of PM.

To begin to understand the cultural aspects of cross-cultural management in Thailand, Roongrengsuke and Liefoghe (2012) assert that it is necessary to understand the basic cultural undercurrent differences in the characteristics of the Western managers and their Thai counterparts. It is necessary to appreciate how these characteristic differences—based upon the Thai social system, cultural beliefs and values—influence the relational expectations between the manager and subordinates. They also acknowledge that with the pressures of industrialisation and globalisation that the Thai leader-subordinates relational characteristics are in a process of transition to a more Western leadership style, as summarised in Table 3.2 below:

Table 3.2 - Transitioning Thai Manager-subordinate Relational Characteristics

Thai traditional manager - subordinates relational characteristics	Thai Western influenced manager - subordinates relational characteristics
Individualist, self-reliant yet seeks support from clients of cliques	Ego-oriented, self-actualising
Status concerned	Democratic, participative
Autocratic, yet benevolent	Guardian or organisation's interests
Guardian of interests of clients of cliques	Team player
Solo artist more so than team player	Task-oriented more than relationship-oriented
Relationship-oriented, more than task oriented-oriented	Performance oriented, anti-favouritism
Favouritism-oriented, more than performance-oriented	Confrontational
Peacemaker, conflict-avoiding	Fact-oriented
Ritual-oriented	

Adapted from: (Roongrerngsuke & Liefoghe 2012)

Whether in academic writings or more generalist management guide books, across the literature on the cultural differences between Thai and Western workers, there is general agreement the tenets of Buddhism have a significant influence on the social and work related values of the Thais. This translates to a need for Westerners working with Thais to have an appreciation of these differences, particularly concerning the importance of relationship with Thais. The relationship between a superior and subordinate is central to Thai administration within that relationship (Vallance 1999). Within this relationship, it is important for Westerners to have an appreciation of the Thai language and the importance of the many Thai words (cultural scripts) that convey the significance of particular values, such as the word *jai* (Sriussadaporn 2006). The Thais have a strong sense of conflict avoidance and desire for harmonious relationships that can affect communication (feedback) and their sense of efficacy of a situation (Gupta 2002; Holmes, Tangtongtavy & Tomizawa 2003; Roongrerngsuke & Chansuthus 1998; Thanasankit, Theerasak & Corbitt 2002). This attribute means that performance assessment is something that does not sit well with Thais, more so

than with Westerners, and its design should be adjusted to account for the Thai heightened sensitivity (Holmes, Tangtongtavy & Tomizawa 2003; Paik, Vance & Stage 2000; Vallance 1999). The Buddhist teaching of *find the middle way*, suggests one should not become attached to things or circumstance at either end of the spectrum (passionately for or passionately against) and the cause and effect of one's action, either immediately or in the future, are strong undercurrents in the way Thais view relationships (Holmes, Tangtongtavy & Tomizawa 2003; Kamoche 2011; Noypayak 1998; Paik, Vance & Stage 2000; Tungtakanpoung & Wyatt 2013).

While the literature on cross-cultural engagement or working with Thais, gives an account of cultural differences between Thais and Western cultures, it does not address the issues of how culture affects the efficacy of PM, either in a general sense or in the context of Thai culture. Yet this is central to the research problem and questions expounded in the preceding Chapters one and two.

To address the research questions Chapter 4 provides an overview of the methodological grounding of this research, together with a contextual description of the fieldwork data gathering, and methods employed in data gathering and analysis.

Chapter 4 - Methodology

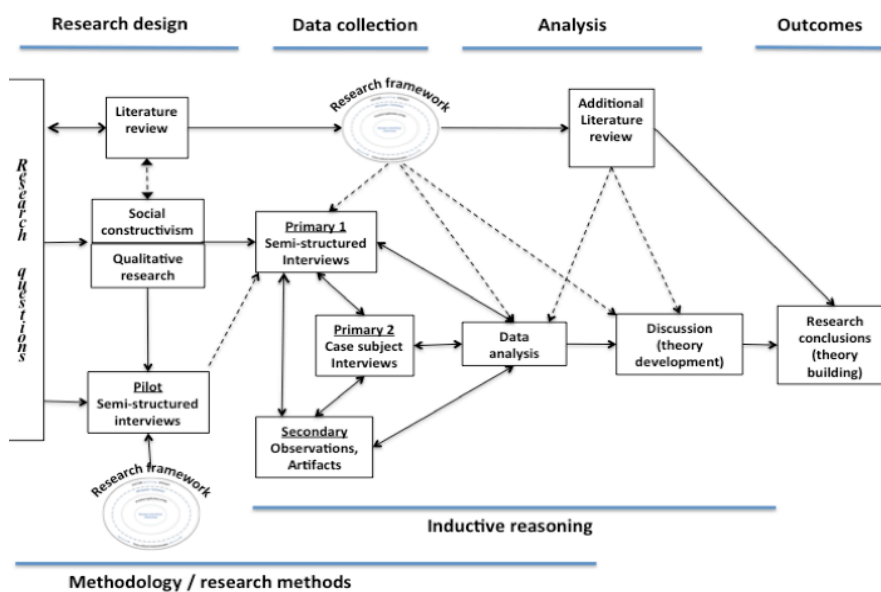
4.1 Introduction

This chapter provides an overview of the methodological constructs and research methods employed in undertaking this research, together with the rationale underpinning choices made. Details of the research contextual factors, participants, sampling, data collection, analysis and tools are also provided in this chapter.

This research is centred on cross-cultural management issues, which have at their very core *culture* laden values of how people relate to one another, through formal and informal relationships, communication and value judgements. How people cope with these issues through their practical day-to-day working relationships and communication—to achieve efficacious outcomes—are central to addressing the research questions. The research participants’ experiences and reflections are a rich source of data, in terms of both time and place. In order to be able to tap into this rich data source, and unpack it in a manner to address the research problem, the global epistemological stance adopted for this research is *social constructionism*, together with a qualitative methods research design.

Figure 4.1 below provides an overview of the research design, which illustrates the importance of the literature review, in both developing a research framework and generating theory from the research. As Andrade (2009) states, ongoing reference to the literature is a process ‘which must be revisited and contrasted to the emergent theory from the data’ (p. 47).

Figure 4.1 - Research Design Process



Prior to presenting the philosophical grounding of this research, and methodology employed, a brief overview of the researcher is provided, to give an insight of his personal experiences, which were brought to the design, and conduct of this research.

Background of the Researcher

The researcher has had a lifetime of cross-cultural experiences. Firstly, born and raised in Australia, the researcher is of mixed cultural heritage – Middle-Eastern and Anglo-Saxon. Secondly, his wife of over forty years is Thai. Consequently, the researcher has always had an interest in cultural differences and cross-cultural engagements.

Further, the researcher has had an extensive career spanning four decades within a major Australian banking organisation that has global representation in over 30 countries. In his career he held senior management and executive positions, within two primary career streams: as a specialist credit lender, and also in customer lending relationship roles. Through his various roles, the researcher has operated in market segments covering large global organisations operating in Australia, through the spectrum to mid-tier Australian corporations (organisations with turnover greater than 10 million less and than 100 million Australian dollars). Throughout his career, the researcher has operated within sophisticated PM systems both as a subordinate and leader/manager of teams. The final four years of his career, just prior to the commencement of this research, were spent heading the bank's Corporate and Institutional Division in Papua New Guinea (PNG).

During his time in PNG, the researcher traversed the full range of experiences of cross-cultural enlightenment: from culture shock, through cultural adjustment, to become an effective cross-cultural leader. Successful restructuring of the business in PNG, plus building local staff capabilities to improve the business performance, are testimonies to the latter claim. Also the researcher was affectionately dubbed 'Daddy-Boss' by his staff, because of his balanced leadership style of benevolent leader (daddy) and authoritative leader (boss). This is akin to the effective Thai leadership style of *baramee* (บารมี) (refer Glossary of Terms p. xi). The cross-cultural challenges faced by the researcher during his time in Papua New Guinea are the inspiration for this research.

4.2 Philosophical Positioning of This Research

Epistemology is the essence of knowledge: the relationship of the knower to the known, how it is that we know what we know, and what it is that constitutes knowledge (Krauss 2005). Along the spectrum of epistemological groundings there are three primary epistemologies that underscore researchers' views of knowledge, which in turn, form the basis of how they view empirical data, research design, analysis and theory building. These

three primary philosophical views are *positivism*, *realism* and *interpretivism* (Bastalich 2014; Easterby-Smith, Thorpe & Jackson 2012; Krauss 2005).

The epistemological standing of this research is *social constructionism*, which together with *interpretivism* and *phenomenology* are collectively referred to as *interpretative epistemology* (Bastalich 2014). However, while each of these epistemologies has a similar grounding—by assuming that there is no pre-existing reality, but that people form and share constructs to help them make sense of their experiences—there are differences between them.

An overview of each of aforementioned epistemologies follows.

Positivism

Positivists take the view that reality exists independently of the observer. The two are separate and detached. They observe social phenomena, collective and individual behaviours from a scientifically detached distance (Bastalich 2014). It is the role of the researcher to discover the pre-existing reality through independent enquiry, by experiments and observations; a phenomenon is unpacked and its components described and measured, to establish the facts (Easterby-Smith, Thorpe & Jackson 2012). They seek to describe the social world through the discovery of regularities, patterns and causal relationships, so they may predict what happens. Their aim is to separate hard data and facts from opinions and cultural values so that they may be generalised to other situations (Krauss 2005). Positivists take the stance of an objective observer from the outside looking in at the phenomenon (Bastalich 2014). While positivist ontology prescribes that there is an objective reality to be discovered, a softer version of positivism acknowledges that epistemological techniques, used to uncover reality, may produce probabilistic and uncertain outcomes (Azorin & Cameron 2010).

Realism

Realism is a philosophical standing that includes elements of both positivism, and interpretivism or social constructionism (Krauss 2005). While positivists believe in a single reality, which is free of the observer's values, realists acknowledge the need to be cognisant of the values of the observer and of the social system; that is, there are differences in peoples' perceptions of reality, and knowledge may be a product of social or cultural conditioning. While accepting that reality cannot be properly understood without accounting for social factors, realists reject the notion that reality is a derivation of knowledge (Chia 2002; Easterby-Smith, Thorpe & Jackson 2012; Krauss 2005; Pouliot 2007).

For realists, knowledge is a process of discovery to build theory of the nature of reality. They believe there may be different levels of reality (Chia 2002), that can reveal hypothetical entities, and that may not be directly observe. For example, the orbiting of a moon of a far-off planet may not be observable, but its effect on the motion of the planet may be observed and measured. This may lead realists to theorise on the existence of a moon, which existence may be directly observable at a future time. Realists are critical of positivist focus purely on cause and effect as an explanatory mechanism. They place emphasis on generative mechanisms, which go deeper and can be 'systematically revealed through rigorous application of the methods of science' (Chia 2002, p. 10).

Interpretative School – Interpretivism, Social Constructionism, and Phenomenology

The foundation of the philosophical standing of the interpretative school is *phenomenology* (Pouliot 2007). Phenomenologists believe that the knowledge and the real world are mutually constitutive (Krauss 2005; Pouliot 2007). In direct contradiction of positivism and realism, they disavow science as being the primary source of knowledge, and disagree with the belief that there is a discoverable truth or reality:

Everything I know about the world, even through science, I know from a perspective that it is my own or from an experience of the world without which scientific symbols would be meaningless. The entire universe of science is constructed upon the lived world, and if I wish to think science rigorously, to appreciate precisely its sense and its scope, we must first awaken the experience of the world of which science is the second-order of expression. (Merleau-Ponty 2012, p. 10)

Interpretivism and social constructionism have central to their beliefs, that the natural world is essentially meaningless, and that meaning is constituted by human beings within their social world in an endeavour to understand and explain it (Zhang 2009). We are never able to understand things as they exist outside our consciousness – all knowledge comes through the mind. Interpretive researchers seek to build theories, while natural sciences seek to explain the world through universal general laws or concepts. Beginning with a theoretical position and through the gathering and analysis of values free data, natural sciences seek to rigorously test hypotheses to identify universal laws. Through a subjective understanding of meaningful phenomena, social sciences seek to acquire an in-depth and contextually specific interpretation, of complex human behaviours with the aim of building theory, (Pathirage, Amaratunga & Haigh 2005). These polar opposite views between the positivists and the interpretive school, leads the latter to have fundamental philosophical problems with the views of the former, concerning motives, actions and meaning-making.

From an interpretivist's viewpoint there are many fundamental problems to be solved to interpret phenomena, such as: firstly, what people do does not always reflect their motives, and the one action can be interpreted in many ways, since they are socially interpreted. Therefore, the motives underlying a person's actions, for any given act, are not necessarily what determine how others interpret those actions. Also, contextual factors of social phenomena are often complex and difficult to observe and fully interpret, therefore descriptions of actions do not match the phenomena completely or perfectly; social science methodology is better able to discriminate relevant observations. Further, it is not possible to separate meanings and actions, since the social context of the actions, enable them to be recognised. And, if one were to accept that all action is determined, contextual factors such as regional relationships and language would be lost. Finally, the world is defined by action concepts, such as, exploitation, trust, worship, war, praise, which are not necessarily observable, which are important phenomena denied by positivist reasoning (Bastalich 2014).

Interpretivism holds that it is necessary to interpret motives and actions in relation to their specific social context and circumstances. Therefore the issue with positivism for interpretivists is that, by limiting the discourse about the social world to observable indicators and actions, we run the risk of denying ourselves insights to matters of social or subjective significance (Bastalich 2014; Easterby-Smith, Thorpe & Jackson 2012; Pouliot 2007).

Social constructionism has essentially the same philosophical standing as interpretivism. The significant points of difference are that social constructionism places greater significance of the roles of *culture* and *language* in determining meaning-making. Culture is the medium through which people view their world giving things, experience or phenomena meaning (Bastalich 2014; Denzin & Lincoln 2005; Easterby-Smith, Thorpe & Jackson 2012; Krauss 2005; Pouliot 2007). For the 'constructivist, the phenomenal world cannot be known outside of our socially constructed representations of it – language most prominently' (Pouliot 2007, p. 363).

Phenomenologists agree with the positioning of both interpretivism and social constructionism, but can look beyond culture. They proffer that direct meaningful interpretation of phenomena can be determined through ordinary consciousness, without the inclusion of cultural bias (Bastalich 2014).

Conclusion

Given the exploratory nature of this research, with cultural differences, language and social constructs (particularly people relationships) being of primary interest—as established in the previous chapter—the epistemological positioning of this research is in *social*

constructionism. The purpose of this research is to investigate peoples' lived experiences, and how they reflectively construct their interpretations of those experiences and phenomena. Interpretivism or phenomenology could have been adopted, however since social constructionism places greater emphasis on culture and language, which are important elements of this research, social constructionism is a more appropriate philosophical grounding in order to explain phenomena in relation to the research questions.

Furthermore, the philosophical positioning of this research is complementary to the ontological and epistemological positioning of Buddhism, which essentially has a phenomenological philosophical grounding (Coseru 2009). As illustrated in the previous chapter, Buddhism has a significant influence on the Thai customs, practices and values underpinning the Thai culture and its influence on behaviours (Roongrerngsuke & Liefoghe 2012).

In keeping with social constructionism, qualitative research methodology was adopted for this research.

4.3 Qualitative Research

In order to address the research question within the philosophical grounding of the research, it is important the right research methods are used to capture the data for analysis (Easterby-Smith, Thorpe & Jackson 2012; Krauss 2005; Minichiello, Aroni & Hays 2008). There are two broad categories for collecting data, namely *quantitative* and *qualitative* approaches. Quantitative research attempts to count and measure phenomena and is suited to the natural sciences philosophical orientations described earlier. Qualitative research however, is concerned with capturing peoples' experiences, their thoughts, perceptions and feelings that go into their sense of meaning-making (Andrade 2009; Atherton & Elsmore 2007; Azorin & Cameron 2010; Denzin & Lincoln 2005; Krauss 2005).

Given the exploratory nature of the research questions—that seek to explain the cultural effects on the complex relational engagement of performance management between manager and subordinate, through their own interpretations of their experiences—qualitative research methodology was adopted. Qualitative research methodology is in keeping with the social constructivism paradigm adopted for this research (Bargiela-Chiappini 2011; Denzin & Lincoln 2005; Easterby-Smith, Thorpe & Jackson 2012; Krauss 2005; Pouliot 2007).

Inductive Reasoning

The two principal forms of analysis of empirical data are *deductive reasoning* and *inductive reasoning* (Pouliot 2007). Deductive reasoning begins from a position of a theory and or hypothesis and then goes about analysing the data collected to test the theory and or

hypotheses. It is an approach suited to scientific inquiry methods adopted by researchers of the positivist or realist epistemological orientations (Easterby-Smith, Thorpe & Jackson 2012).

Inductive reasoning necessarily precedes deductive reasoning, because the researcher aims of are to draw inferences from raw empirical data to develop concepts and themes to build theory (Montague 2012; Pouliot 2007). Deductive reasoning must begin with a theory or hypothesis (which to test). These do not appear out of thin air, but through a process of inductive reasoning—either formally through the gathering of empirical evidence, or informally through observation and prior knowledge—which even diehard positivists do, in arriving at a theory or hypothesis to be tested (Pouliot 2007). In this way, the relationship between inductive and deductive reasoning is a linear one, more so than one mirroring the other as espoused by Eisenhardt and Graebner (2007).

Inductive reasoning is ideally suited to analysing raw data of phenomena that is relatively unexplored and in which both the issues are complex and the context is important (Fee, McGrath-Champ & Yang 2011). It is a process of double meaning-making, the researcher trying to make meaning of the informant trying to make meaning of the phenomena (Bazeley 2013; Pouliot 2007). While there is debate about the legitimacy of deductive reasoning in theory building, because of the human trait to ‘invent explanations which we believe fit the facts in a satisfying manner’ (Otley 2012, p. 259), in reality no researcher—of any philosophical persuasion—can avoid this dilemma, or separate themselves from the field of enquiry in a god-like manner. This does not mean that we should not try to build theory through inductive reasoning, which together with phenomenology, is the backbone of interpretivist epistemology (Pouliot 2007).

Since epistemological and methodological grounding of this research is social constructionism and qualitative, inductive reasoning was adopted for the research in the analysis of the empirical data.

Not only are the questions of philosophical and methodological groundings of the research important to the research outcomes, but so too are the data collection methods. The methods chosen must be capable of capturing the quality of data required to address the research questions, and must be suitable in terms of time, place and skill of the researcher to ensure the quality of data necessary may be collected (Bazeley 2013).

The following sections of this chapter give an overview of the data collection methods employed in this research.

4.4 Data Collection Methods

What constitutes data in qualitative research has changed significantly over the past few decades, especially with the changes in technology. Everything has the potential of being a data source for research—whether the researcher’s field notes, photographs, email correspondence, and the like—but it is dependent upon the researcher’s intervention to identify and make interpretive sense of it, within the context of the research (Bazeley 2013). The principal methods employed in this research are semi-structured in-depth interviews (Rubin & Rubin 2005) of voluntary participants in a *triangulation* (Patton 2002) approach between *case subjects* (Andrade 2009) and *general participants*, together with the researcher’s *observations* (Bazeley 2013) made during the course of the interview data collection, and from living within the Thai society and interacting with peoples from the business, academic, and social networks, over two six-month periods during the course of this research.

Triangulation is the process of gathering data from multiple sources. It is also known as a multiple or mixed strategies research. The primary purpose is to overcome issues of validity and bias that might otherwise occur by acquiring data from a single source, or a single method (Minichiello, Aroni & Hays 2008). However, its need for adoption in qualitative research is subject to debate. Adopting triangulation methods is seen by some as an attempt by interpretive researchers to overcome issues of validity and bias by adopting positivists’ methods, and in doing so abdicating the interpretivist’s ‘primacy of meaning’ (Blaikie 1991, p. 127). In this instance, a more appropriate term to use as a substitute for ‘triangulation’ is *corroboration*, in that the multiple sources provide additional evidence to support the researcher’s arguments (Andrade 2009).

4.4.1 Data Collection

The primary data was collected by means of semi-structured interviews. This form of qualitative research method is in keeping with the epistemological positioning of the research (Minichiello, Aroni & Hays 2008; Rubin & Rubin 2005). The interview data was conducted in two sequential stages: 1) *pilot stage* to test the semi-structured interview guide; and, 2) *fieldwork stage*, which included the gathering of the primary data by conducting semi-structured interviews of voluntary participants fitting the research criteria. Included in the fieldwork stage was the selection of four participants as *case subjects*, which entailed follow-up in-depth interviews.

The use of case subjects affords the researcher the opportunity to explore complexities in greater depth, over a longer period of time, thus providing a richer source of experiential and contextual data (Eisenhardt & Graebner 2007; Sake 2005).

Secondary data was also gathered during the fieldwork through observations and artefacts gathered by the researcher, and through his broader engagement with the business, academic and general communities. Secondary data sources typically emerge inductively rather than deductively, and may provide useful information to follow up with primary sources (Minichiello, Aroni & Hays 2008) and may provide a rich source of contextual information relevant to the research, which may be inductively connected back to theory in the analysis (Wilson & Beard 2014).

An overview of the research stages follows.

4.4.2 Pilot Stage

The purpose of conducting a pilot was to trial the semi-structured interview guide (see later) and proposed method of analysis. It also provided an opportunity for a dry run for the researcher in terms of: setting suitability for the interviews, the use of recording devices, interview technique practice, and possible problems that may occur in both setting up the interviews and during the course of conducting the interviews. The pilot process allows the researcher to determine if the research design is likely to generate analysable data for the purposes of the research (Bazeley 2013).

Participant Selection

Four participants were selected from people known to the researcher. They had cross-cultural management experience and—in keeping with the research design—had cross-cultural management experience in working offshore for organisations of Australian, UK and US origin. All participants did so on a voluntary basis.

The participants chosen provided a broad range of management and cross-cultural experiences, which in the vast majority of cases covered countries in the Asia Pacific region in both developing and developed countries. The work experience of the participants ranged from 25 years to 38 years, with cross-cultural management experience ranging from three years to 30 years. The two longest experienced participants had both held executive management positions, including country head roles of the multinational organisations with which they worked. The other two participants held middle management positions. The depth of experience of the pilot participants provided a sound base upon which to conduct the pilot. A summary of the pilot participants' profiles is included in table 4.1 below:

Table 4.1 - Profile of Pilot Participants

Participant	Gender (M/F)	Work Experience (yrs)	X-cultural Mgt Experience (yrs)	Ethnicity	Max staff managed	Number of countries
P-1	M	35	30	British	200	15
P-2	M	38	15	Australian	350	8
P-3	F	25	10	Malaysian	10	5
P-4	M	28	3	Australian	5	2

Pilot phase interviews ranged in duration from 60 minutes to approximately 150 minutes. This provided a good insight into the wealth of data that would be available to the research proper and led to a simplification of the interview guide.

The pilot phase participants did not participate in the subsequent phases of the research. While research ethical protocols (see later) were observed in conducting the pilot, the data collected was pre RMIT University's Human Ethics Committee approval for this research, and therefore the pilot data has not been included in the data bank analysed for this research.

4.4.3 Fieldwork Stage

Primary Data - Sampling Strategy

In order to achieve good quality data and address the aims of the research, it is requisite to have a good data sampling strategy (Crowe & Sheppard 2012). Sampling strategies include issues of sample size, place, access to participants, participants' willingness to be involved, their relevance to the research questions and the phenomena under study (Andrade 2009; Cascio, Wayne F. 2012; Morales & Ladhari 2010).

Given the social constructivist underpinning of this research, and adoption of qualitative methodology—with a focus of gaining people's experiences with the phenomena associated with cross-cultural performance management—a purposive sampling technique was employed. Purposive sampling is the process of targeting participants in terms of their attributes relevant to the research question (Bazeley 2013). The interest is in the personal experiences of the participants recognising that they are not representative of the whole population, and therefore the sampling does not need to be random, as opposed to a positivist research methodology (Crowe & Sheppard 2012; Johnson, McGowan & Turner 2010).

The researcher spent six months in Thailand conducting the fieldwork data gathering for the bulk of the primary and secondary data. Approximately 10 months after this phase the research returned to the field for a further six months to conduct two follow-up (case subject)

interviews (see *Section 3.5.4.1 Theoretical Saturation* later) and continue secondary data collection by living within the general community. Including the 4 Case Subjects, the primary data were collected from 43 semi-structured interviews from 30 participants working in Thailand. In total there were 34 people invited to participate, but of the purposive sampling technique was employed, there were only three who declined.

General Participants

The cross-cultural PM context of this research is between Thai and Western cultures, set within Thailand. For practical purposes the Western culture orientation was limited to people and or organisations from English speaking countries (that henceforth will be collectively referred to as of ‘Anglo origin’) since the researcher’s language ability is limited to English, with a modicum of Thai language knowledge. Again for practical purposes with the Western cultural orientation, there was a predilection toward peoples and organisations of Australian origin. This was because the researcher is an Australian national, which afforded a more favourable inclination for potential participants and organisations of Australian origin, to participate in this research. In fact, an approach was made to the American Chamber of Commerce in Thailand (AMCHAM) for assistance in sourcing participants from their membership, but they declined.

While opposing cultures to the Thai culture, adopted for this research, are not simply one or the other—for example Thai versus Australian, or Thai versus American—it is of little consequence. This is because the aim of his research is not to define the opposing cultures against the Thai culture, but explore how culture affects the efficacy of PM. One only has to accept that the opposing cultures selected on the practical reasoning are different to the Thai culture, for them to be legitimate selections for the purpose of this research. From the weight of evidence in the literature, this is an acceptance that cannot be denied (Ashkanasy, Trevor-Roberts & Earnshaw 2002; Bi 2012; Clegg & Gray 2002; Ermongkonchai 2010; Fisher & Härtel 2003; Gupta et al. 2009; Hofstede, Hofstede & Minkov 2010; Holmes, Tangtongtavy & Tomizawa 2003; House et al. 2004; Kainzbauer 2013; Kamoche 2011; Niratpattanasai 2008; Paik, Vance & Stage 2000; Roongrerngsuke & Liefoghe 2012; Schwartz 2006; Shimoni 2011; Sriussadaporn 2006; Trompenaars & Hampden-Turner 2012; Vallance 1999; Vanderstraeten & Matthyssens 2008).

The initial source of introduction to potential participants was through the Australian-Thai Chamber of Commerce. The researcher did this by attending the Chamber’s networking functions, and solicited participation with the members of the Chamber. This proved successful and with initial participants providing introduction to other potential participants

within their network—in the manner described as snowballing technique (Ellis 2012)—a broad range of expatriate and Thai participants was sourced.

The general selection criteria for participants were:

- They were currently working in Thailand.
- They were in management positions responsible for managing staff.
- If they were of Thai origin, they either had current experience in: working in organisations of Anglo origin, working for a manager of Anglo origin, or managing staff of Anglo origin.
- If they were of Anglo origin, they had current experience in managing Thai staff.
- Having met the above criteria, they had an interest in the topic and in participating in the research.

In total 30 participants were interviewed: 18 expatriates and 12 Thais. Of these 30 participants, four were chosen to participate as case subjects: three expatriates and one Thai. The number of case subjects was limited to four, due to resource constraints of this research.

Case Subject Participants

Choice of case subjects is important, with the principal guide being those from whom one can learn the most (Sake 2005) and who have the interest and time to dedicate to the research (Andrade 2009). Potential case subjects were selected from the list of general participants. The invitation to participate case subjects for this research, were issued to selected general participants, on the basis they had:

- A strong interest in the research and keen to participate.
- Depth of experience in managing staff – ranging from 20 years to 30 years.
- A broad range of experiences in in cross-cultural management, across a multitude of cultures – ranging from four cross-cultural settings to 10 cross-cultural settings.
- Solid experience in cross-cultural management in the context of this research (that is, Anglo-Western with Thai) – ranging from eight years to 25 years.
- Current and active executive management positions, within the cross-cultural context of this research. This characteristic together with the longevity of their experiences indicates their success in dealing with cross-cultural PM.
- A reflective approach in coming to terms with their cross-cultural experiences, rather than merely being reactive. From their initial meetings and interview, they were subjectively assessed as being of high *cultural intelligence* (CQ) (Deng & Gibson 2009).

Among the case study subjects, the expatriate participants all had extensive careers and cross-cultural management throughout Asia, with Thai cross-cultural experience of approximately 31 years amongst them in total. The Thai participant had 30 years' experience with large multinational corporations in Thailand, with their origins covering the Australia, US and UK.

These attributes of the case subjects enabled them to provide a rich and valuable volume of data for this research.

4.4.4 Contextual Information of Participant Sample

The vast majority of participants had cross-cultural management experience in excess of six years, with more than half the participants falling within the range of six years to 15 years' experience (see Table 4.2 below). The depth and richness of experience and their proven ability to continue to manage in a cross-cultural setting are indicative of their ability to make a valuable contribution to this research. A small number of less experienced participants were included to provide a broader perspective, on the basis that their cross-cultural adjustment experiences should be more vivid in their minds, in the manner of *experience-near* versus *experience-distant* as espoused by Pouliot (2007).

Table 4.2 - Participants' Years of Experience in Thai/Western Cross-cultural Management

Years x-cultural mgt experience	Thai	Farang
2 or less	1	1
3-5	1	1
6-10	6	5
11-15	2	4
16-25	1	5
Greater than 25	1	2
Total	12	18

Including the follow up interviews of the four case subjects, there were 38 interviews in total. Over half of the participants were employed or had experience with Anglo-Western multinational organisations, with the remainder working to Anglo-Western owned and managed organisations that had been established in Thailand. In the latter case such organisations provided management and consulting services, mostly in the field of HRM and often to Western multinational organizations as well as local Thai organizations. The female/male composition of the participants was almost one third/two thirds respectively (see Table 4.3 below):

Table 4.3 - Industry and Gender Profile of Participants

Primary	M	F	No of inter-views	HR	B&F	Bus. Ser's	Sales & Mktg	Hotels/Hspltly	Other
Thai	3	10	13	4	2	3	1		1
Farang	12	1	13	3		6	3	2	1
Case subjects									
Thai		1	4		1				
Farang	3		8		1	1			1
Total	18	12	38	7	4	10	4	2	3

Note:

M: Male

F: Female

HR: Human resources

B&F: Banking and finance

Sales & Mktg: Sales and marketing

Bus. Ser's: Business services

Hotel/Hspltly: Hotels and hospitality

Other: a) manufacturing/wholesale (relates to the case subject), b) building and constructions, c) health care

There was a predominance of female participants in the Thai sample (eleven female to three males), yet the reverse was the experience for the farang participants (one female to fifteen males). Gender differences were not within the scope of this research, but the ratio differences were outcomes. Since gender was not within scope, and there were no differences in the participants' responses that could be attributed to gender differences, the issue of gender was not pursued in this research.

Only participants with management experience were targeted by the research, given that the central topic of the research is 'performance management' which is a primary function of management. Management has the capacity to provide their insights into performance management from both perspectives of 'manager' (when managing the performance of others), and 'subordinate' (when being performance managed by their manager). The superiority of the participants ranged from middle management to principal or CEO of the organisation, who were all tertiary educated (see Table 4.4 below).

Tertiary education was not a characteristic targeted by the research, but rather proved to be an outcome. A bachelor degree was a minimum requirement for employment into management positions, by Western organisation employers of the participants in this research.

Table 4.4 - Managerial and Educational Profiles of Participants

Job position	Thai	Farang
Management	5	2
General Management	6	4
CEO / Country Head / Principal	1	12
Total	12	18

Education level	Thai	Farang
Undergraduate degree	6	10
Masters degree	5	5
PhD	1	3
Total	12	18

This breadth of participants' experience provided a diversity of perspective, minimizing the potential for findings of the research to be idiosyncratic to a particular industry or organizational case profile (Andrade 2009; Eisenhardt & Graebner 2007).

The researcher ceased seeking further participants/interviews for the research when it became evident that theoretical saturation had been reached.

4.4.5 Theoretical Saturation

Theoretical saturation in this case was reached when the information being gathered from the incremental interviews offered no new information or insights of significance to the research topic, than had already been provided by the preceding interviews. At theoretical saturation a researcher should stop adding cases to their research (Eisenhardt 1989).

It was assessed that theoretical saturation was reached after 36 interviews, which included the 10 interviews conducted with the four case subjects. However, additional interviews were sought with five of the case subjects, approximately 12 to 18 months after their last interview, bringing the total number of interviews to 38.

The additional interviews were sought for two principal reasons. Firstly, because of the significant change to the employment circumstances of two case subjects concerned. The case subject (a Thai) had resigned their position from an Australian multinational corporation, without alternative employment arranged. They subsequently secured employment with a Thai Government organisation, after having worked the vast majority of their career with Anglo-Western multinational corporations in Thailand. Also, approximately 12 months prior to this follow-up interview, a case subject (Australian) was promoted from a general management position within an American multinational corporation, to the CEO/country head (Thailand) for the same organisation. Secondly, the researcher wished to explore the experiences of the two case subjects with their significantly changed circumstances, which

may potentially be relevant to the research. Also, upon completion of the research analysis the results were presented to three of the case subjects a part of the findings validation process (see later).

During the collection of the primary data, the researcher spent a considerable amount of time in the field—six months during the data collection, plus six months after an approximate twelve months intervening period—which enabled collection of secondary data to support the interpretative process.

4.4.6 Secondary Data

Secondary data may be gathered by researchers through a variety of means and in a variety of forms including observations, field notes, photographs, documents, and through the researcher's experiences (Denzin & Lincoln 2005). The secondary data collected in this research includes the researcher's experiences, observations, field notes, memos, emails, presentations, photographs and PM templates provided by participants in some instances. These materials provide a good source of data to both contextualize and triangulate the data gathered from the primary sources, and thereby useful to help understand the research problem (Ekroos & Sjöberg 2012).

The researcher engaged the business and broader communities through various avenues discussing cross-cultural issues in the context of the research topic in both formal and informal settings. These included attendance to:

- Various industry association functions such as Australian-Thai Chamber of Commerce (AusCham), the Franco-Thai Chamber of Commerce, and Skai International, Thailand (a hospitality, travel and tourism association).
- Meetings with academics from the College of Management, Mahidol University and Sasin Graduate Institute of Business Administration of Chulalongkorn University, who had/were researched and published in field of cross-cultural management within the Thai context.
- Presented to a Thailand regional forum run by a member of AusCham. The forum was on cross-cultural management and included representatives from the College of Management, Mahidol University, the Centre for Southeast Asia Leadership, and Assessments Associates International – Asia.
- A two-day training workshop conducted by Cross-Cultural Management Company. It is a program that is used by a large array of major multinational corporations operating in Thailand.
- A sitting with a senior Thai Buddhist monk of the forest tradition. The purpose of the visit was to get his perspective on how Buddhism influences the Thai culture.

- Thai language classes to learn reading, writing and speaking in Thai.

Through the researcher's broad engagement with the community in Thailand, it enabled him to gain a deeper insight in which to both conduct the interviews during the primary data collection, and later interpret them during the analysis phase of his research.

Semi-structured and in-depth interview techniques were employed, in conducting the interviews with the research participants.

4.4.7 Semi Structured and In-depth Interviews

Qualitative interviews are a primary empirical tool of qualitative researchers (Chenail 2011; Housley & Smith 2011; Minichiello, Aroni & Hays 2008). They are designed to gain insight into participants' lived experiences, their world views and unpack these through *scientific* exploration (Pouliot 2007). Use of qualitative interviews enables the researcher to gather deep, rich, contextual data, from an insider's viewpoint of the subject under study (Rubin & Rubin 2005).

Qualitative interviews can come under criticism for a propensity for bias. Issues of bias can manifest in many differing ways, which are often dependent upon the skill of the researcher. Instances of bias might occur where a researcher poses some form of threat (knowingly or unknowingly) to the participant, or swaying the views of the participant by the researcher imposing their own views. The researcher not being properly prepared, or being a member of the insider group of the participants, are other examples where bias might occur. The challenge is for the researcher to mitigate potential bias. A primary method in doing so, is to use 'numerous and highly knowledgeable informants who view the focal phenomena from diverse perspectives' (Eisenhardt & Graebner 2007, p. 28).

Most qualitative interview models fall somewhere along a continuum from loosely/unstructured interview formats at one end, to fully structured interviews at the other end (Minichiello, Aroni & Hays 2008). In order to have the flexibility to explore the research participants' experiences and views, while limiting the interviews to the broad boundaries of the research topics, semi-structured and in-depth interview techniques were adopted for this research.

Semi-structured Interviews

Semi-structured interviews, that are sometimes referred to as focussed interviews, were conducted with all participants, including the initial interview with the case subject participants. The researcher generally uses an interview guide comprised of a broad range of topics, which are central to the research questions. By engaging the participant with *open*

ended questions (Minichiello, Aroni & Hays 2008) the researcher is able to draw participants to provide deeper and qualified responses. This technique affords greater flexibility on the part of the researcher to explore particular issues of interest raised by the participant, as well as to be able to clarify meanings particularly with respect language usage (such as idioms, jargon, syntax, and cultural scripting) than with structured interview format.

A copy of the interview guides used in this research, are attached at Appendix 3 a) p. 239 for the *farang participants*, and at Appendix 3 b) p. 241 for the Thai participants. The interview guides were developed in reference to the Conceptual Framework (refer Figure 2.3 p. 45) developed from the literature review. Table 4.5 illustrates this relationship.

Table 4.5 – Correlation of Interview Guide Questions and Conceptual Framework

Conceptual Framework	Interview Guide Section	Farang Interview Guides Questions	Thai Interview Guide Questions
Culture- efficacy/Cross-culture Communication	Culture:	Q.1, Q.2, Q.3	Q.11, Q.10, Q.11
PM System - Contextual	General information:	Q.4, Q.5, Q.6	Q.6 to Q.10
	Culture:	Q.8, Q.9	Q.14, Q.15, Q.16
Practical Application of PM	PM:	Q.1, Q.2, Q.3	Q.6, Q.7
	Culture:	Q.7	
Manager-Subordinate Relationship	PM:	Q.4, Q.5	Q.8, Q.9

The relationship between the interview guide questions is not a straight-line relationship as suggested by the above table, as many of the subject areas of the questions may cross over more than one segment of the Conceptual Framework. For example, questions relating to the manager-subordinate relationship open the path for discussion on cross-cultural communication, or the practical application of PM. The same interview guide was used for each of the semi-structured interviews. However, the interview guides were not administered as a questionnaire. They purely served as a guide for the conversation between the researcher and the participant, to ensure each topic area was covered satisfactorily. Each interview took a different meandering pathway across the topics, depending upon the participants' cognitive

processes and the natural flow of the conversation therefrom. The interviews ranged from 50 minutes to 100 minutes, primarily depending upon the participants' experience with the subject matter.

The farang and Thai interview guides are similar. This design was deliberate, because the purpose of the interviews was to explore the same phenomena, but from the differing perspectives of farang and Thai. The more detailed questioning of Thai terms and their associated values was possible with the Thai participants, because of their more intimate knowledge. In fact, one (of the four) interviews with the Thai case subject was devoted to Thai terms and the relevant values. Nonetheless, a similar line of questioning on Thai terms was directed to the farang participants, which also proved enlightening.

The interviews were transcribed progressively throughout the data collection. The purpose of this was to give the participants quick feedback of the interview, for their verification and satisfaction with the outcomes. This process also helped to identify broad emerging themes and areas of interest to explore in greater depth with subsequent interviews, particularly in regards to the in-depth interviews with the case subject participants.

In-depth Interviews

Follow-up in-depth interviews were conducted with each of the case subject participants. In-depth interviews imply several face-to-face interviews between the researcher and the participant over a greater length of time, than with the standard single semi-structured interview. It allows the researcher to build a deeper rapport with the participant, enabling a more relaxed and trusted association (Minichiello, Aroni & Hays 2008). These features of in-depth interviews enable the researcher to gain a deeper and richer understanding of the participants' views and experiences. In-depth interviews therefore offer a better understanding of the subject's words and interpretations, than otherwise might be available through normal semi-structured interview process (Rubin & Rubin 2005).

Follow-up interview guides were specifically tailored for each individual case subject participant. These reflected the issues that arose from the earlier interviews generally, and more specifically to drill deeper into the issues contained within the individual case subject's own earlier interviews. An example of a follow-up case subject interview guide is attached at Appendix 4, p. 243.

There were twelve interviews in total covering the four case subject participants. In each instance the researcher considered he had reached theoretical saturation with each case subject participant, as mentioned earlier.

The data gathered through the *corroboration* of general participants, case subject participants and secondary data sources, provide a rich bank of data on which to conduct the analysis for this research.

4.4.8 Data Management

Collating and arranging the data is an important administrative process within a research project, to ensure the security of the data and ease of retrieval. Data management is in essence the commencement of the analysis phase of the research, in that it includes both mechanical and interpretative processes (Minichiello, Aroni & Hays 2008). This involves recording, transcribing and categorising the data the storage, for retrieval and analysis.

Transcription

All interviews were recorded electronically, for later transcription. The interviews were conducted in English, for both the Western and Thai participants, hence translations were not necessary.

The initial six interviews were transcribed by the researcher, after which a professional transcription service was used for the remaining interviews. All transcriptions were checked thoroughly against the original recordings by the researcher, prior to a copy of their own interview transcription being sent to each participant for checking, comment and filing, according to their individual needs. This thorough checking process by the researcher served the dual purpose of helping the researcher to ‘build an intimate knowledge with.. [his/her] data’ (Bazeley 2013, p. 73), and ensure the accuracy of the transcriptions for later analysis.

Categorising the Data

Initial categorisation of the data was influenced by the broad categories used within the interview guide for this research. These broad categories were, in turn, formulated from the literature review phase of this research, and the conceptual framework as described in Chapter 2. More detailed categories were identified through the interviewing and transcription processes. By drilling deeper and deeper through a progressive rereading of the transcriptions—over several occasions—comprehensive categories and sub-categories of the data were developed (Minichiello, Aroni & Hays 2008; Richards 2009) for the purposes of this research.

Emergent themes identified during the course of the data gathering, allowed the researcher to conduct more in-depth inquiry of the case subject participants, to corroborate the initial inductive reasoning underlying early categorizing of the data. Ultimately all data (both primary and secondary) were categorised, which facilitated the data to be organised into

concepts, themes, sub-themes, and issues (Burns 2000; Rubin & Rubin 2005). Ongoing field analysis during the course of the data collection in this fashion, is a common feature of qualitative research, without which the research would be prone to loss of direction (Minichiello, Aroni & Hays 2008).

This process of data categorisation allows causal relationships to be identified that assist in theory building (Andrade 2009) to address the research questions.

Data Interpretation

Data interpretation is not a linear process, but is a reflective and evolving process that occurs over time, with the object to interpret the informants' understandings to gain an insider perspective (Minichiello, Aroni & Hays 2008). It is a process of the researcher applying practical logic to their self-understanding of meanings in a data reduction process (Bazeley 2013). Through this process practical meanings may be lost, but with the significant benefits, in that meanings no longer 'belong to anyone anymore, but become part of an intersubjective web inside of which every text or practice refers and stands in relation to others' (Pouliot 2007, p. 374). This process enables the researcher then to apply general knowledge to contextualise the understandings in a broader area, and ultimately apply theoretical understandings, placing them within the context of existing theory (Kvale & Brinkmann 2009; Rubin & Rubin 2005).

This three-perspective data interpretation process—through self-understanding, practical application of general knowledge, and theoretical application—was applied throughout the data gathering, analysis, and theory building phases of this research.

Prior to proceeding to discuss the data analysis process in depth (in the following chapter), this chapter will conclude by discussing the issues of software usage (QSR Nvivo 10), ethical, and reliability and validity issues.

QSR Nvivo 10.

To archive the data and synthesise the analysis across the multitude of data sources, NVivo qualitative data analysis software was used. NVivo is a Computer Assisted Qualitative Data Analysis software (CAQDAS) program which enables the storage and management of empirical data such as retrieval, cutting, and pasting without de-contextualising the passages, facilitating the building, networking and hierarchy of codes, as well as assessing quantitative attributes such as frequency of occurrences (Burns, 2000).

All interview transcripts, the Researcher's memos, and photographs were uploaded for analysis with the aid of Nvivo software program.

4.4.9 Ethical Considerations.

Ethical considerations are important to the integrity of the research and underpin its validity (Bazeley 2013). With human research, ethical issues are far reaching and include such areas of voluntary participation, privacy, and power relationships between the researcher and the participant. The relational considerations between the researcher and the participant are particularly important in cross-cultural studies, where issues including racism, inadvertent crossing of culturally acceptable norms, bias, or oppression, can be causes of damaging effect (Chilisa 2012). From a constructivist viewpoint, each party to the encounter (researcher and participant) bring their individual ethical standards and values, and work together in mutual cooperation to find common ground for the specific encounter (Evanoff 2006). Even so, this requires the parties to make ethical judgements in their encounters, on the basis of their cultural orientation and understanding of the other's value system. It is through a process of cultural sensitivity that the parties are able to reach common ground in compromise and respect of each other's ethical boundaries (Mehegan 2006).

RMIT University has very rigorous ethical guidelines for conducting research. Under these guidelines this research was rated *low risk*. Throughout the project, the terms of the Universities Human Ethics Committee approval were strictly observed – a copy of the approval notice is attached at Appendix 5, p. 244.

Initial participants were recruited in face-to-face encounters at networking functions hosted by the Australian Thai Chamber of Commerce. This involved a general conversation about this research over an exchange of business cards. Where a party had indicated interest in participation, a follow-up email was issued containing a formal invitation (see Appendix 6, p. 245) to participate in this research. The formal invitation sets out the rights of participants, particularly with respect to privacy and channels of communication, if they later had concerns or grievances with their participation, they felt need to escalate beyond the researcher.

In those instances where initial participants nominated potential participants (in a snowball effect), the researcher issued general introductory emails (see example at Appendix 7, p. 249) to potential participants to determine if they had an interest in participating in this research. Where the response was affirmative, a formal initiation was issued in the manner of the initial participants. Where the response was negative, no further action was taken. When there was no response after a reasonable period of time, a follow-up email was issued, and if still no response was received, this was deemed a negative response and no further action was taken.

The interviews were conducted at a venue of the participants' choosing. Mostly this involved the participants' work premises, but in some instances the interviews were

conducted off-site on neutral ground, usually in the secluded area of a café, again of the participant's choosing. Prior to commencement of the interview, participants were reminded of their rights—as detailed in their formal invitation—and that the interview would be electronically recorded for later transcription, at which time the participants provided a signed informed consent form (see Appendix 6, p. 245).

All participants' responses have been coded to protect their identity and names of peoples, associated business, or places have been omitted through the data reduction process, to mitigate the possibility of participants' identities being inadvertently revealed through secondary sources, thereby protecting the validity of the research.

4.4.10 Reliability and Validity.

The goal of scientific research is usually the quest for objective knowledge, which implies that it is free from bias and prejudice. It is also claimed that objectivity is made up of two characteristics: validity and reliability (Minichiello, Aroni & Hays 2008). Reliability refers to the degree measurement procedures yield the same result when repeated. Validity refers to whether the procedures give the correct answer or are interpreted correctly. In any event establishing validity and reliability of the research is about believability or credibility of the research (Bazeley 2013; Minichiello, Aroni & Hays 2008; Pouliot 2007; Zhang 2009). Qualitative and quantitative researchers have different notions of validity and reliability, and different procedures in their determination.

Reliability

Quantitative researchers' primary measure of reliability is for the results to be able to be repeated or replicated across time and place. However, qualitative researchers believe phenomena are ever changing, and therefore unique to time and place. Therefore, different researchers are likely to yield different results because of the differing dynamics involved at each subsequent encounter. Consequently qualitative researchers do not ascribe to the idea that replication is relevant; instead they rely on the idea of *consistency* as being the equivalent of the positivists' reliability (Neuman 2003). Therefore, it is important for consistency to be evident across the various data sources.

Consistency may be categorised as *internal consistency* or *external consistency* (Neuman 2003). Internal consistency concerns the credibility research informant and their account of the phenomena. Consistency should be evident over time to mitigate fraud, deception, and misrepresentations. External consistency refers to corroboration of data from other sources, such as crosschecking of the data collected with observations, documentations, public record, and *corroboration*, as described earlier, is a form of establishing external consistency.

While reliability is about credibility, validity is about authenticity (Neuman 2003).

Validity

Validity refers to the authenticity of the data, in that it represents what it is purported to represent and the researcher is truthful in their representations of the data (Patton 2002). Again, *corroboration* can help establish validity by comparing the data collected from other sources and corroborating that the data is a fair representation of the phenomena. It can also involve research participant validation, by providing transcripts of the interviews to the participants, so that they may affirm that what is recorded is what they meant to convey (Bazeley 2013).

Validity of data analysis for qualitative research may be established through:

- Plausibility - through thick description by the researcher and persuasive representation of the data presented (Rubin & Rubin 2005)
- Weight of evidence contained within the data. Claims should be evident through numerous sources (informants). A researcher should not make claims on a single source (Neuman 2003).
- Transparency - involves fully describing methodological approaches and basis of analysis, so that others have a clear understanding of the research methodology (Bazeley 2013).
- Consistency and accuracy of interpretation by calling things by their right names, checking meaning of language usage, and meaning intent (Minichiello, Aroni & Hays 2008).
- Peer consensus validation - checking interpretations and analysis with peers to test for gaps and biases (Bazeley 2013). In particular, interpretations of meanings and emergent patterns were validated with the case subjects in follow-up interviews, and a presentation of the research findings at the completion of the research analysis and theory building. This latter validation was conducted individually with three of the four case subjects (including the Thai case subject) with the fourth case subject unable to make it to their scheduled meeting. In each instance no errors or omissions were noted and the case subjects were supportive of the findings according to their knowledge and experience.

As described at various points throughout this Methodology Chapter, the design and practices employed, such as *corroboration* and member checking together with detailed description of the analysis in the following chapter, reliability and validity of this research has been established through practical qualitative-interpretivist techniques.

4.4.11 Summary

In this chapter a detailed description of the research design was provided. The chapter included an overview of methodological options for this research, and provided justification for the choices of social constructivist epistemological orientation and qualitative methodology. Descriptions and justification of data collection methods, incorporating the *corroboration* of general participants, case subject participants and secondary data sources were also provided. This chapter also included an overview of ethical, reliability and validity issues.

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This concludes Part 1 of this thesis. Part 2 of this thesis encompasses the analysis chapters 5 & 6, which are followed by theory building in 7. The conclusion to the Thesis is encompassed in Chapter 8. Two principal themes emerged from the analysis of the data for this research; namely the Driver Domain for cross-cultural PM, and the Constraint Domain for cross-cultural PM. Chapter 5 provides an account of the inductive analysis approach applied in this research, together with the analytical outcomes with respect to the Constraint Domain.

Part Two - Research Findings and Discussion

Introduction to Part Two

The primary aim of this research is to explore how culture affects the efficacy of human resources performance management. Part One of this thesis gave an overview of the research problem and addressed the research questions in Chapter 1. Chapter 2 presented a literature review of: the concept of human resources performance management (PM) and the construct of culture. Chapter 3 presented an overview of the cultural context of this research, namely Thai culture and PM in Thailand. Each of these fields (culture, performance management, and Thai culture) is vastly broad without a collective or unifying cast. Therefore, it is important that the field of study is narrowed with a sharp focus (Geertz 1973), and manageable within the scope and resources of the research (Bazeley 2013); that being Anglo-western organisations and expatriates operating in Thailand. ‘The central task of theory is to make sense of a local situation’ (Denzin & Lincoln 2005, p. 17). From the review of the literature a conceptual research framework was developed (refer Fig. 2.3, p. 45).

Following thereafter, Chapter 4 justified the research methodology and methods employed to address the research questions, the results from which are discussed in Chapters 5 and 6. With the underlying foundations of the research questions, literature review, and research framework guiding the research methodology employed, the data gathered was analysed. The data was analysed through inductive reasoning, as described in Chapter 4 ‘Categorising the Data’ (p. 77) and synthesised into two broad thematic domains of the cultural effects on the efficacy of PM. These domains are identified as the Constraint Domain and the Driver Domain. The detailed analysis of these two principal thematic domains is presented in Chapters 5 and 6 respectively, all the while with reference to the literature where appropriate.

The characteristics of the Constraint Domain are those elements that tend to place limits on a person’s performance. That is, they tend to be resource-limiting factors. The constraints were sub-themed into two principal *Categories: values adjustment and efficacy, and PM systems and organisational structures*. The characteristics that comprise the Driver Domain, however, are those elements that provide impetus to a person’s performance. That is, those characteristics that fuel and or energise a person’s performance. These are the *Categories of: motives, relationships, and communication*.

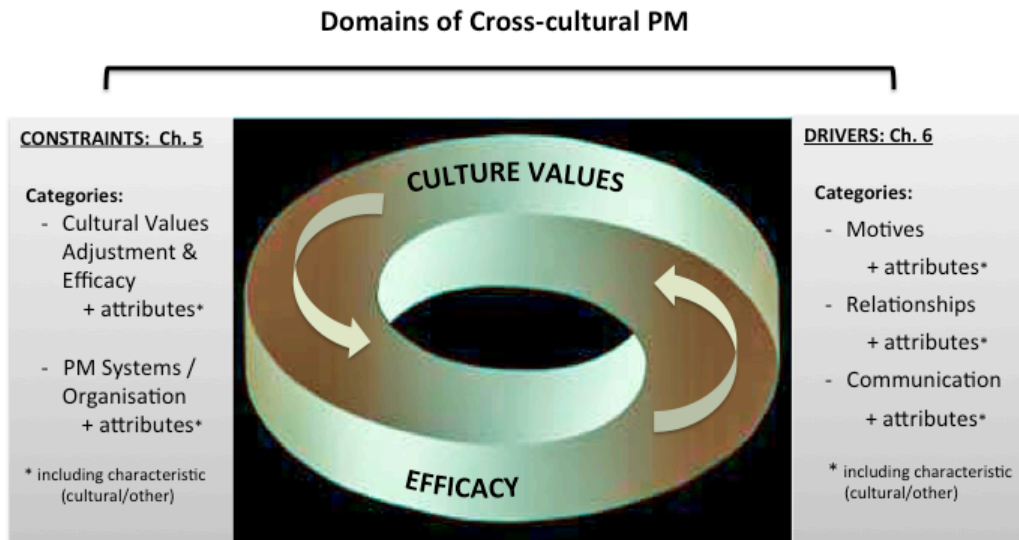
Constraints and drivers are two sides of the same coin, in that the boundaries of a person’s drivers may be regarded as a constraint. Conversely, extending the boundaries of a person’s constraints may be regarded as a driver of performance. For example a person may

lack self-efficacy in the performance of a given task, and consequently be unable to reach their true potential to perform that task, thus constraining their performance. However, through coaching and mentoring by their manager, they may be able to build a stronger self-efficacy. Self-efficacy in this instance may be regarded as a driver of performance. Nevertheless, the attributes that comprise the Constraint and Driver domains have their roots in *cultural values*—being the norms and patterns of behaviour, ideas of right versus wrong, good versus bad, or values placed on symbols and objects—and therefore upon cultural concepts of *efficacy*.

As presented in Chapter 2, efficacy is at the heart of the ontological and epistemological grounding of a culture. The values that are formed and nourished by a culture's ontology, are drawn upon to form a view of efficacy, one reinforces the other. That is, values held by a culture, are applied and if proven to be efficacious over time, they reinforce their ontological grounding. If values prove not to be efficacious within the context they are applied, then they are modified, and or the ontological grounding adjusted (however slightly) to form new constructs of efficacy. As the world changes and or a culture's worldview changes, to meet whatever new challenges a culture may face, values that both stem from the culture and help form it, continue to evolve. The values at the heart of a culture's ontology, are drawn upon, influence and shape its views of efficacy.

At the individual level, efficacy being a cognitive process of judgements made where cultural values, personal values, and motives vie for efficacy, different values will be drawn on to derive a perceived efficacious course of action. This may be modified with a different set of, or different priority weighting of, cultural values, depending upon the circumstances. The constituent elements of efficacy (means-action-ends) are therefore flexible, changing as the circumstances of the situation evolve. The degree of flexibility depends upon the cultural influences – as presented in Chapter 2 the Western orientation of efficacy being one of action and control (imposing a will upon the situation), whereas, an Eastern orientation may be more flexible, going with the flow as the situation unfolds. Also, at the cognitive level, a person's attitude may evolve over time with new knowledge and experiences; which may cause modifications to a person's concept of efficacy. In this way, there is a virtual cycle of values and perception of efficacy; without beginning or end in the relationship between the two. It is this relationship of cultural values and efficacy that underpin the Constraint and Driver domains of cross-cultural PM as depicted in the Figure below:

a) Figure: Part Two: - Cross-cultural PM Domains



As depicted in the above figure, the interrelationships of the Driver and Constraint domains, with their underpinning cultural values and constructs of efficacy are presented in Chapter 5 and Chapter 6, which follow.

Chapter 5 - Constraint Domain

5.1 Cultural Values Adjustment, and Efficacy Category

As discussed in Chapters 2 and 3, Anglo-western cultures (in the cross-cultural context of this research) differ from Thai culture at the foundations of their ontological and epistemological views of the world. The former having their value systems ostensibly rooted in Christianity and the philosophical orientation Platonism (Chia & Holt 2009; Jullien 2004), while Thai cultural, philosophical and spiritual orientations are largely rooted in Buddhism (Buddhadasa Bhikkhu 2004; Komin 1990b; Roongrerngsuke & Chansuthus 1998). Consequently, the value systems of Anglo-western cultures are heavily oriented towards the doctrines of positivism and science, while the Thai value systems are closely associated with the phenomenological orientation and the spiritual teachings of Buddhism, in particular Theravada Buddhism (Prieb 2012). Buddhist phenomenological philosophy has developed independently of Western philosophy from the teachings of Buddha more than 2,500 years ago. Notwithstanding, the Western model of Husserl and Merleau-Ponty, by comparison, is only recently developed and it ‘best serves to translate the institutions of the Buddhist philosophers about the cognitive function of perception’ (Coseru 2009, p. 409). While many fundamental values cross universal cultures—such as respect for life, property, others, and honesty—and may have a common heritage, the manifestation of that heritage is not the same everywhere. Differing ontological orientations have resulted in such universal values that may have different meanings for different cultures, with differing degrees of emphasis or importance. Different cultures express them in different ways, using different metaphors and symbolic forms (Geertz 1973). Hence different cultures have developed differing customs, behavioural norms, relationship formulations, logic and language structuring, and priorities, which are all elements employed in the pursuit of *efficacy*, both in terms of *means* and *ends*. Through the process of unpacking the logical connections, the metaphors and symbols, we can begin to understand how others view the world and how they engage with it through their means-action-ends cultural constructs of efficacy.

This chapter will present the outcomes of the analysis of this research in relation to contextual issues of cultural values and adjustment, being the first bridge peoples from different cultures have to cross, if they are to work together effectively. This section will be followed by a presentation of the cultural constraining context of *efficacy*, which is followed by an examination of PM systems design constraints. This chapter concludes with a presentation of a model of the Constraint Domain.

5.1.1 Cultural Values and Adjustment Attribute

When an expatriate arrives to a foreign culture, in which they have not lived or worked before, there can be an overwhelming number of differences in their social and working environments with which to come to terms. These differences range from coping with communicating across languages, unfamiliarity with the physical environment, how to get about in just performing ordinary daily routine matters such as transport, continual currency conversions, traffic conditions, laws, regulations, societal behavioural norms, to mundane matters such as where to buy the daily groceries, or adjusting to time and climatic differences (Pinto, Cabral-Cardoso & Werther 2012). Many of these issues are adjustments to the environment and learning the 'lay of the land', such as finding one's way about the local environs and getting to and from work. Such adjustments are usually made without too much difficulty. However, much of the necessary acclimatisation relates to factors of behaviours that are deeply rooted in culture, being manifestations of how the society has organised over a long period of history, its values and belief systems. Some such cultural elements may be obvious, in that they are readily visible in the art, the architecture, rituals and customary behaviours (Aycan 2005), for example the customary *wai* (ไหว้) greeting in Thailand (refer example of FCS04 at p. 88) that is used instead of the Western handshake, where the palms of each hand are placed together in a prayer like manner. The initiator of the *wai* (ไหว้) follows a strict order of hierarchy, depending upon one's social status in relation to the other, according to Thai custom. Other cultural elements may be more complex to fathom, such as the way commerce is conducted, or a penchant for rules, regulations and bureaucracy (Machado & Carvalho 2008). All have their foundations in the cultural orientations of how people relate to one another, problem solve, and have cultural value influences at the heart of what constitutes efficacy (Jullien 2004). Differing cultural approaches to efficacy in determining outcomes, and how goals are set (the ends), methodologies of problem solving, such as the identification of resources (the means) required to achieve such ends, is difficult and commonly a source of frustration. This adjustment period can often lead to an experience of culture shock, which can have a negative impact on performance (Chen, AS-y, Lin & Sawangpattanakul 2011). Gelfand, Erez and Aycan (2007) describe three categories of adjustment experienced by expatriates: cultural adjustment, work adjustment, and interaction adjustment. Factors affecting each area of adjustment include: personal factors, for example, self-efficacy and learning orientation; and organisational support and network support, such as support from coworkers and associates. For the uninitiated, cultural adjustment can be a palpable experience. One *Thai general participant* likened the experience not merely arriving in a new country, but one may as well be on another planet, in terms of trying to understand the reality of the new environment:

The person will move to the unknown area. For example, it's just like, I live in Thailand and then moved to Jupiter. Not even moved to the States or New Zealand but moved to Jupiter, the galaxy number whatever, because I don't know what I see – what I expect because it's a totally different thing. (TGP21).

This disorientation can make it very difficult to adjust how one approaches problems, tasks, or duties within the workplace, because of differing cultural approaches in how people relate to problem solving and to each other. This may make it difficult to understand others' positions on the tasks at hand, even after three to six months of becoming familiar with the new job requirements, as described by another *Thai general participant* who has experience working in both Anglo-western and Thai cultures:

What your expectations and their expectations doesn't match. I view the Australian lifestyle, the Australian way of doing the business, or the American way of doing business -- much more transparent than the Thai -- and the expectations are clear. You know, clear guidelines clear goal setting. Everything is clear. There is no if, no but, or maybe. In six months' time, in three months' on, everybody knows what you need to get done, but here [in Thailand] it's not. That's my personal opinion. Here everything is blurred. There is no fine line. No one puts the line in the sand. No one. (TGP26)

Adjustment is about realigning expectations in the way things are done, effective communication, what people expect from each other (for example between manager and subordinate) and behaviours generally (Hemmasi & Downes 2013). The process of adjustment can impede performance, and where the adjustment is ineffective this may lead to anxiety, frustration or anger, and adversely impact performance (Takeuchi, Wang & Marinova 2005). People of the host culture (Thais) are usually tolerant of newcomers, though this doesn't prevent them feeling awkward when foreigners don't know how to observe social norms or make an effort to adjust and respect their ways, which may impede development of broader working relationships. An example is a *farang case subject* highlighted what might seemingly be a simple everyday gesture, the Thai *wai* (ไหว้) greeting mentioned earlier:

But, generally problems occur when two... people will meet and they're trying to assess whether the other one is richer, more influential, older, smarter, stronger... and it's the acknowledgement of hierarchy that is very important. Western people are oblivious to that, except in the extreme situations - - and then you will find foreigners *wai-ing* (ไหว้) the maid.

They come in and they *wai* the maid, and the maid is looking around thinking why the [heck] are you doing that? ...It makes them [Thais] very uncomfortable and we [foreigners] are so clumsy with it [the *wai*] it discounts a lot of other foreigners. One has done it [such a mistake] at one time or other - - they [Thais] just bunch us all in together. Even foreigners

that have been here 20 years haven't quite worked it out because they regard themselves as senior, they regard themselves as special -- the Thais don't accept that. (FCS04)

It is customary for the person who is inferior (in age, work or social seniority) to initiate the *wai* (ไหว้) as a mark of respect. The inference in this example is that the foreigner is of higher social standing than the maid and therefore should only *wai* the maid, as a reciprocal gesture if a *wai* is initiated by the maid, or given that the maid is of significantly lower status, a mere nod of the head in response to her *wai* would suffice. Expatriates who are new to the foreign culture will mostly experience a significant learning curve of adjustment. Much of the literature refers to the construct of *cultural distance* as being a factor that influences the degree of difficulty expatriates experience with cultural adjustment. Cultural distance refers to the degree of difference between two cultures; the greater the degree of difference, the stronger is the cultural distance, and therefore the more likely that difficulties will be experienced when peoples or organisations from the two cultures work or collaborate together (Fitzsimmons 2013). Though the degree to which the cultural distance construct helps explain issues of expatriate cultural adjustment, is somewhat inconclusive, given the contradictory findings present in the literature (Hemmasi & Downes 2013). Shenkar (2012a) prefers to use the metaphor of *friction* in preference to *distance*, since cultural distance is irrelevant until two cultures come together. He argues not all cultural differences are problematic and some may be complimentary in working together. Therefore the focus should be on those cultural differences that cause friction. Zhang's (2009) model of *values, expectations, and contingencies* goes some way to explain the dynamics of cross-cultural adjustment to the stresses of culture shock and friction (refer Chapter 2 – Literature Review). However he limits his explanation to simply differing cultural values that give rise to a mindset of rules that determine appropriate behaviour.

This research extends this concept of friction further, by expanding the cause of tension that results from differing expectations beyond the linear relationship of cultural value differences. Instead, this research argues that differing expectations arise from differing cultural constructs of efficacy. That is, differing cultural constructs of efficacy lead to differing expectations, which lead to tension. For the purpose of this research, this causal relationship is termed '*tension of expectations*'.

Cultural constructs of efficacy are not merely an amalgam of values, but a complex interrelationship of values in the *means-ends-action* elements of efficacy, and how culture affects the way performers perceive each of these elements within the performance situation or landscape. A cultural efficacy construct solution has an *expected outcome*, that is, the ultimate goal or the *ends*. However, elements of the cultural construct (the means, the action,

and the ends) applied to the performance situation may have different cultural values and or value weightings. Therefore, each element has an expected outcome or *ends*. The cultural constructs are not merely formed in a simple values-behaviour equation, but built upon a milieu of values, that affect how the situation is interpreted. This interpretation is applied to each phase of the efficacy construct (means-action-ends) in a problem-solving manner, to deliver an outcome that is deemed (culturally) efficacious. Therefore in a cross-cultural setting the outcomes of each of the means-action-ends elements applied to the performance situation, may be different to the expected outcomes between the two cultures. This, in turn, sets up a *tension of expectations* between the actors representing the different cultures within the cross-cultural performance situation.

Tension of expectations is a common experience evident in this research. It is experienced when performance outcomes are totally different to what was expected. As cited in the Introduction to this thesis (refer p. 3) a research participant after spontaneous laughter at being asked if they had experienced this phenomenon, said that they experienced it all the time. Another example is where *farang case subject* FCS04 wanted to have a contract with an existing supplier replaced by another service provider, because of significant cost benefits in doing so. He agreed with his Thai subordinate for this to be done. While his Thai subordinate commenced the contract with the new service provider, they kept paying the old service provider. This was not for legal reason, but the Thai subordinate felt duty bound for cultural value reasons to do so (this example is analysed more fully later in the Section 5.1.2 Cultural Efficacy Blindness, refer p. 101). The expectation of FCS04 was to reduce cost, while the Thai subordinate's expectation was to preserve a relationship at all cost. Further examples of the tension of expectations phenomenon are given, in the analyses of research participants' experiences, within the various sections of this thesis that follow.

Such *tension of expectations* is likely to become more significant for expatriates once the honeymoon period is over, and the number of frustrating experiences keep compounding as they endeavour to deliver on their performance expectations within the new cultural environment. A common reaction by Western expatriates is to openly express their frustrations. Westerners tend to be more expressive about their mood, and may display their frustrations with verbal or nonverbal cues of frustration and anger, such a raising their voice, thumping the table, and or through facial expressions. Even if such gestures of frustration are not directed to an individual, but merely made as a general reaction to a situation, hostile displays of emotion are unacceptable to Thais. Thais will tend to see such overt displays of frustration as unfitting behaviour for a manager, such that the manager may be regarded as the problem, not the situation:

Anger or the show of frustration might be misread as being personal as opposed to being the situation. They [Thais] don't have a handle on it. **(FGP02)**

You never, ever, raise your voice to a Thai because anger means that you've lost the plot and they don't respect that. So if you're really, really uptight where people get up and scream and be abusive or whatever it is that's a real turnoff. The Thais do not respect you for that, so you have to be very calm and say to yourself *I'll kick the cat when I get home*. **(FGP03)**

Such overt or aggressive displays of disapproval may be used within an Western-Anglo work environment as a motivating factor and or as a clear, direct, and intended communication strategy, that may convey importance, urgency, or a disapproving assessment of another's performance. Within the context of the situation, a person on the receiving end, and who is of the same culture, will be far better placed to interpret the messages and subtexts that are contained within this form of communication, because of their literacy of the culture. That is, they are better able to interpret the context of the situation, verbal and non-verbal communication cues (such as tone and facial expressions) within the context of the cultural norms in use of language, that are common to both the sender and the receiver, or as anthropologist Hall (1959) refers to as *hidden cultural gramma*, or linguists may refer to as *cultural scripts* (Wierzbicka 2002a). However, the Thais are unlikely to have sufficient fluency in the foreigner's culture to properly interpret the true intentions and subtleties contained within the context of this form of communication. They are more likely to reference their own cultural value set to interpret the situation, and hence are likely to be disrespectful of this type of behaviour. Thais have a strong tendency to avoid conflict and social confrontation (Roongrerngsuke & Chansuthus 1998) with a desire to promote social harmony, which requires one to suppress public displays of destructive emotions such as anger, hatred and annoyance (Knutson 1994). The Thai value system is influenced by their Buddhist beliefs which are evident in their term *mai pen rai* (ไม่เป็นไร) – it doesn't matter, let it go – and their admiration for the display of calmness in difficult situations, as referred to in their term *jai yen* (ใจเย็น), that is, cool heart (refer the Glossary of Thai Terms). Expressions of frustration are likely to lead to poor work performance outcomes, such as a loss of staff:

It's not unusual for a Western manager to raise their voice in a Western office during the day, but sort of the mindset of that Western organisation is that they'll probably go and have a drink or a coffee or whatever and be best friends again later that night. The Thais will take such an attack very, very personally and very often will resign if they are being yelled at and so the concept of raising your voice and yelling in a place like Thailand is almost unacceptable in the workplace, and it's therefore a very difficult thing for a foreign manager who was grown up in that context to come to Thailand, manage the team, find something

frustrating, raise his or her voice during the day, yell at a couple of people, let off the steam and all of a sudden find out that three people have resigned. (FGP01)

In this and earlier examples there are many different cultural values and orientations that make adjustment difficult, if one does not have a sufficient working knowledge of the other's culture and or does not have sufficient will to make the adjustment or compensations necessary to achieve an effective working relationship. In the example above, Thais are likely to be offended by such behaviour for a variety of reasons, but all commonly run against their value norms and expectations of what constitutes acceptable, and therefore expected, behaviours from the other. As mentioned, Thais' cultural orientation is known to be one that favours social harmony and being considerate of another's position which is reflected in their ever pervasive respect for the value of *greng jai* (เกรงใจ) (Holmes, Tangtongtavy & Tomizawa 2003; Roongrermsuke & Liefoghe 2012). They therefore find such behaviour offensive. Thai values also promote a strong sense of self, and this ego orientation is closely associated with their sensitivity to the value of *bpen-gaan-guu-naa* (เป็นการกู้หน้า), that is, *face-saving* (Knutson 1994; Thanasankit, T 2002). Therefore, such displays are likely to be very hurtful to Thais even if the display of displeasure is not directed to them individually. The mere fact that a Thai might feel associated with the issue, may lead them to take it personally given their highly sensitivity ego orientation. Further, given their orientation to defer to authority (in this case their manager) – which may be associated with a strong *power distance* orientation as described by Hofstede, Hofstede and Minkov (2010) – together with their orientation for *conflict avoidance*, they are unlikely to push back on the issue with the manager. Rather, they are more likely to let the matter go in the vein of *mai pen rai* (ไม่เป็นไร), silently slip away and later hand in their resignation, as alluded to in the account by FGP01 above. In order to get effective performance outcomes, it is necessary to understand that managing performance is a reciprocal appreciation of the 'other', to ensure that the correct cues are given to harness the *latent efficacy* within the situation—such as cooperation, motivation, and commitment of subordinates—rather than squander it through mismanagement of cultural differences; as enunciated by a *farang general participant* 'if you do not understand Thai culture you cannot get Thais to cooperate', you are more likely to be met with passive resistance (FGP07). Failure to adjust can lead to failure in the workplace. This can be a problem relating to adjustment in the short-term:

They bring expatriates in, clumsy like buffalos in business. They're as clumsy as buffalos, you know, they tread on everyone's foot. They're only interested in the most basic of forms of satisfaction, and the Thai sort of informally equate newly arrived foreigners as buffalos. That's in a nice way. They're clumsy, they tread on everyone's foot, and they're hard to deal

with. They can't bring them into their social environments. It's very difficult. . .so then, the KPIs of those [expat] managers are based on how much work the Thais do to support that newcomer. . . which tends to drag on the performance of the Thais in relation to their KPIs (FCS04).

In this example, the reference by *case subject* FCS04 to the farang's *key performance indicators* (KPIs) being based on the 'how much work the Thais do to support the newcomer' is referring to the fact that it is really the Thais that are delivering the farang's KPIs, not the farang. This creates a burden upon the Thai staff, because the necessity to provide the additional support to the farang manager impedes their capacity to deliver on their own KPIs. This, in turn, has the effect of weakening the potential or innate efficacy of the performance management situation, because of the compensation in work performance that has to be made, until the farang is able to adjust to the new cultural setting and make a greater positive contribution to the performance management situation. In Seldon's (1993) terms, efficacy is a precursor to efficiency, and since the efficacy of the situation has been diminished because of cultural adjustment issues, so too has the efficiency of the situation, because resources are being diverted from their main function to compensate for cultural adjustment issues. But if one was to take a broader cultural view of efficacy, then what constitutes *efficiency* is a concept that is also laden with cultural values. In an *efficiency* sense of time, money, opportunity cost and the like—as is so often measured in the West—it may be better for the Thai staff not to draw their attention away from their own function to underpin their Farang manager's situation, but rather concentrate on their own work to maintain efficiency. However, the Thais are likely to bring a different value set to their interpretation of what will lead to a more efficacious outcome; one that has a stronger desire to support and protect relationships. This approach has an outwardly looking orientation, rather than being self-centred, which is in keeping with Buddhist teachings and as such, is believed to have good merit in terms of karma. In accordance with Buddhist teachings of cause and effect, supporting their manager—at what might be viewed in a Western sense, *at the cost of efficiency*—will yield a more efficacious outcome in the fullness of time. This paradoxical relationship between efficiency and efficacy can serve as an interpretative lens to understanding cultural affect.

In the longer term, the consequences of failure to adjust may have a much greater adverse impact on work performance. In this case, a farang manager never ceased venting his frustration and complaints about how bad he thought the bureaucracy and legal framework operated in Thailand, and always citing how much better it was in his home country. The farang manager was unable to adjust to the way the Thai system or the way Thai people worked, even after several years of working in Thailand. This resulted in a domino effect of

resignations – including general participant TGP09 – with four Thai staff resigning of a team of approximately eight. In this case not only did the matter of non-adjustment lead to the resignation of Thai staff, but necessitated in the firing of the farang manager for poor performance that directly related to his inability to adjust. A *farang general participant*, who was also a principal of the organisation, recounted the circumstances:

He [farang manager] was heavily reliant upon his Thai staff. It was taking them away from what brings in the income -- seeking new customers on the Internet, which is a vital part of what we do. One of his staff members was putting in many hours [of work] at home -- it's the quality of the work brings in the customers. So that's his [Thai staff] function whether he does it at home, on the weekend, or whether he does it here [in the office] it's not a measure. So, if he doesn't come in at 8:30 like everybody else -- which made no sense to him -- it doesn't really matter. I might call him at 8 o'clock at night [at the office] and he's still here but he [farang manager] doesn't know that and nor does he care. He just wants his London principles to be met. He was very dictatorial... and the staff, they started rebelling... He [farang manager] did nothing right and was dictating to them how they should follow. These guys [Thai staff] were successful. He wasn't able to adjust. He wanted to drag them down with him and they said no. So there was a sort of mass resignation. One after the other, following each other -- but they were right. I had to fire him [farang manager] and I called them up [Thai staff], I said he is gone, to which they responded *okay, we'll come back* (FGP06).

The period of adjustment can be very costly for businesses, because the time frame for an expatriate to become fully functional in the new environment – that is, operating at or near to their potential within their home environment – can be a long time. In the case of a farang manager who had only been working in Thailand for approximately 24 months, he was clearly still coming to grips to the issues of adjustment:

I would say that the frustrations come almost after the first year. But, I think that comes later because what tends to happen is that people are very accepting and understand that is going to be a very different kind of experience when they [first] come here, so you tend to be a bit softer. I think when you've explained something five or ten times and there hasn't been any change, that you start to become frustrated, and then you start to ask well, why? And to be honest, I think it probably depends very much on the situation. Some of it is cultural and you realise you've taken the wrong cultural approach and you need to change tack to get a different outcome. Some of it just tends to be organisational, you realise the organisation is just not structured or able to perform the way you want it to perform, so you've got to change something (FGP25).

In this example the farang manager was referring to a need to adjust to more obvious cultural differences, such as issues of communication and the manner in which he handled or

related to his staff (relationship issues). However, the outcomes that he sought from his staff still had a strong Western sense of efficacy, in that he saw the need to change the landscape or – or in this case, the work-scape – in a forceful way to suit himself; in his own words:

One thing very much missing in Thailand in workplaces and certainly in this workplace, is critical thinking and the ability to analyse. It's much more of a command and control model. I instruct; you do. Again, another reason why it was [a problem] with the computer system -- you would have had to address the problem much earlier in an Australian or Western workplace because people would be doing that critical thinking...I made it pretty blunt to everybody what I was looking for was a commitment and the way I sort of operated was I wanted to try and give you [referring to the Thai staff] what you wanted out of the job, subject to certain minimum standards... [they're] just developing workarounds which is kind of the Thai way to be honest. You see that constantly ...there's a better way of doing things, but it hasn't completely worked or haven't completely explained it, or they haven't been able to solve the problem, so let's develop a workaround. *It's no problem* [laughter] and I think there is a real cultural element to that **(FGP25)**.

The farang manager's sense of solutions to problems doesn't fathom the sensibility of the Thai solutions, and has a compulsion to change the work systems and processes to match his own sense of efficacy. Whilst improvements to the workings of the systems may be necessary, the farang manager chose to impose a solution, rather than engage with the circumstances, influencing through exchange of ideas and working through relationships. Thereby they did not allow the propensity of the situation to unfold towards a more natural solution, going with the flow, or as termed by *farang case subject* FCS03 'the rhythm of culture'. Doing so denies the opportunity for solutions to be determined from the *latent efficacy* within the situation and possibly contained within the staff, who understand the local cultural issues, not only within their immediate work environment, but also within the context of all those whom they engage in the broader community of people (for example customers, shareholders, and regulators). Therefore, the solutions are more likely to have a sustainable beneficial outcome, because they are natural to the circumstances. A forcibly imposed solution—from an outsider, whose sense of efficacy is rooted in a different set of values—is unlikely to recognise the broader consequences of their actions, because they are foreign to the situation. As such, it is likely to meet resistance and require a greater investment of time, energy and resources to sustain it. Every intervention 'introduces "another beginning" in the way the situation is evolving' (Jullien 2004, p. 86) and may be regarded as that which was not implied by the situation and thereby constitutes an interference, or that which is not natural to the situation. Western philosophical orientation ascribes merit to intervention, action and control. However, the concepts of (bounded) rationality, or satisfying the heart of traditional design—that is, the ideal blueprint, intentional plan and conventional prototype—do not solve

the problem of problems. Eastern philosophical orientation (particularly Theravada Buddhism) regard every present moment in time as the beginning of the pathway to the future, every action therefore has a consequence at some point in the future; this is the belief in cause and effect of every action, whether merely as a thought or intention, or as an overt action. Cause and effect is an essential element in the belief of karma. The compulsion to act or intervene is akin to *impatience*, which is regarded as a mind-corrupting energy in Buddhism, and likely to create *bad karma*. Therefore, there is a preference to allow situations to unfold naturally, rather than impatiently intervene by means of forceful action (Sumano Bhikkhu 2013).

The dilemma in determining the issues of performance highlighted in the example above, becomes a matter of answering the question that *farang case subject* FCS03 raises: ‘is it culture or is it competence?’ Performance management outcome issues may wrongly be ascribed to cultural issues, where in fact they relate to competency issues. Conversely, where one is unable to attune to alternative cultural perspectives, performance management outcome issues might be wrongly ascribed to competency issues. Cultural differences in this way can confound managers in their assessment and handling of performance management issues.

This culturally fixated view of efficacy is key to the confounding effect of culture. It can be likened to a form of *cultural efficacy blindness*, one that denies a vision of the true efficacy that may lie latent within a performance situation. Such cultural template approaches to efficacy, are caused through notions of control, dominance and imposition of will, which can denominate Western thinking and blind one from recognising the efficacy that is contained within. This is akin to Osland and Bird’s (2000) notion of ‘home grown perpetual schemas that result in cultural myopia’ (p. 67). Perpetual schemas are a cause of the lack of understanding of *cultural paradoxes*, that is, those behaviours that don’t fit one’s understanding of the other’s culture. According to Osland and Bird (2000), other causes of cultural paradoxes are: lack of cultural experience, plateauing of cultural learning before a full understanding is reached, Western dualism that does not allow room for paradoxes, cultural theories that favour simplicity and not complexity, and cultural comparison research that is less likely (than contextually based cultural research) to discern paradoxes.

Cultural efficacy blindness, however, goes beyond superficial perceptions (or schemas) of other cultures, since it is a result of culturally fixated views of efficacy that are deeply rooted in a culture’s ontological and epistemological groundings, as presented in Chapter 5 (refer Section 5.1.2 below). The Western notion of efficacy through control, to impose a vision of the future, is one that is likely to meet with resistance. This is opposed to being attuned to the natural propensity of the situation, seeking to influence it, rather than seek to dominate it. An Eastern approach is to go with the flow—to take a ‘middle path’ in Buddhist

terms—seeking to influence and be in a position to harness the latent efficacy as it unfolds. This approach is likely to draw on the inherent efficacy within the situation, one that is sustainable, since it is natural to it, not resisted, and therefore does not require a constant investment of energy to control it (Chia & Holt 2009; Jullien 2004).

5.1.2 Cultural Efficacy Blindness Attribute

This dilemma of ‘is it culture or is it competence’ plagued *case subject* participant FCS03 for a long time, even though he was experienced in cross-cultural management throughout South East Asia, including Thailand. His solution was to take a very Western oriented scientific approach to, in his mind, nullify cultural and communication issues:

So technically what I'm saying is correct and I know you [in reference to subordinates] understand it, so here's what I'm going to do. We're going to talk about data because you can't hide behind language and you can't hide behind culture, so I deal with you on it at a data level.

This is what's pulling me right now. I'm known to my boss and everyone else -- my performance review says -- I'm a real data guy. I never was before I had to operate in a culture where I don't have language skills (other than an interpreter) so I have to deal with data. So the way I deal with these guys is data and it kills them every time. So, my desk is 90% data, no rhetoric. I can deliver rhetoric better than anybody, but data kills everything **(FCS03)**.

This approach may have had benefits in delivering against key business performance indicators and budgets in the immediate term, but lacked a relationship focus beyond the authority of manager ruling over the subordinate. His statement ‘we're going to talk about data because you can't hide behind language and you can't hide behind culture’ suggests an element of distrust, which is counter to forming good working relationships. Thais are known to be particularly sensitive to trust. Trust is a very important element in the manager-subordinate relationship for Thais. It does not come naturally, but needs to be accumulated by the manager through ‘consistency and integrity in his/her behaviour over time’ (Kainzbauer 2013, p. 223). Thais are also known to readily voice their ideas and opinions when they are confident in trust (Holmes, Tangtongtavy & Tomizawa 2003). This trait might also be regarded as similar to the Western cultures, but Thais have a heightened sensitivity to the value, because of the overlay of the hierarchical nature of the relationship, and other particularly sensitive values traits, such as *greng jai* (เกรงใจ) (not wanting to offend) and face-saving (Jarinto 2011). Even though the *case subject* was able to cope over a long period of time, the dilemma of ‘is it culture or is it competence’ left him confounded and frustrated by culture, falling back to the only thing that he felt cut through culture, which was *data*.

This is somewhat of a short-sighted view; Western managers tend to favour *hard data* because it fits well with their ‘vision of order’ and perceived rationality that is pervasive in Western business models and organisational research (Shenkar, Luo & Yeheskel 2008). FCS03 attempts to ignore culture or circumvent cultural differences, in a forceful and dogmatic way, as though culture was some tangible element that could be by-passed, rather than a construct that helps explain behavioural differences rooted in differing value systems. When we take the latter view, it is evident that through the principle of cause and effect, every action one takes will be imbued—to some degree or other—with a cultural orientation of the perpetrator, and may be interpreted with a differing cultural orientations of others. In this way, the influence of culture cannot be escaped, no matter how infinitesimally small that influence might be.

This example has an interesting postscript: during the course of this research the *case subject* FCS03 was promoted from a senior executive position to the position of CEO (and country head) of the very large multinational Anglo-western organisation for which he worked. Almost four months after he assumed the role of CEO, he was interviewed again. During the time from the previous interview he changed his approach to performance management, to one that was more focussed on rhetoric, trust and relationship. He spoke of how he had lifted the veil of culture, discovered the true capability of his staff and their depth of talent. He spoke excitedly, as though his experience was an epiphany:

I'm softer now, not the hard, male, strong focus. I'm probably putting more of a softer focus to compensate at the rank-and-file level to disarm another foreigner, another Australian, [referring to himself]. I've really had to disarm and recognise I've got this authority and execute absolutely perfectly against authority, but I will do it with compassion, genuineness to recognise you [in reference to Thai subordinates] as a person. I think I've done a lot of overcompensation in that area. I would not do that in another business environment is my point. I would not go into the Philippines [for example] and overcompensate for culture. That's my compensation. I'm really much softer, walking around, much cooler, calmer here [Thailand] than I normally would be elsewhere...culture is less of an issue now. It's because they all hid behind culture because of their nervousness within Thai culture, where it's more structured, where you can't challenge authority, which we talked about last time. [Now] they know they can talk to me, so they are talking to me. They're not afraid to come into my office; they're not afraid to put their viewpoint. They're not overstepping the mark, but their conviction of argument is strong, as strong as any Westerner. Their ability to articulate problems and solutions to the problems is much stronger than I thought, and I've been very impressed. You [in reference to Thai subordinates] are really capable and clever, and what's more, your perfect English that you never demonstrated before... what I am seeing now is that I'm *discovering* -- now I've lifted the hood and gone underneath and looked at the engine

-- that there's some really, really, smart competent capable individuals, young, Thai people. And, they're the ones I'm looking to elevate to the key roles very quickly to bring them through... they're completely engaged with me at a fully professional, respectful, intellectual level. So I'm saying 'where have you been? Where have you been'? ... I'm really saying I'm impressed, *really* impressed (FCS03).

This experience was almost a complete turn-around in attitude for this *case subject*. Through building closer relationships with his staff, based on mutual trust, he was able to tap the latent or potential efficacy existing within the performance management situation, which would otherwise have been denied the *case subject*.

As illustrated in the quote above, there was a significant change in the demeanour of the case subject. This was also observable by the researcher from the more positive and relaxed demeanour of the case subject, than was observed from the first interview and previously informal encounters, compared to these second and subsequent interviews. This sense of emancipation in the case subject was in large part to do with moving to a stronger position of control within the organisation. Previously he was a senior executive reporting to a Thai CEO. Having since assumed the role of his previous boss, he felt less constrained by his sense of the Thai culture. For example, he says (above) 'they all hid behind culture because of their nervousness within Thai culture, where it's more structured, where you can't challenge authority'. Here he is talking about himself as much he is of his staff, for previously he was sandwiched in the middle – reporting to a Thai boss while managing Thai staff. He did not have the sense of shared leadership with his boss, feeling he lacked freedom or confidence to manage or work with the Thai staff as he saw fit, he felt subservient to his sense of Thai culture where '*you can't challenge authority*'. So that his reference to hiding behind culture applies as much to himself as he perceives it to reside in others. This projection of causes being external of the observer, as though the observer is isolated as a cause of the effect, is the antitheses of a Buddhist view. Buddhist belief expounds the complexities of cause and effect that include karmic effect and cognitive process of perception; if one is to see the reality of a situation it necessitates a stillness of mind in the present moment. One should reflect internally to understand how their mindset can project onto the world a *wrong view*, which may be rooted in lust for material things, fear of what has happened in the past, fear of what might happen in the future, and fear of not knowing. Thus they lack the wisdom to have the *right view* to see reality.

Paradoxically, his sense of emancipation (when taking over the position of his boss) gave FCS03 the ability to free his staff from his projected sense of cultural constraints. While now he had more control, this gave him a perceived sense of freedom to exercise *less* control, by putting more *trust* in the relationships with his staff. This allowed the development of a

stronger sense of mutual trust in his staff: ‘they're not afraid to come into my office; they’re not afraid to put their viewpoint’ any longer. This, in turn, allowed the latent efficacy within the performance situation to emerge. Essentially nothing else had changed, the personnel were still the same, and the business function and physical resources were still the same. To add a tone of exclamation and emphasis to his elated surprise to his recount, as to how truly capable his Thai subordinates are, case subject FCS03 states ‘where have you been? Where have you been?’ This is a generalised statement referring to his seven or so years of working in Thailand, of which approximately half as been with his current organisation. The fact is, that *they*—the truly capable Thai subordinates—have been there all along. Notwithstanding this, FCS03 remains constrained by his personal projections of culture, where he states that he is *over-compensating* for culture, and refers to his staff as now being *as strong as a Westerner*, implying that he is *the one* compromising for the other’s culture, and that the others’ culture is somehow inferior.

This example serves to illustrate that culture is a construct that persuades our perception of reality and how that may be projected onto others. This *projection* may impede the efficacy of the situation, as it did in this example where FCS03 was previously unable to see the full capability of his staff. Conversely, where there is a sense of freedom from cultural constraints—either through an elevation in a sense of control, as in the above example, or through the ability to otherwise adjust to cultural difference—it may allow the latent efficacy within the situation to emerge, through a mutual emancipation from culture, within both the perceiver and the other.

Cultural blindness in understanding others’ world views has been problematic for eons when differing cultures engage or discover each other, particularly for the first time – none more starkly than when the British culture first engaged with the Australian Aborigines, in the eighteenth century. The Australian Aboriginal societies were incomprehensible to the British, as was the British society to the Aborigines (Blainey 2015). This is exemplified in the understanding that no Australian Aboriginal languages have a word for ‘drought’ (Heathcote 2013; McKenna 2009). Western societies view drought as ‘seeing something lacking in the land’ (McKenna 2009, p. 10), one that brings suffering and disaster. Australian Aborigines see a different landscape, one with which they maintain a strong spiritual connection (Pascoe 2014), and are able to sustain their cultural way of life. Author Peter Latz makes this point profoundly in an interview on an Australian Broadcasting Commission radio program, when he was asked how the blind Aboriginal pastor (known as Blind Moses) was able to make his way around the Australian outback to visit the many remote Aboriginal missions:

He [Blind Moses] had the backing of the country. A lot of Australians don’t realise how important it is to *really* have a sense of place, you know, and to know that your country is

surrounding you with love, and giving you strengths. It's not just the Christian faith; it was his connection with the living vibrant desert life force. (Latz 2015)

Whereas the Western cultures tend to be blind to the efficacy of the landscape, and:

Ironically, despite the frequency of drought occurrences in Australia, the media continue to use the 'language of war and disaster, and imagery of suffering' in their coverage (Heathcote 2013, p. 235).

In the cross-cultural context of this research, a *farang case subject* describes such differing cultural perspectives using 'colour blindness' as a metaphor to illustrate the greater degree of complexity the Thais will perceive in the performance landscape, compared to a Western perception that will barely see shades of grey:

For example, I want to renegotiate a transport contract and they're looking at you saying what do you mean *renegotiate*? Well, I'm going to take this guy out because I think he's too expensive and I want to replace him with a corporate service provider. They'll be saying 'that guy has been doing the role for 50 years and you're going to take him out! He has an uncle, aunt and children!' They [Thais] will look at something completely different whereas you are looking at it trying to rationalise something, they are looking at the disturbances associated with your actions. They see the conflict or the ambiguity - - they see the conflict in their own ways as opposed to trying to understand your business objectives... that to them is technicolour, whereas, for us you wouldn't even see shades of grey. To them that's like technicolour problem and if you insist on it they'll almost go mute or they'll be passively resistant. They will go as far as a sentence objective and everyone else will say yes I understand what they're saying 'boss, no problem boss', and walking away rolling their eyes saying 'he just doesn't understand'. **(FCS04)**

As *farang case subject 04* highlights in the above example, the Thai perceive a different performance landscape to the farang. The Thais see a much more complex environment containing 'disturbances', potential 'conflict', and 'ambiguity'. This is like a 'technicolour' view to them, whereas from a Western cultural perspective the same scene, one won't 'even see shades of grey'. Such differing cultural perspectives lead to differing approaches to efficacy. Even though the Westerners and Thais may seek to achieve the same or similar ultimate ends, the cultural perceptions of the environment, of the problems to be solved in formulating and enacting the means, result in differing evaluations of means-action-ends construct of efficacy. The Thai view is for a need to work within the propensity of the situation, to minimise the 'disturbance' to achieve an outcome that can be sustained by the circumstances. The Western view is to rather enforce the desired outcome in a rationalistic way, culturally blind to the perception of the 'disturbance' caused by such approach to efficacy. This approach is likely to come into conflict with the natural propensity of the

situation and all the complexities and interrelationships it contains. Such differing views of efficacy lead to different expectations of what is to be achieved and how it should be achieved. This manifests in a tension of expectations, as highlighted in this example with the Thai subordinate ‘walking away rolling their eyes saying *he just doesn't understand*’.

To be able to see through the confounding cloud of culture, to discern whether issues of performance relate to issues of ‘culture or competency’ (or indeed both), it can take considerable time and experience working in the foreign culture. To circumvent this issue, except for a small number of key executive positions, there is a move away by Western organisations in Thailand from employing *traditional expatriates* to *local expatriates*. Local expat is a term commonly used to refer to foreigners who have worked in Thailand over a long period of time, and who prefer to live and work in Thailand for life-style reasons. Usually, they arrive to the country as expatriates with full expatriate benefits (housing, children’s education, travel, driver and car) but are willing to forgo many of the benefits in compensation for continuing employment in the country to fulfil their life-style desires. Therefore they are much cheaper and more effectual for foreign organisations to hire than new expatriates, because they already have local market knowledge and have culturally adjusted.

5.1.3 A Trend to the Culturally Adjusted Attribute

This move away by multinational organisations from the traditional model of posting expatriate to key management positions, is not only related to the direct monetary cost of the expatriates (remuneration package), but equally to their experience of the long lead-times it takes for an expatriate to become adjusted working within the new culture, and becoming effective managers of the business and working with their people (Thai staff). It takes a very long lead-time for a newly arrived expatriate manager to become effective in their role:

I think it depends on your background. So, let's take the example of someone who has worked in Australia and maybe had holidays in Thailand a couple of times or something, never worked here. I would suggest... anywhere from two to three years... To get a really good feel of it ...five years you get a good feel for it. After five years it's not much different to anything at home in terms of learning about [a new] job. Every day we learned something different (FCS01).

This is a common view expressed by participants in this research; the adjustment takes three to five years to become as effectual as working within one’s own culture, when working cross-culturally with Thais. Since the expatriate tenure commonly falls within a two to five year time span, just as the expat is becoming effective in the Thai workplace, it is time for

them to leave. Therefore, the cost of investing in expat placements has little opportunity to yield a worthwhile return for the employer.

The past four to five decades saw strong growth in urbanisation and modernisation of the Thai economy. This was mostly driven within the private sector from foreign direct investment, due to the Government industrialisation strategies. Government policy was firstly focused on industrialisation through import replacement strategies. Since the 1980s the Government's industrialisation policy frameworks has been focussed on export promotion. This has led to Thailand becoming a leading South East Asian exporter of automobiles, resulting in build-up of a broad and deep pool of experienced local expatriate managers, within the Thai labour market (Charoenloet 2015; Pansuwan & Routray 2011). This development has enabled foreign companies to hire Western management, locally within Thailand; managers who have already proven they have adjusted to working with Thais and within the Thai market. A farang *general participant* who is the country head of the Thai division of a multinational executive search and HR consulting organisation, recounts:

If you go back 25 years ago in the 80s...[large multinational corporations] had 5 or 6 expats. Now there's none. Or if there is one, they hire within [Thailand] because of the salary structures - - I'll explain it to you. A full expat gets a car plus driver, housing, airfares [to and from their home country], and children's education... for example. Let's take that big [farang] company that I placed this guy in...His package was a million baht a month all in. [the Company] has been running 20 years [in Thailand] -- three or four years and the [expat] goes back [to his home country] and another [of his countrymen] comes in and that [same remuneration] package. They [the Company] always had issues in terms of [their expats] adjusting; the wife is [complaining] at home [in Thailand], and it's too hot; the maid did this, the driver didn't turn up on time, the motorcycle almost ran me over, there's always some [whingeing] or some negative thing looming. He [the new farang expat] comes in. He's not happy with his PA [personal assistant] and it's not like [working in his home country] - - particularly if they've been in Singapore. A lot of them [Western expats] have been in Singapore, where things *really* work and [here, in Thailand] they start losing their cool. They start getting [exasperated]. They don't understand the language, etcetera. It happens, it's very, very prevalent. So there has been a shift to what they call a *local expat*. Now, the local expat has been here for seven, 10 years... he's married to a Thai... been on an expat package, but nowadays they [foreign multinational organisations] are phasing out expats from a cost perspective. And, they [the Company] offer a salary of 450,000 baht [to a local expat] and a company car, for that job. That's it. Not a penny more. This was one [job] that was probably a bit more than 1 million baht [for a non-local expat package]. (FGP05)

Hiring local expats has a direct impact on the performance of the organisation through lowering the costs of its expatriate staff. It also has the effect of narrowing the cultural

distance between expatriate workers, local workers and the organisation. Local expatriate staffs, having already adjusted to managing cross-culturally, are better placed to establish efficacious performance management relationships than newly arrived expats. This, in turn, is beneficial to the organisation by being better placed to deliver efficacious performance management outcomes. As a further means of narrowing the cultural distance, this research showed that, Western organisations had a preference to hire Thais who also have cross-cultural experience by having have studied or worked in a Western country:

If the Thais have been educated overseas by all means you want to try to employ those type of people, because they had exposure to our culture anyway. So, that's a strategy that many companies take. **(FGP01)**

So, one of the traits we like to look for [in hiring Thai staffs] is that they've travelled; that they've worked overseas or studied overseas. That's a big flag for us. [For example Khun P...] went to The Academy of Arts, San Francisco, but she did her first IT degree here at Mahidol University [มหาวิทยาลัยมหิดล]. **(FGP14)**

A lot of them [Thai staffs] are obtaining degrees in Europe or the US or even Australia now, and those people are much more adaptive to the work environment with the multinational, than what the others are who come through the system locally... People who obtain [their degree] internationally can generally speak very fluent English, so there's a hurdle that's overcome straight away. Because they have lived in a different culture, and had a different style of teaching, and interfaced in project groups, workgroups, learning groups, with people from native Western countries, their level of adaption to some of the principles that a multinational might bring in, and their style of managing, is much more easy for them to grasp. **(FCS01)**

Managers, who through experience have successfully adapted to working cross-culturally, have done so by developing an understanding of cultural differences and how their approach to performance management should be adjusted to the circumstances. Such experience or exposure could also be likened to the construct of *cultural intelligence* (CQ), that is, with exposure to a foreign culture one's knowledge, acceptance of that culture and ability to work cross-culturally heightens their cultural intelligence (Deng & Gibson 2009); they have proven to be successful in managing cross-culturally.

It is an imperative for managers and subordinates to recognise the need to compensate for cultural differences, in a common goal to achieve effective working relationships. As with any relationship both parties have to make compensations for the other party, if a lasting effectual working relationship is to be forged. As illustrated in previous examples, if one or other of the parties in the working relationship fails to adequately adjust for cultural issues,

this can lead to failure in the performance management relationship. The power structure within Thai society ‘is hierarchical with an emphasis on one-way communication’ (Pembleton 2011, p. 155). Reflective of the societal culture, Thai business culture is strongly characterised by a respect for hierarchy (Kainzbauer 2013). Typically within hierarchical cultures, subordinates expect instruction and guidance from superiors more so than from their own initiatives (Hassi 2011). With this tendency comes an expectation by the Thais that it is the primary prerogative of the manager, as the party to the relationship, to carry the initiative for cultural adjustment. After all, it is the manager who has the authority, and for a subordinate to carry the initiative may be regarded as impertinent and counter to the Thai value of *greng jai* (เกรงใจ). As recounted by Thai *general participant* TGP21:

Farang boss needs to *yuen mueh* (ยื่นมือ - reach out) to the Thai employee no matter what level and say [in their mind] that “okay, I am the farang boss but I still have my eyes on every single one of you. I will take care of you, I will take care of your living and that you know”... [it is] the recognition that this is important...I think what's wrong in the processes is that the farang boss just doesn't reach out enough or maybe think that the Thai, the direct “Thai is a subordinate [I] already take care [over] her”. That's not good enough. And it happens to everyone, so the number one guy [the farang boss] has to find a way to reach out to the one at the bottom, more often (TGP21).

Unless one is exposed to a particular culture they are unlikely to have empathy associated with the imperative to *reach out* to the other in this manner. In reaching out to transcend cultural differences, managers have to contend with cultural constraints embedded within PM systems design and organisational structures

5.2 PM Systems/Organisational Structures Category

It was evident in this research that Western performance management systems, based on Western management theory and dogma, are applied to the foreign owned subsidiary employers of the research participants. This was also evident in the local Western owned employer businesses of research participants. The designs of these performance management systems are strongly rooted in Western management and motivation theories, and as such, are heavily laden with Western notions of efficacy: means to an end. In practical terms it is necessary for managers and subordinates to compensate for their cultural differences, in their interpretation and application of the organisation’s policies and procedures, when meeting the formal requirements dictated within their organisation’s performance management systems. This section looks at the cultural issues associated with performance management systems design of organisations within this research, and the experience of the participants in this

research, in dealing with the cultural issues and their effect on the efficacy of human resources performance management at the practical level. In the remainder of this section, the first element of design presented is *Organisational culture*. This will be followed by *PM processes design*, and *Organisational structure* will conclude this section.

5.2.1 Organisational Culture Attribute

Every farang participant in this research viewed organisational culture as an important feature of performance management, which supports the views that practitioners accept organisational culture as a norm within management doctrine (Balthazard, Cooke & Potter 2006), at least from a Western perspective. However, Thai participants tended to be more blasé about the concept. This tendency was typified by the *Thai case subject* who could not remember the five values of the organisation, in spite of working for a global organisation that has a strong focus on organisational culture and values. In their view it is management, by their behaviour, who create the work culture within an organisation. Unless management live the values, and or the values are within the capability of the organisation, they are merely words:

That's important [living the values]. For example [the business unit head] used to like the phrase “customer obsession”, but it's just a word ... It means whatever you do, whatever you think, you are obsessed about the customer. The customer comes first... So obsessed about the customer that you can sacrifice everything for this, but in reality the system doesn't support it people, even though they want to be customer obsessed they cannot, the system doesn't allow them to, or the hierarchy in the organisation... doesn't allow them to, the reporting line doesn't allow them to, the approval chain doesn't allow them to. It's something you want it to be, but the culture doesn't move with you, the organisation doesn't move with.

(TCS02)

In all instances in this research, where a global organisation had a unifying set of organisational values, these values were predominantly articulated in English, and related to Western notions of the values. Western ideology, management doctrine and practices, tend to subsume alternative meanings through ‘notions of objectivity, rationality, and science’ (Wong 2010, p. 351). Notwithstanding, practitioners far from their home office, working in a foreign culture, understand the limitations of attempts to transplant foreign notions of corporate culture. In the following example a set of seven organisational values (articulated in English) were prominently on display on the office floor:

The words mean different things to different people, and I think it's fair to say that the Thais don't have a full understanding of what those words mean which is also understandable because one, their English is their second language and two, they haven't been brought up in a culture that really understands what some of those words mean. **(FGP23)**

The *farang general participant* working for a global organisation, in the above instance, recognised that the values (the words) chosen to articulate the organisational values may have different contextual meanings for people of different cultures. He accepted that it was unlikely that the Thai would have a true understanding of their portent, and unlikely to have any significant effect on them. Nevertheless, the signs were on display and the expectation of executive management was for the organisational values to act as guiding principles of behaviour of all staff.

Smaller organisation did not have specifically articulated cultural values. Nevertheless, their Western management doctrine strongly supported creating a ‘right’ work culture. However, management tended to rely upon their personal influence at the relationship level, to set a workplace culture. While global multinational organisations maintained a set of values globally, smaller organisations had the flexibility to align the organisational values to the local culture, as articulated by the principal of an Australian organisation that is represented throughout Asia:

It's about having a degree of flexibility ... you've got to take what's good about these cultures and harness them but when you break it all down, I think it all comes down to being a caring, compassionate individual, and if that comes across people care and when people care you get a culture that's worthwhile... We are creating a family culture for everybody... Don't get me wrong, if you speak to some of our competitors they will say we are ruthless and we're tough. Yes, we are competitive. It's our job to kick your arse. Once we say that you're inside the family well it is, it's a family and we do care. We have lost staff members to cancer. We've lost staff members to accidents. They are always horrific times for a company, but what it shows is that the company has pulled together in those times and we still see those families and for one of us we have a scholarship for the kids, and one of these kids is now in second year vet at the University, and that the company set up a scholarship. We didn't need to do that, but it's those sort of things that define us as who we are as a company, and it shows to all the staff we are human not a company, we're a family and by having that empathy and that human side to us. (FGP14)

The organisational culture in this example has been aligned to the strong values within Thai culture of family and relationships. The values displayed in the relationship orientation are also aligned with the values of *pradait* (พระเดช) with firm expectations of staff performance reflected in the statement “we are ruthless and we are tough. Yes, we are competitive”. Also the value of *prakhun* (พระคุณ), which is evident in the extended support afforded staff in times of family hardship. Organisational cultures that evolve naturally through the dynamics of the workplace, the interactions of the staff and with the community, emulate the national culture in which they operate (Dickson, BeShears & Gupta 2004).

However, whether they are culture or a management locus of control is a moot issue (Magnusson et al. 2008). To effectively influence behaviour, it is the behaviour of the managers themselves through strong interpersonal and trust-driven characteristics that are of primary importance (Gulev 2009; Kainzbauer 2013). By the manager setting the tone of the workplace through their attitudes, behaviours, and actions emerged as the primary driver of workplace culture in this research:

You've got to lead by example... They get to understand what makes me tick, what makes me get hot what makes me get cold and what makes me get a buzz and so on, and they feel it. So, yes I think can instil your own values, your culture... and you have to be consistent otherwise they start thinking your ting-tong, crazy. But, if it's from your heart it will never change because your heart doesn't change... and they know I had an eye for detail. If there was a light bulb out when I walked into the ballroom I would see it. If the music wasn't on in the restaurant all I had to do was move my ear and the restaurant manager knew it to turn the bloody music on. And, if I went like that you need to turn the air-conditioning up or down or whatever, so they all quickly got to know. If there was anything on the carpet, pick it up. If there was a cigarette in the car park, pick it up, and I would go around that do it myself and they would tell me "I saw you picking up the cigarette butts in the car park!" "Yeah, you know how I hate it." They said that "you like this hotel more than the owners" and I said "yeah, so?"... Values are important because if you are very high up, you don't go and serve somebody, but I would go around the restaurant and if it were packed out, I would clear plates. And then the owner started doing that, and then the managers [who reported to me] realised it's not about seniority, it's about getting the job done and giving good service. That's all it was about. So the cultural values of, *I'm too big to do that*, forget it. In my organisation if I can do it you can do it. I would often say that. If you see me doing it you better be doing it. (FGP11)

In this next example the *farang case subject* was newly appointed to turn around the fortunes of the Thai subsidiary of a global organisation. The *case subject* did this by opening themselves to their subordinates, being more approachable and providing strong hands-on supportive management style. The *case subject* also required their subordinates to do the same with the subordinates' teams. Managing by example, the *case subject* moved the culture away from traditional Thai hierarchical values based environment, to one that was more egalitarian:

I had to clean his [predecessor] culture out. I had to clean it out. It was significant... He played that role, but he was actually the worst kind of Western leader, let alone the worst kind of Thai leader. He had all the bad leadership traits. He wasn't recognised as an MD. He was truly operating as a sales and marketing person as opposed to a managing director of 800 people... So I'm seeing a significant turnaround of people, less people bowing and

kowtowing, to me. All that stuff is starting to move away. I've also taken away all of the film that was on all the windows [internal windows of subordinates' offices], so I've opened the leadership team up... I've removed it all. It's all clear glass now. They are very uncomfortable with it, and now they go "*how did you ever live with it*". (FCS03)

While centrally disseminated organisational cultural values form part of a PM system design, they are not necessarily a constraint on the efficacy of PM. However, they are unlikely to be effective given the differing interpretations or understandings, and values weightings, peoples from different cultures are likely to place upon them. This is to be expected since one's interpretation of values expounded by the organisation, must first and foremost, be interpreted from where they stand: their ontology, the underlying foundation of which will be influenced by their national cultural values. The organisational culture, however, is likely to be new and transitory in their lives, and their national culture is likely to dominate, both in interpretation of the values, and where the organisational values might come into conflict with their own. This was the consensus view of participants in this research:

Interviewer: What I sense from what you've been saying is that Thai culture is more dominant in the workplace?

PARTICIPANT: Very much - -

Interviewer: As opposed to - -

PARTICIPANT: That's exactly what it is. The Thai culture is very dominant in what I do, very much so. You have to accept it. (FGP07)

Interviewer: organisational values that they promoted internally, would they override your normal national culture if it came to a decision? Do you take them seriously?

PARTICIPANT: No, they don't override. *After all*, it's *our* national culture.

Interviewer: So, if you came to a decision and somehow there was a conflict between the organisational culture, and you had obligations or duties that were driven by your national culture, that would more likely prevail over the corporate culture?

PARTICIPANT: That's right.

Interviewer: So, when you see these organisational cultural values being promoted, what do you think about it? Oh, that's good, I should do that, or that's just part of the noise, I should carry on?

PARTICIPANT: Like, see facts and provide insight. Particularly to me it's not like a culture that's it's been held, it's been held like other organisations, so it's not a big thing. It's very specific and very different from what I know [as culture]... I've seen some that don't really understand the values and interpret them wrong, maybe because their language skills...they [the values] are well communicated, but the meaning and the implementation may not be well communicated to people in the organisations. (TGP12)

Interviewer: If you come to a decision [at work] that you can't make a clear decision on, should I go this way, should I go that way, do come back to the [organisational] values and use those as your guide?

PARTICIPANT: For myself, you have to judge something that, you know, when service right or wrong with the client, I use my heart to judge it, if I were that person what should I do? Which one is more benefit, less damage, I use my judgment for this. (TGP13)

There is a sense of pride in, and protection of, their cultural values in the voices of the participants, which connotes a resistance on their part: 'I use my heart to judge' (TGP13), '*After all, it's our national culture*' (TGP12), and 'The Thai culture is very dominant in what I do, very much so. You have to accept it' (TGP07). It is evident from their disassociation and or bewilderment with the essence of the values communicated in the foreign language and foreign organisation, they regard the organisational culture as an abstract concept, one that objectifies its member (Jack & Lorbiecki 2007). It is not a lived or shared experience, it is superficial, transitory, and lacks the depth and heart of their national cultural values. This finding is a stronger rejection of organisational culture as an influence on behaviours than the views of Hofstede, Hofstede and Minkov (2010) who regard organisational culture is only adopted upon entering the organisation, and is much more superficial than a person's national culture. While they de-emphasise its importance, they do acknowledge its existence rather than 'organisational culture' being merely a suite of organisation policy statements, or behaviours directed through the power relationship of leaders/manager over subordinates as evidenced in this research, which is more in keeping with the views of Willmott (1993). As presented in earlier examples above, it is the behaviours that managers, which they exhibit through their relationships with subordinates that influences subordinates' behaviours, rather a set of internally espoused organisational values. This is symptomatic of the importance of the manager-subordinate relationship in the quest for efficacy of PM. This relationship is analysed in in the proceeding Chapter 5.

Nevertheless, within PM design organisational culture is the workplace environment within which the PM processes operate.

5.2.2 PM Processes Design Attribute

In addition to the construct of organisational culture as a performance control mechanism, the principal elements of PM were contained within the governing processes and administration of the organisation’s control systems, which were encapsulated within a PM document or agreement, and included: staff’s responsibilities and associated key performance indicators (KPIs) and targets (goal setting), performance ratings (feedback), and development. Performance ratings were intrinsically linked, within the systems design, to principal motivational design elements of rewards and recognition: salary increases, bonuses, and enhancement of job promotion opportunities within the organisation.

Figure 5.1 below is a mock-up of a performance management form that typifies the content of the forms used within a global multinational organisation of participants in this research, to document the performance requirements and outcomes of their employees.

Figure 5.1- Generic Performance Management Document

Key Results Area (KRA)	Weighting (%)	Key Performance Indicators (KPI)	Target	Result	Managers Comment
(Hard Measures)		(Quantitative)	(Goal)	(Performance rating)	
(Soft Measures)		(Qualitative)	(Goal)	(Performance rating)	
Development	Development needs		Development Plan		
Overall rating, comments, signing etc.	Rating	Employees comments		Line Managers comments	

The principles underlying the design of the performance management system are those developed in Western management practices primarily underpinned by Western values and conceptions of efficacy, as highlighted earlier in Chapter 2 of this thesis. This research found that the performance management system, of the global multinational corporations, were essentially extensions of the home office system, with little adjustment made for cultural value difference of the Thai culture, which is in keeping with much of the literature (Erez 2008; Hellqvist 2011). Further, while smaller multinational and local Western owned

organisations did not require the large scale human management resources (HRM) and systems infrastructure to support line management with their performance management responsibilities, they had adopted the underlying fundamentals of the performance management systems design, employed by multinational organisations. Regardless of the size of the organisation, it was incumbent upon line management to make sense of the performance management systems, in satisfying the requirements of their organisation and the needs of host country subordinates.

The nature and size of organisations within this research ranged from the global multinational organisations with tens of thousands of employees globally, to local business owned and managed by Western expatriates that might have as few as twenty employees. The degree of complexity, infrastructural support (such as systems and policies) and degree of rigour of procedures associated performance management systems, related directly to the size of the organisation. The global multinational organisation had a high degree of system support, rigour and control over the performance management process, which the HRM department administered. Smaller organisations had much less sophisticated performance management systems, with some while having a simple structure in place, mostly ran them informally. Notwithstanding the differing levels of needs and sophistication, the basic principles underlying the systems were much the same. These fundamental principles incorporated by all organisations of the participants in this research are: 1) goal setting, measures and key performance indicators, 2) performance assessment and feedback, 3) employee development, and 4) incentives through remuneration and rewards. The latter element of incentives were found to be more aligned with the drivers of performance, the analysis of which is therefore presented in the proceeding Chapter 5. The remainder of this section will examine cultural issues associated with the first three fundamental principles (above), commencing with goal setting.

Goal Setting

The immediate aim of a performance management system is to direct the behaviour of the employees to fulfilling the requirements of the job for which they have been employed. The cornerstone of the system design is *goal setting*, because its purpose is to control the goals and activities of employees to be aligned with the strategic objectives of the organisation. Goal setting also sets the benchmarks against which an employee's performance can be assessed. The performance assessment, in turn, determines the degree to which the employee shares in the incentives the organisation also offers to their employees for the achievement of their goals (Fee, McGrath-Champ & Yang 2011).

As mentioned above, Figure 5.1 represents a performance management document completed between the manager (as the representative of the organisation) and their subordinate. In its form it is a summation of the overall performance management system design. The *Key Results Area* (KRA) details the main requirement and responsibilities of the employee (the subordinate). KRAs are set for both *hard* measures (job function) and *soft* measures (behavioural).

The *hard* measures relate to the specific requirements of the job, such as sales, accounting, human resources management, and audit. Most commonly job requirement KRAs are assessed by quantitative measure, such as number or volume of items completed, profitability, or efficiency measure. *Soft* measures relate to the behaviours one displays in fulfilling the requirements of their job, such as leadership, collaboration, and displaying the values of the organisation. Because of the subjective nature of the *soft* measures they are mostly qualitative assessment based on the line manager’s judgements, however, in some instances the assessments may be supplemented with quantitative survey data, such as 360 degree surveys, and staff satisfaction surveys. Soft measures of performance are a relatively recent measure of assessment. They are designed to capture a broader base of employee behaviours, beyond financial and operating performances, to ensure behaviours and values of employees are in keeping of those of the organisation (Otley 2012), that is, in keeping with the organisation’s organisational culture. While *soft* and *hard* measures are often rated separately, it is common for them to be rated together in a matrix form of assessment. Figure 5.2 below is an example of such a matrix assessment, extracted from a global multinational organisation performance management form, where the *hard* measures are referred to as ‘Achievement (What)’ and the *soft* measures are referred to as ‘Application (How)’:

Figure 5.2 - Matrix Assessment

Achievement (What)						
Assessment is based on overall performance against agreed objective outcomes.						
Application (How)	5					
	4					
	3					
	2					
	1					
		1	2	3	4	5
		Achievement (What)				

KRAs are weighted in proportion of importance of a subordinate’s overall responsibilities, and are align to the organisation’s strategic objectives. They are incorporated in the job design. The *Key Performance Indicators* (KPI) refers to the measures applied to assess a subordinate’s performance against a particular KRA. For example, if a subordinate is broadly required to sell an organisation’s product, the measures applied to determine the

success of the subordinate's performance might include: the number of units sold, the number of new customers obtained, monetary value of the sales achieved, profitability of the sales achieved. The *Target* refers to the goal that the subordinate agrees to achieve in the rating period; for example, 10 new customers, \$1 million in sales, and minimum gross margin of 22%.

The underlying principle of the performance management system design above is one of control, directing the attention of the employee to those issues that have been determined as key factors concerning the organisation's strategic objectives. This is in accord with the Western motivational theories of *goal setting* (Locke & Latham 2002) and *control* (Latham & Pinder 2005). In practise, the tendencies to place emphasis on individual achievement, for action and control, and breaking down of processes into scientific or mathematical measurements and formula are evident in the performance management system's design. Typically the organisation's goals and targets are cascaded down through the management ranks to individual employees, to a point where, in essence, the sum of the individual goals or targets equal those of the organisation as a whole. The account of a farang *case subject* typifies this:

[The organisation] was relentless on numbers and very, very detailed numbers. You were expected to understand the business at layers deeply... it was not easy to argue against. I like the style of performance management, in the sense that it has firm quantitative numbers in performance planning. At the start of the year there are individual goals delegated down; financial goals delegated down to the team, which would be shared [out to individuals]. So in that sense I think the process was good in that there's no surprises. You can see month-to-month where you are in terms of the quantitative measure of your performance. There wasn't latitude given on those, your numbers were on target or they were off target... I think of it in terms of being an open process on a month-to-month for both myself and my team... I think it made discussions with the individual employees more open, not getting into a situation where they [subordinates] might perceive that there was some personal tension... with personal [biases] coming into play in the performance management process (FCS01).

The values of *the individual*, *control*, *scientific*, and *formulaic* approaches come through strongly in phrases such as: 'detailed numbers', 'firm quantitative numbers', 'individual goals delegated down', 'there wasn't any latitude given', 'not easy to argue against'. As we might expect the farang *case subject*—who has over 30 years' experience in working in Western organisations—is supportive of the system. From a Western logic, it is understandable that a large organisation with tens of thousands of employees globally, perceives a need for strong controls. The statement 'there wasn't any latitude given on those, your numbers were on target or they were off target' meant that there was no latitude given to the performance

rating; you were either successful in the performance or unsuccessful. The consequent rating would be reflected in the subordinate's overall performance rating, depending on the weighting allocated to the particular KPI. This dogmatic application of controls is rooted in the Western notion that one's environment is controllable. This, in turn, implies that the future is, at least potentially, predictable. However this notion is hardly true. By way of illustration, one only has to see how the Australian Treasury has been forced to downgrade its Australian Government revenue forecasts by billions of dollars every six months (Greber 2015), notwithstanding all the sophisticated econometric modelling they have at their disposal. While the individual actors, within their heart of hearts, may not believe the predictability of the forecasts upon which their KPIs are based to be true, the reality is that the dogma is imbedded within the organisation's management systems designs. This is reflected in the statement 'there wasn't any latitude given', and is also reflected in the budget determination by the top echelons of management, which is cascaded downwards throughout the management ranks to individual. The subordinates often have little alternative but to accept their budget allocation. This can have a punitive effect, which over time can negatively affect intrinsic motivations factors (Kohn 1993).

According to Western management theory a significant benefit of *goal setting*, in motivating employees, is that it provides role clarity (Fee, McGrath-Champ & Yang 2011), which is the experience in the farang *case subject's* account above: 'I like the style of performance management, in the sense it has firm quantitative numbers in performance planning'. However, with phrases such as 'delegated down', 'wasn't latitude', 'you were expected', and 'firm qualitative numbers', it is evident that the PM process, in this instance is, more one of behavioural compliance, and less one of motivation. A critical element of goal setting is *goal commitment*. An employee has to believe they can achieve the goal, even if it is at a stretch and that they have a reasonable element of control within their resources to achieve the goals. If the goals are grossly unreasonable they are likely to be a demotivating (Buchner 2007). This is evident in the following examples expressed by Thai participants:

I was not happy with the job because job always ask you to do more, never enough you know, if you're in a revenue generating context your budget is increasing, you are not talking about five or 10 per cent, but 20 or 30 per cent, every year, it never stops. If you're in a non-revenue generation it is the same thing. Other KPI's apply to you still. They never stop. On the one hand, yes, your organisation needs to move on, right? Continuous improvement, but the other hand you feel tired, where do you stop? And I feel the *ask*, the demand is way too much for one person. (TCS02)

People are working and they can see from the result that when you start to use the KPI through the employee, some of the management will be reluctant to give the KPI, because they are afraid that if they give very clear KPI and they cannot reach that target, then the performance management will not be good enough. So, this is what I've found out about writing the KPI. **(TGP17)**

Therefore, the sense of justice and fairness—or *organisational justice* as proffered in Western theory (Agboola 2010)—are influencing factors on motivation, and particularly relevant, on goal setting. Having clear quantifiable and measurable goals does enhance this sense of justice, according to the example given by farang case subject FCS01 above, by minimising the potential for ‘personal tension’ and by making the ‘discussions with individual employees more open’ (FCS01). However, this sense of justice will give way to values associated with the Thai sense of ego and face-saving values, if the goals are not sympathetic to such differing value traits, or are designed in a way that give rise to personal tension, as expressed in the Thai experiences above.

The need to minimise personal tension appeals strongly to the Thai tendency for conflict avoidance, and understandably is a positive motivating factor in a Thai performance management situation. The Thai *case subject* – who made the transition back to a Thai government organisation during the course of this research (refer Theoretical Saturation, Chapter 4, p. 72) – made this observation:

They [the organisation] only look at the quantity measurement, because... you have to be able to prove everything. You cannot use judgement because you get challenged if you use judgement in the performance evaluation, but if we're talking quality, you and I know, you cannot get away from judgemental view. But in government organisations, you have to be able to prove why you do this [referring to how a performance rating is arrived at] on a very precise basis, because otherwise people will say that you are not fair to them, or they are not being treated fairly. “Why do I get four? Why don't I get five points, when I can do the work fast enough?” -- something like that. We cannot say “that it's not a good quality paper”. They will challenge “why is it not good? What are the measurements”? So you have to have a very clear measurement for quality, which in reality, is difficult. It's very, very difficult. **(TCS02)**

In this situation it is evident that setting KPIs for goals that cannot be directly measured, but rely on subjective judgements which are less ‘open’, and in the eye of the subordinate, the rating can be more a matter of opinion than of fact. There is a juxtaposition of the Western epistemological orientation to deconstruct its world into finite measurable components – in this case the performance goals and outcomes – against the Eastern phenomenological, more holistic and relationship oriented view of the world (Chia & Holt 2009). This can create a

state of dissonance in both the minds of the manager and the subordinate. The manager struggles with meeting the requirements of the performance system design, to define precise objective performance goals and measurements that rely on subjective value judgements. As stated by the *case subject* ‘you have to have a very clear measurement for quality, which in reality is difficult. It’s very, very difficult’. The subordinate struggles with objective measures applied to the assessment of the manager’s subjective judgments: ‘you have to be able to prove why you do this on a very precise basis because otherwise people will say you are not fair to them’. The deconstruction of all principal parts of a subordinate’s expected performance and behaviours into objective measurable goals, may not only be flawed in the lack of account for a multitude of interdependencies of a person’s performance, but in a cross cultural setting it can also set up a state of dissonance between differing cultural epistemological views of reality. In an Eastern sense, where there is a high relationship value, or as Komin (1990b) refers to in his suit of social interaction values as ‘social smoothing values’ (p. 177), there may be more merit in a collective or team performance goal setting and performance measurement, rather than deconstructing the performance goals at the level of the individual (Gelfand, Erez & Aycan 2007). The performance management system design is imbued with the Western positivist orientation. The design of performance management systems seeks to deconstruct, measure and define performance management through scientific logic and measurement systems, and to sum the individual component measurements, allowing for their relevance weightings, equals the overall measure of performance. Such a mechanistic approach with an emphasis on process control, subrogates the human relations aspect of performance management. This is much in the manner of management quality control ethos of, *if you can’t control it, you can’t manage it* (Stephens & Sommers 2004), or *if you can’t measure it, you can’t control it* as in the manufacturing doctrines of *Lean Management and Six Sigma*, which have been introduced to HRM systems (de Koeijer, Paauwe & Huijsman 2014; Utecht & Jenicke 2009).

Such attempts to arrive at precise, objective and measurable assessments in the system design, over-simplifies the dynamics of performance management situations. It ignores the reality of the myriad of factors that contribute to the outcome of a performance, such as the complex interdependencies associated with other performers within the organisation, or unforeseeable and uncontrolled environmental factors. This has the potential to raise a sense of injustice in the view of the subordinate, as indicated in the account of the *Thai case subject* above. Goal setting lays the foundation for potential loss of face (through future non-achievement), whereas *performance rating and feedback* deal with the actual outcomes, and therefore may prove to be more sensitive to cultural value differences.

Performance Ratings and Feedback

Goal setting may play adversely on the heightened sense of Thai justice and equity, through self-efficacy and potential loss of face. However, differing cultural reality perspectives of performance expose performance ratings and feedback to potentially different outcomes. Therefore it is not uncommon for a subordinate to feel the rating is too low. However, they are unlikely to challenge the rating. To overtly challenge would be counter to the Thai penchant for conflict avoidance. To do so, would also be counter the subordinate's standing within the hierarchy of the manager-subordinate relationship.

However, Thais do have a high sense of *ego* and *face-saving* values; Thais 'are first and foremost ego oriented' (Komin 1990b, p. 161) and are likely to receive lower than expected performance ratings as personal criticisms. While it was evident in the above example a subordinate was likely to have a greater sense of self-efficacy to push back, this was because it was a Thai on Thai (personnel and organisation) performance management situation. There were no issues of language skills impeding their ability to argue their case, and they will understand the cultural bounds of behaviour and relationships, to give them the confidence to push back. In a farang on Thai performance management situation, lacking the same sense of self-efficacy, a Thai subordinate is more likely to avoid the conflict by talking around the issues and or with silence, as cited by *farang general participant*:

Where you can criticise somebody – let' call a Western – you criticise a Westerner and say: "what do you think"? It's very hard to get the Thais to come back and tell you what they think honestly. They'll go around and around and around, and everybody else and every other issue, but they won't answer very directly on a particular question. So if I say to somebody "look, you know, on that particular account, do you understand why you were written down [in your performance rating] on this particular one because, quite frankly, we had a product recall and it wasn't handled the way it should have been done because of: one, two, three, four, five. Now, what do you believe you could have done better"? There is silence. And, in that silence you could sit there for up to 10 minutes waiting for an answer. Now, what you've got to learn as a foreigner here is to just sit there and take your time [thinking] "I'm okay, because you have to have the answer". If you try to go back and ask them a question or get more information it's going to take half an hour. So, the biggest problem is trying to get them to talk out. **(FGP03)**

It is difficult to interpret the precise cognitive processes of the subordinate; for the situation is one where it is a Thai employee and farang principal of the organisation, therefore the power distance is significant. Also according to Komin (1990b) an element of the strong ego orientation is the social behavioural value of criticism-avoidance value; 'Thais would avoid criticising, not just of superior, but their equals, and to some extent their inferiors as

well' (p. 163). Therefore the situation above is undoubtedly uncomfortable for the subordinate. Also, other cultural values coming into play, such as, *geng jai* (เกรงใจ) and conflict avoidance, which are both related to criticism avoidance, and may manifest in silence from the subordinate. Further, silence in this instance is indicative of the Buddhist teaching of calmness or *jai yen* (ใจเย็น) as referred to in Thai idiom. The appearance of non-involvement or keeping calm under all circumstances in Thai is also referred to as *cheoi* (เฉย) and in this instance silence may indicate avoidance, for the purpose of not wanting to give a negative response or making known one's true position or opinion (Komin 1990b). Notwithstanding what the actual cognitive processes involved in determining the behaviour might be, the reaction of the subordinate highlights the potential for a milieu of complex, convoluted and sensitive values that are potentially counter to the Anglo-western assertiveness, openness and frankness. Value differences in this manner can affect the efficacy of human resources performance management. The manager and subordinate need to recognise and compromise their value standards, in order to establish common grounds for an effective performance management relationship. The interrelationship of values and behavioural differences will continue to be developed through Chapters 5, 6 and 7.

The focus on the individual goals and the intrinsic connection with performance assessment do not sit well with Thais, for such focus underpins a system that favours the allocation of rewards and recognition on individual merit or goal achievement. While Buddhism influences a tendency for Thais to focus on the individual, by bearing the responsibility for one's own decisions and actions, they retain a strong sense of social bonds with both family and non-family. However, such bonding is voluntary and dependent on its benefit to the individual. The Thai value orientation is one in which the allocation of favours and rewards are based on personal relationships, alliances and loyalty, and less so on merit (Roongrerngsuke & Chansuthus 1998). Yet the PM system design of the global multinational corporations (that each of the *case subjects* had worked for in Thailand) have almost a forensic focus on individual merit in rewarding task and goal achievement through forced ranking of their staff, as described by farang case subject FCS03:

Worldwide, it's the one system worldwide. [The organisation] has the most solid online HR management process. People meet every month, quorum designated, structure approach facilitated by HR, business group reviews, forced ranking, performance reviews are brought in in advance, set to forced ranking to determine payouts, long-term, short term, and then a bottom line number gets dropped in and then the formula drops it out. So all the debates, and the single driver of that process that makes that work so successfully is forced ranking. When you are forced to rank people you have to put your opinion on the table and defend,

and after 15 years of being in that personnel process, it's the best that I know of. [The organisation] has the best performance management system that forces you to do the performance reviews, to do the interim reviews, click and play, plug and play, click, it goes to the next manager, it goes to the matrix manager, remind you that you're supposed to put the issues objectives, the performance review, reports, saying you haven't met the targets.

(FCS03)

This is a formal and closed system driven process. One could regard the computer system as a tool designed to aid management with the processes of performance management. However, the emphasis is on the *system* and *process*, as evident in the phrase: 'click and play, plug and play, click it goes to the next manager'. This has the potential to dehumanise the process. In the interests of *efficiency*, speed of process and ease of use, there is a de-emphasis on reflection and engagement with the person being rated, that is, on the human relations aspect of HR. Rather, there is a concentration on numbers. This is counter to the Thai social relations orientation. When asked for the general reaction of the Thai subordinates to the ranking process, the *case subject's* response was:

There's always people who are unhappy. I think in this culture everybody would know that is king maker culture. They wouldn't use those words obviously, but it's king maker culture.

(FCS03)

The *case subject* uses the term 'king maker' in reference to the strong Thai social relations orientation. Thai value orientations 'the patron exerts his power to benefit his clients who reciprocate with loyal service' (Roongrungsuke & Chansuthus 1998, p. 192). Consequently Thais value tendencies are to favour relationships and loyalty, as the basis of rewards and recognition, as opposed to a clinical measure of performance outcomes.

Case subject FCS01 highlighted the practical issues associated with the ranking process:

What really stood out here was the strength of the manager in being able to argue positions for their team. Sometimes the managers who have the stronger credibility could argue a little bit harder; a lot of unfairly position their teams ahead of the other teams... [for example] in Risk teams it's always easy for someone to argue negatives on a Risk team, and shut their eyes to any positives. The only thing they tend to remember is the last 'no', not the 20 yeses. Typically when the volume numbers are looking okay, and growth is there you would see Marketing and Risk [rankings] maybe pretty close together, but then if the numbers were off [budget] and then maybe it was from the year before when you had the growth, Risk would bear the load from this, so... I don't think anybody's got that one sorted out properly yet.

(FCS01)

In this example there are several practical difficulties experienced with the ranking process: issues of: 1) the *objectivity*, the system is designed to promote, suffers from the various vested interests, and persuasive capabilities of the ranking managers, 2) the performance in a particular rating period may be affected by environmental factors from a different rating periods, that is, a lag effect, and 3) the difficulty of ranking performance of teams with different functions that may not be directly comparable. Such anomalies potentially raise issues of justice for affected personnel. As discussed in Chapter 2 of this thesis, there is controversy as to the benefits of forced ranking. Benefits proffered by proponents of forced ranking are mostly founded in Western values such as the focus on the individual. It is also designed to force managers to be frank with their staff by removing the temptation to be kind in their ratings, as opposed to being critically honest. However, critics argue that forced ranking demoralises staff. It can make them competitive with each other, which can be counter to teamwork and collaboration. Critics also believe that forced ranking should only be applied where there is a sound cultural fit within the organisation (Hazels & Sasse 2008). The benefits of forced ranking are counter to the Thai social values orientation, the concept of self (ego) and face-saving. The criticism of the system are amplified by the same values. However management practices of the Western global multinational organisation to which this research is exposed, employ forced ranking regardless of cultural differences of their host country. The system of forced ranking is reflective of the Western approach to efficacy. It is a belief that employee motivation and sense of fairness can be controlled through a mechanistic process of breaking down the collective performance of its staff, into numerical measures for each individual employee. The staff can then be forced to fit a normal distribution curve by metaphorically lining them up shoulder to shoulder, along the curve. This mathematical approach assumes that the performance numbers are determined with precision, free of bias (statistical and personal biases) and that each employee is solely responsible for their performance outcomes. From an Eastern perspective of efficacy, greater consideration is given to the holistic nature of interdependencies and causal factors, within the situation, that determine the efficacy of a process. The Eastern values have a different time dimension as to cause and effect, and the preservation of relationship for reciprocation of benefits past (the value of bun khun (บุญคุณ)) and or potential future benefits. The Western design of rating performance within short economic and accounting cycles ignores the reality that manifestations of actions and peoples of past cycles, may influence many performance outcomes of the performance cycle subject to the performance measures. This positivistic approach to deconstructing complex, interdependent, and collective performance outcomes, to then reconstruct it into the shape of a bell curve, is counter the Eastern or Thai social relations values orientation. Komin (1990b) highlights this

discrepancy between the Western merit orientations versus the Thai social relations orientation in her analysis of the Thai Values Survey:

For the Thai, task achievement value is usually inhibited by social relationship values. While submissiveness and good relations, with or without work, has always paid off, task [achievement] per se ... does not lead to success in life. In the Thai cultural context, achievement in the Western sense would not fit, nor are those management theories that have no place for a culture of larger power distance with strong social relations. (Komin 1990b, p. 260)

This differing cultural sense of efficacy is exemplified by an example cited by a Thai *general participant*. In this instance the general participant has studied their postgraduate degrees in an Anglo-western country, and also has extensive experience managing teams within Anglo-western multinational organisations within that country. They therefore have solid experience of working within Western designed performance management systems. At the time of the research *general participant* was working for a large Thai organisation with a chain of services sector businesses, in major cities within the country. The organisation uses a performance management system based on Western design principles. The *general participant* recounted the reaction of their senior executive colleagues and HR representatives, when general participant rated and ranked their staff honestly and critically, as they were used to doing in their Western management experience:

PARTICIPANT: in my current role though...I've been told that if I rate all of my people B and C I will pull down the average, so the average of the organisation will be B or C, and therefore they don't want you to.

Researcher: Are you saying they want you to manipulate your ratings, because they want a high grading so everybody is a great worker?

PARTICIPANT: Yes, so then they get the high incentive... [the system is designed for] the absolute best performance is the top 5%, then the next tier down which is the outstanding performance of the next 15%, then you've got the bulk of the year 60% of people are sitting in the middle... So they are actually trying to skew the distribution so that people are up the top. So many people were upset with what I said, so *many* people, and they came back to me and said you know, if you do that, that means you are going to pull down everybody [the organisation], because you have a huge group of staff, and you are going to pull down the average. ...you are actually rewarding the non-performing people ...it's just like non-performance, should not be getting bonuses.

In this example the concern is about the rating of the collective group of staff. Rather than reshaping the collective performance to fit the normal distribution curve, the belief the

better outcome is to skew the ratings towards the top; thereby benefiting the overall rating of the organisation by giving the appearance that it has predominantly high performing staff. The reaction of management, to the *general participant's* ratings, would appear to be group orientated for the concern that the general participant's rating will 'pull down everybody', lowering the overall group average. This appears to be counter to the Thai tendency to be individualistic in nature because of the Buddhist teachings of *self*. However it is their strong ego orientation that underlies their concern. Apart from the potential impact on individual bonuses that a lower average rating might bring, there is an impact on the external perception of the organisation. The lower group or organisation average potentially tarnishes the reputation of the organisation. Therefore the individuals may be perceived as being members of an average performing team, rather than a high performing team. Status symbols are important to Thais sense of ego, as they are reflective of their position within society (Komin 1990b; Roongreerngsuke & Chansuthus 1998; Setthasakko 2012). The motivations underlying the concerns of management are more related to a sense of ego, than they are to the concerns of others or the group. The management seek to work around the system design to suit their sense of efficacy. Their desire to manipulate performance ratings is for the external appearances for the organisation. This enhances the organisation's reputation and competitiveness, and preserves the managements a sense of pride, which act positively on staff motivation and future performances. The Thai sense of efficacy is one more oriented one's sense of ego, social standing and relationships, and smoothing of potential conflict that is inherent within the system design, through the intrinsic link between appraisal (rating and ranking) and extrinsic rewards and incentives, such as bonuses.

Rewards and incentives are also important motivators for performance management in a Thai context. However, the nature of the rewards tends to differ in emphasis, to those of the West, because of differing values. The motivational aspects of rewards are explained further in Chapter 6. While incentives are offered to motivate performance, they will not be able to achieve the desired level of performance if there are significant knowledge and skill gaps. The development of PM systems design is targeted at addressing such issues.

Development

Development of Staffs' capabilities in performing their job roles is an important element of overcoming, or expanding the boundaries of, their constraints to do so (Molleman & Timmerman 2003). This was found to be no different in this research. All participants viewed staff development as an important feature of PM. However from a cultural perspective relating to the Thai education system, farang managers commonly experienced frustration:

The most frustrating thing I find about managing Thais is a fault of the Thai education system. Traditionally, in Thailand, children are taught by rote. They sit there repeating everything that the teacher says. The teacher has a high position in society in rural Thailand. They walk down the street and everybody is wai-ing (ไหว้) them, you know, with great respect. Their word is god. If they say 2+2 equals seven, children will sit there and believe it. **(FGP20)**

They [Thais] find it very hard to think laterally... the style of education and expectations of what people can do is just totally different. The type of education here appears to be that the Professor or Ajaan (อาจารย์) teaches or tells them what the position is, and they never question it, they just write it down, and regurgitate it. **(FGP23)**

Thais learn by rote so when they're actually here if they're learning here it's all sort of laid out so that in University, it's like how do they do things. I was actually asked to do some lecturing at Bangkok Uni and did that for a while at Thammasat University [มหาวิทยาลัยธรรมศาสตร์] and it used to drive me nuts. The reason being it was like it was my job to make it easy for them to pass. It wasn't their job to actually learn. **(FGP03)**

Anglo-western societies have a more egalitarian value orientation than the traditional hierarchical values of the Thai society (Clegg & Gray 2002; Komin 1990a). With a strong orientation to defer to and respect authority, the Thai education system has long been founded on rote learning or a teacher centred education system. Despite the implementation of the Thai Government's Education Reform Act of 1999, there has been little progress in reform and the Thai education system still faces criticism that it emphasises obeisance and rote learning, which inhibit development of critical thinking, and poorly equips students for the workforce (Economist Intelligence Unit 2013; Hallinger & Lee 2011). This, in turn, translates to the working environment, where there is an expectation by Thais for the manager to be in control, know the pathway to solutions and to give instructions on what is to be done. The Western management expectation rather is one that the manager does not necessarily know the solutions, and relies on their subordinates to contribute their ideas and use their initiative to find solutions, with minimal guidance from their manager. The need for expatriates to manage both their expectations of their staff to exercise initiative and problem-solve, and to develop these capabilities in their staff, was a common experience amongst the participants of this research, as exemplified in the following examples:

The most frustrating thing I find about managing Thais is a fault of the Thai education system. Traditionally, in Thailand, children are taught by rote.... Thais, because they are

taught by rote, if they want to get 100% in an exam they trot out exactly what the teacher says and they get 100%. They are not taught to question. As they are not taught to question, they are not taught to think outside the box... I instruct my staff: “when you're faced with the situation again before you come to me to ask, and I'm always here for you to ask, but before you come here to me to ask just think about it. Just step back and take 15 nanoseconds to think about it, to think is this adequate?” They don't think outside the box. They don't think “now why is it not right? Oh, perhaps I should have done this”. They will just reproduce the same thing again. **(FGP20)**

This experience was echoed by Farang *case subject* FCS03:

my observation is the Thais don't have structured frameworks of thinking in their mind so the information doesn't go into a repository that filters or associates or designates or allocates where information should go. They struggle with what to do with the information so it tends to be regurgitated back on this is what I think you said without really knowing what did I say. What I find with most of the Thais is I've got to take it through structured thinking so I've literally got to write a framework on the wall... The lack of conviction that they will deliver on what was being done at the meeting, that that was a meeting for the sake of needing. The power points are done to get out of the meeting. My exploration of this, is that it's a direct reflection of the education system in Thailand and all of the people I've spoken to, the Australian Chamber of Commerce have said they believe it is the same – that's both Thai and non-Thais – is that the rote learning mentality, education process, does not allow free-form thinking. **(FCS03)**

Such experience and views were a common theme amongst the majority of the participants in this research. It was also common among the many more business leaders the researcher engaged in less formal meetings, such as industry chamber functions and other business forums. But it is perhaps a little too clichéd and self-fulfilling, as expressed by farang *general participant* FGP14:

Over here [Thailand] so many Western firms seem to treat them [Thais] like cogs in a wheel. That's the wrong approach. The Thais are very creative. They struggle a little bit with lateral thought, but their creativity and ingenuity, beyond Australia, beyond Australians...we're consultants so we get to see all the various business models over here. You can just go through the AusCham and chances are they work for some of those companies, so we see it. What they're trying to do is impose a rigid organisational structure on a creative group of people, and they [Thais] shut down. That's just it. They don't embrace their roles. **(FGP14)**

It is apparent from *general participant* FGP14's experience that the Western notion that efficacy is achieved through control, by the establishment of 'rigid organisational structures' actually has the opposite effect. As he states 'they [Thais] just shut down... They don't

embrace their roles'. From this statement FGP14 means that the Thais tend not to engage, or actively contribute their views, but rather follow instructions as best as they can interpret them, and seek instruction from their managers, more readily than seek to solve the problems on their own initiative. This is a common frustration expressed by Western business people in Thailand, and one that often too readily attributes such reactions to a perceived inability of Thais to think laterally. This is too simplistic. Thai education is reflective of Thai culture where there is a tendency for hierarchical relational structures and respect for authority, seniority, and for those higher in the social standing (Roongrerngsuke & Chansuthus 1998; Sriussadaporn-Charoenngam & Jablin 1999). These values are much stronger than within Anglo-western societies (Komin 2002). With Thais it is the general expectation that authority figures will lead, provide instruction, and not be questioned. This is not the expectation of Anglo-western management who participated in this research. Rather, they expect their subordinates to be able to contribute ideas and work out solutions to problems under their own initiative; the manager's function is to provide guidance, not to issue instructions that are to be followed in rote fashion. However, rather than there simply being an instilled lack of ability to think laterally because of the education system, there is more likely to be a confluence of values and other cross-cultural issues that affect the cognitive processes of the individual that, in turn, affect their behaviour. For example, Western education tradition focuses on causal analytical skills and debate. Asian tradition, however, has a more holistic approach to problem solving, which is more spatial than analytic (Nisbett 2003). With the Asian holistic approach there is a tendency to respond 'to a wider array of objects and their attributes and their relations, and which makes fewer sharp distinctions among attributes and categories' (Nisbett 2003, p. 211). This approach is less well suited to the Western analytic/scientific logic based approach. Therefore, the Thai lack of analytical thinking, as diagnosed by foreign managers, might be attributed (at least partly) to cultural differences in cognition, rather than merely the failure of the Thai education system.

Furthermore, there are cultural value differences to be considered. For example, language difficulty may mean the Thai subordinate does not fully understand what their farang manager requires. As mentioned previously, if a sound manager-subordinate relationship has not been established, they may not have the self-efficacy to become involved in a difficult conversation. Instead other values may come to the fore, such as a fear of loss of face because of language or other comprehension difficulties. Or they may feel a sense of *greng jai* (เกรงใจ), not wanting to inconvenience their manager. So it may be easier to smile, give an outward appearance of comprehension, and then go away and try to follow their interpretation of what was required as closely as possible to what was instructed. This issue is also a matter that the education system is perhaps not adequately preparing the students for

the working environment. As enunciated by a *farang general participant* who had undertaken tertiary studies at a Thai university, ‘the Thai educational system is one way, they talk, you take notes, you regurgitate, and the question I have is that learning, is that training, is that education, and it's not, really (FGP08)’.

To address this issue, rather than sending their staff away from his office to think about the problem differently when they keep seeking instruction, *farang general participant* coaches them to develop their critical thinking:

I've got two interns from the university. Okay, getting them to break away from what they've learnt is like pulling teeth. It's a completely different world [the work environment], and they're watching and seeing and see it's a completely different world so they are making some changes. My experience with them is to identify the areas in school where that didn't learn anything and teach them what they should have learned. So, we get a phone call from whatever country it is. I make them look up the country. Everyone has to look up the country, has to look up the population, has to look at all the particulars about them. What would appeal to them as a product, and what would make sense on every level that you're dealing with. Yes or no. Are there banks there you can trust, to get paid? Would you trust the First National Bank of Nigeria? Would you trust, you know, Moscow General banking system. Would you trust any bank in China? (FGP06)

In this example the *farang general participant* heads a relatively small local business whose team is totally Thai. He has built a very close working relationship with his subordinates and regards them as high performing and capable of exercising their initiative to work through problems amongst themselves. Through establishing working close relationships with his staff, FGP06 has been able to transcend cultural issues (whether they be language related or values related) that might be impediments to effectual performance outcomes.

There is evidence in this research that it is not so much a matter of Thai's inability to think laterally—for as expressed by FGP14 ‘Thais are very creative’—it is more a matter of the *tension of expectations* that arises from the cultural difference in the perception of the roles of manager and subordinate. Therefore it is a matter of development through coaching or awareness training, to bridge the knowledge and expectation gap. This is no different to any technical knowledge or skill gap development needs of employees, except that the need it is culturally based.

Just as the Thai education system imposes a constraint on the Thais' effectiveness in working for farang managers and organisations, so too may the organisation structure and PM processes constrain the efficacy of performance.

5.2.3 Organisational Structure Attribute

Organisational structure was found to be a significant constraint only with global multinational corporations with which participants of this research had current experience. Regional multinational organisations or local organisations were flatter in their organisational structure than their multinational counterparts. With relatively flat and flexible reporting lines to top management, this meant they did not experience any significant constraints from their PM systems and processes. Large or global multinational corporations however, had much more rigid, bureaucratic, and multi-functional reporting lines managing the business performance. Expatriate managers in the smaller organisations therefore had much more management discretion to deal with their local business issues. Whereas expatriate managers with global multinational organisations had to meet many more offshore controls over policies and processes, which exposes them to issues of cultural distance with the controllers outside their country of operation.

Expatriate managers are fully immersed within the culture of the host country, both within their working environment and outside within their social environment. This saturation of cultural exposure means their experience with the different culture is an intimate one. However, expatriate managers within global multi-national organisations invariably have to report to, or collaborate with others outside their country within *matrix management* structure. Matrix management is an organisational structure designed to manage across functional lines, for example, across business unit lines, geography, or product lines (Smith, KJ & Rubenson 2005). Expatriate managers subject to matrix management structures invariably found it constraining.

For example, the *Thai case subject* expresses the frustration of how matrix management constrains them rewarding their staffs. They refer to direct line and dotted line reporting. 'Line' reporting refers to line of staff management responsibility; direct line means that the person has primary management responsibility, while dotted line means the manager has secondary management responsibility. In this case the participant is country head for the organisation's Thai business:

Everybody complains, but everybody keeps the structure, and always there is the question as to who is your direct line and who is your dotted line, right? Some it is the country [Thailand] is direct line, some country [Thailand] is only a dotted line right? So it makes a difference because if you're solid line then you have more say in the bonus pool. For example, for me in my position right now, I am only *dotted* in terms of bonus pool. Other people [outside Thailand] have direct line, or ultimate say in how much they give my staff! I can only say 'I think this is appropriate' but I don't have my own pool [final say]. (TCS02)

A *farang general participant* explains that even though he has line of sight management responsibility with his staff in Thailand, offshore management has more control over them:

He actually has a lot more control than what I do. My input is minimal in terms of what the end result, the end product of the work looks like, so actually a lot of the work will come directly through [the Australian management office], who is in ultimately charge. **(FGP24)**

A *Thai general participant* explains how matrix management can constrain the relationship bond between the local Thai staff and their expatriate manager, by ultimately circumventing reciprocity under the Thai cultural value of *bun khun* (บุญคุณ), by the fact that the ultimate relationship might be offshore, and not with the local manager:

With multinational corporation office is based in Thailand, you will not see that much [*bun khun* (บุญคุณ)] because whatever they do, they always have something cross each other, okay, for now we have this thing called matrix organisation. Let's say I am the vice president and report to the President or CEO [chief executive officer], the top number one [in Thailand]. But let's also say, I work through financial department and I am the number one CFO [chief financial officer] in Thailand, and I to have to report to the CFO of the global corporation, so I have two bosses. Now because of this... even if the CEO [engenders] *bun khun* and get me to be obligated to him, I still cannot do that much back to him in terms of the multinational corporation [structure]... [However, if] not a multinational corporation [but the organisation] is typical of Thai, I don't have the boss oversee, I just have only one boss. So whatever the CEO does, okay, I always bear obligation for what he has done for me. **(TGP21)**

Matrix management control may rest in regional offices in other countries, or with the head office in the organisation's home country. This can be very problematic for expatriate managers located in Thailand. This is because since the matrix managers rarely have the same level of intimacy and understanding of the Thai culture, or imperative to make compensations for the cultural issues faced by the expatriate managers. *Farang case subject* FCS03 gave a stark account of this added cultural dimension:

I've just... had 35 candidates through three recruitment firms for a Marketing Director. 35 candidates. Eight got to me. One got past me and failed... because of her phone interview skills [in the phone interview with] the management in Shanghai, which is a critical part of the role...In my view [it] is their [Shanghai management] lack of understanding of Thai culture. It had nothing to do with that person's capability...They [Thais] aren't assertive, they aren't going to put themselves out there. English is their second language. The fact that they

[Marketing Director candidate] could even conduct themselves with me for two hours – twice! – You have to be pretty good to stand your ground with me, I would think...

But she couldn't come across [to the management in Shanghai] on the phone... the people control is in Shanghai at the highest level. They really do [decide] the leadership positions, even down to the salesman... they don't even know who they are, let alone what level they are or grade they are, or age or gender, but they even want to know... This is the way they [Shanghai leadership] think they will put the best people in the job, in the company [in Thailand], but... their mindset of a marketing director, is as a Westerner... [yet] they never spend more than two days in [Thailand], and in most cases, they are probably on holidays... [In Shanghai] it was the Vice President of HR, an American, and the Vice President of the product business unit... who is a Scandinavian or Norwegian - - six languages -- both want to make the decision [on] what they think a marketing director should be in Thailand based on a phone interview, irrespective that four or five other people [in Thailand] interviewed her. I interviewed her, my HR Director interviewed her, an ex-marketing director interviewed her. My boss interviewed her, and we all thought that she was fantastic....

Matrix management is a problem for us - - it's a problem for everybody... Matrix management means a lot of the leadership team, hard-line report out [of Thailand] functionally and matrix into me, for example, the finance function and the manufacturing function. It's very easy therefore, for some individuals to take advantage of that and think 'my accountability and report-ability is outside of the country', but that's not the case. A hundred per cent, no matter what your relationship is, hard-line, dotted line, you're [referring to himself as country head] totally responsible, accountable, for what happens in the country (FCS03).

In this example, the Shanghai matrix management show little concern or understanding about the cultural differences faced by the subsidiary business in Thailand. While the Thai business reports into a regional office in Shanghai, the organisation is a global Anglo-western organisation, and its systems, structures and values are all rooted in Anglo-western management dogma. The matrix management in the Shanghai office have little knowledge of Thai culture or working with Thais, as stated by *case subject* FCS03: 'they never spend more than two days in Thailand, and in most cases they are probably on holidays'. The Shanghai management are making value judgements from their own perspectives, 'their mindset of a marketing director, is as a Westerner' (FCS03). The case subject here is referring to the fact that the matrix management have in mind the attributes of a *marketing director* based on their perception of the attributes of what makes a marketing director successful in a Western cultural environment. The Shanghai matrix management rejected the recommendation of *case subject* FCS03, his HR Director and the previous marketing director, to hire this marketing director candidate. This was notwithstanding that the recommending team

consisted of both Thai and Anglo-westerners, all of whom have an intimate knowledge of the Thai market and working cross-culturally in Thailand. The decision by the Shanghai matrix management team shows little flexibility; one locked into a Western sense that efficacy is achieved through the exercise of control. This example highlights the confounding effect of cultural differences that is often the cause of the dilemma of addressing the issue: ‘is it culture or is it competence?’ It is apparent that the Shanghai management have confused cultural behaviours of the Thai marketing director candidate as being issues of competence, despite the contrary assessment of those better able to judge.

This lack of knowledge and intimacy of the cross-cultural situation, displayed by the Shanghai matrix management, is a result of their isolation or distance from the performance management situation, and their penchant to exercise control as a means to efficacy. This example illustrates another layer of cultural complexity with which expatriate management may have to cope, in managing the performance of their staff and business. They not only have to learn to manage cross-cultural issues in their immediate environment, but may have to manage such issues with people who are outside their country, who have little or no knowledge of managing cross-culturally—with the particular foreign culture—and may be blinkered by the dominance of their Western culture that pervades their organisation.

While expatriate managers learn to adjust to cultural differences in their host country, particularly at the relational or personal level of performance management, they also need to resolve issues of cultural differences with the host country that are institutionalised within their organisation. The matrix management example is one form Western institutionalised culture that expatriate managers may have to manage in the reverse direction to dealing with their staff. The design of the organisation’s *performance management systems* is a more pervasive form of institutionalised Western culture, for which expatriate managers have to compensate, in the performance management of their staff.

5.2.4 Conclusion

The issues of cultural adjustment tend to be a significant constraint on the performance of expatriate staff, which also affects the performance of their staff. It is usually a lengthy and expensive period for an expatriate manager to effectively adjust to working in a foreign culture. Hence, there is a move by multinational corporations away from employing managers under a traditional model (that is, from outside the foreign country) to one of hiring local expats and local foreign managers to have already adjusted to the cross-cultural setting.

Issues of adjustment typically relate to realigning expectations that are more sympathetic to the other culture. Where culturally oriented expectations differ between a manager and

subordinate, this may give rise to a *tension of expectations*. This is symptomatic of a less than efficacious PM outcome, thereby acting as a constraint on the efficacy of PM.

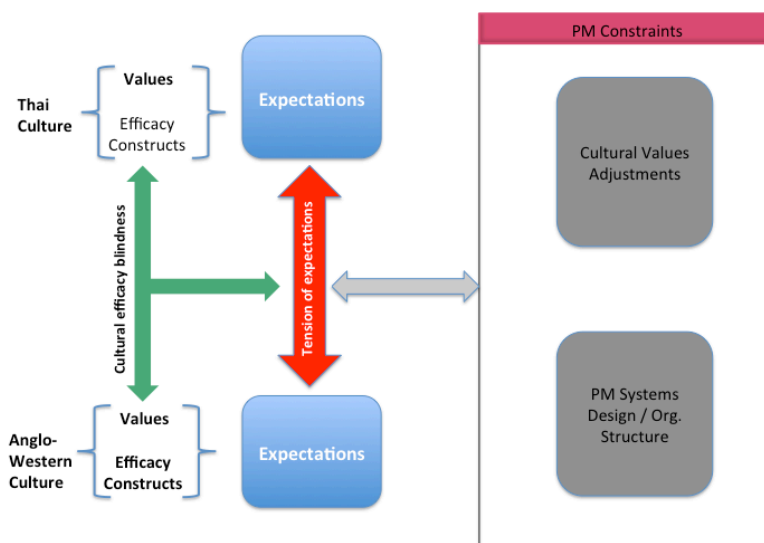
This realignment of expectations is not purely one of understanding a simple cultural values cause and effect relationship. It is one related to a more deep seated confluence of values that are dynamic in their relationship and are drawn upon to form cultural constructs of efficacy—the *means-action-ends* relationship—that are applied to satisfy a performance situation.

Cultural constructs of efficacy may blind cross-cultural managers to recognising the potential or latent efficacy within a performance situation, such as the capabilities and resourcefulness of their cross-cultural subordinates. These signs existing within the performance landscape being unrecognisable within their existing notions of efficacy, or they simply misinterpret the cultural cues.

The constraining effect on performance resulting from differing values based notions of performance efficacy held by a manager, may be exacerbated by the cultural notions of efficacy embedded within the PM systems design. This can occur through the non-alignment of motivational values and exposure to internal organisational cultural distance issues associated with management reporting lines of control, such as matrix management.

The relationships of cultural constraints forming the Constraint Domain of cross-cultural PM are depicted in the static model below.

Figure 5.3 - Domain Effects of Cross-cultural PM Constraints



As presented, the Constraint Domain constitutes those elements that tend to limit or thwart the efficacy of cross-cultural PM. The interrelationships of the elements of the

Constraint Domain, depicted in the above figure, are discussed further in Chapter 7 that addresses each of the research questions outlined in Chapter 1. However, Chapter 6 that follows presents the analysis of the Driver Domain, the elements of which (*motivation, relationships, and communication*) tend to provide impetus to performance by facilitating access to the latent efficacy within a performance situation.

Chapter 6 - Driver Domain

6.1 Introduction

As mentioned in the introduction to Part 2 of this thesis, drivers are those characteristics in the cross-cultural context of this research that may provide the impetus for performance. This is opposed to those elements that tend to constrain performance as described in the preceding Chapter. The characteristics describing the Driver Domain have been sub-grouped into the categories of: *motivation, relationships, and communication*. Each of these *categories* and their *attributes* are presented below. Labelling each of these categories thus, is not to objectify them. These categories are not the causes of efficacy, but rather a framework to facilitate the analyses and discussions that follow. The cultural values that constitute the characteristics of these categories are means to exploit the efficacy latent with a performance situation.

6.2 Motivation Category

PM motivation is at the heart of Western PM design. How to motivate people to perform their duties in accord with the organisation's goals and aspirations, and give of their utmost effort in doing so, is the ultimate goal of a PM relationship and at the core of a PM systems design (Hellqvist 2011).

There are many reasons why people come to work, and while it was not the focus of this research, it is safe to assume that they do so to earn a living in order to achieve or maintain a lifestyle to which they aspire for themselves and their family. This research focused on existing manager-subordinate PM relationship within a cross-cultural setting, to explore the effect of culture on the efficacy of PM. With this limitation applied, the thematic analysis of motivation was performed in keeping with the broad motivation themes of the literature, namely: extrinsic motivating factors, and intrinsic motivating factors, which are presented below.

All employer organisations of the participants in this research employed the basic Western PM systems design model of: key responsibilities, performance measurement criteria, performance assessment and ratings, the outcome of the latter determining the level of salary review increase and bonus payments at the end of the financial cycle (refer Figure 5.1 - Generic Performance Management Document, p. 111). The Western PM systems model was the basic platform and formula for administering PM, and appropriation of salary

reviews and bonus payments, which were the primary extrinsic motivation factors, employed by all organisations in this research.

6.2.1 Extrinsic Motivating Attribute

Within the Western styled PM system adopted universally by organisations within this research, the principal extrinsic motivators fell into two main streams: non-monetary rewards (such as public recognition and awards), and monetary rewards (salary and bonuses), which are presented below. Other motivating factors (as presented in the Literature Review) such as *goal setting* and *assessment feedback*, were presented under ‘PM Systems /Organisation’ section in the preceding Chapter 5.

Non-monetary Rewards.

Non-monetary rewards such as gifts, watches, and overseas trips—as with most cultures—are strong motivators for Thais, as too was recognition as a form of reward. This typified in the following examples:

In reference to staff being sent to the organisation’s Australian head office for training:

That's huge. That's not big, that's huge. That's really big recognition, really big motivation for them. That's a big motivation for them! **(FGP24)**

And recognition in front of their peers:

We have to remind ourselves frequently to say that we should praise or “chom” (ชม) “chuen chom” (ชื่นชม) appreciate the others in front of the group or something like that, okay, that's very important. I think that very good motivation is nothing more than the recognition and you can do it in many ways, okay. **(TGP21)**

The extrinsic motivating factors of such rewards relates to feedback, affirmation of goal achievement and sense of making a valuable contribution (Locke & Latham 2002). The actual nature of the reward and recognition can be problematic, for it may promote wrong behaviour. If the performer considers the reward is trivial compared to the accomplishment, this may be in contradiction to their sense of distributive justice, and have a negative effect (Agboola 2010). Conversely, if the reward incentive is too great this causes aberrant behaviour by appealing to sense of greed, as evident in recent financial crises and the role of exorbitant bonuses (Ailon 2012). Greed is a defilement within Buddhist teachings that contributes to bad karma, and is counter to efficacious motivation (Payutto 1995), and therefore counter to the fundamentals of the Thai values system. With the specific nature of such extrinsic rewards—specific to individuals, time and events—they tend to only have a

short-term positive effect at best (Mattson, Torbiörn & Hellgren 2014), or can have a negative effect if there are perceptions of distributive injustice which can lower work performance (Mahajan 2011). It is rare that an individual's achievements can be attributed to their solo effort. Rather, the outcomes of their performance are reliant, either directly or indirectly, on a host of other contributors within the organisation. Hence when a person is singled out for rewards for achievements to which others have contributed, it can be difficult to avoid a sense of distributive injustice in the minds of the collective. This perception will be influenced by the values orientation of a society, whether it is collective or individualistic in nature (Erez 2008). Hence it is important to account for the effect of cultural influences on the motivational effect of use extrinsic rewards. For example, a prominent theme that runs across most Thais' engagement with others, is the value associated with 'social smoothing' (Komin 1990b, p.174) such as, greng jai (เกรงใจ), conflict avoidance, and family orientation. This tendency was also evident in respect to rewards and recognition, with most participants aware of the importance of recognising values associated with the *collective* (team and sense of family) and fun:

Collective recognition:

Interviewer: Individual or collective, is there a difference [in importance] when you are recognising people?

PARTICIPANT: I think collectively they like to be acknowledged, so they like to know our company or our office is doing well. That's important I guess working for an international office that's also a bit - - that's important for them. **(FGP24)**

Sense of team, family, sharing the spoils:

Interviewer: What are incentives that they [staff] get?

PARTICIPANT: To come to work tomorrow [Laughter]. That is an incentive. I mean, first of all, this is a nice place to work. It's a five-day a week from 8:30 to 4:30 or 5. You get home to your family and have the weekends off... that's what the lady is out there doing now. And, they get taken care of like a family... So they have reason to come to work.

Interviewer: So it's very much a close-knit team, including yourself?

PARTICIPANT: Yes, it has to be.

Interviewer: And they work as a team and they get rewarded as a team?

PARTICIPANT: Well, the awards are automatic. If there was a massive profit, they would get rewarded as a team. **(FGP06)**

Collective celebration, family, fun:

Honest! Like we're not performing well, guys. I mean performed, the first I did three months' ago I bought 2000 or 3000 doughnuts because we met our objective. The second month we didn't so I gave them nothing, but this morning I just handed out 2000 doughnuts because we got a particular objective that was really significant, really significant performance of a new product launch. **(FCS03)**

You know, we really celebrate milestones in this company. Once you've been with us for five years, we celebrate it. When you've been with us for 10 years if you're at a certain level you get a Rolex, for example. You know, last month I had a special dinner. The staff member didn't even know about it and we had the family, the friends, as well as the key teammates all fly in and hand over a beautiful gold Rolex... It was just one of those really moving, emotional nights. It was a way of saying to them “thank you for what you've done for us”. We care about you and we look forward to doing this again in another 10 years. **(FGP14)**

To overlook the *social smoothing* values with one's engagement with Thais in the workplace, is likely to deny efficacy of PM:

There's a lady who's been here I think 40 odd years. She is the head of a company called **[...]** which is a security firm, cleaning firm or whatever it is, and she said that... the first six years were a complete disaster, because she didn't give herself to them socially, and she said when I first came here: “whatever you do with your team make sure that you're available. If they want to go to the disco, you go to the disco. You set it up. If you want to go to karaoke you suggest you go and have lunch. You suggest all these things”. So you need to give your personal time to them and mix with them socially. She said that's when you learn a lot, and that's true. You learn how to better handle yourself and them. **(FGP03)**

A Danish guy [my senior] he was the taskmaster. I was the man. He was the Viking. I was the man that held it together. I was the mediator and staff - - because we're housed in a different room from him which is wrong. We're open plan, he's boxed office. They're scared of him. They don't particularly like him. I was the middleman. I would get them good bonuses. I would say good things and I'd build a team and we built up a massive business, a very, very successful business...They are very communal. The Danish guy, he said to me “what the hell”—pardon my French—“what the [...] are you doing here?” Because what happened was we have another room, [whereas] we have a table like double the size, and the Thai staff like to eat. So, every Friday each one would bring a bit of pork, a bit of beef, a bit of fish, a bit of veggie. One guy'll bring rice, and they like to sit and *EAT*, together, communally. The Danish guy wouldn't have it. He just didn't understand it but that's what

creates the motivation. He didn't see it. And I told him straight I told him this is the way they do it. This is good way you get more productivity from them, and then after lunch: “oh, listen Khun Mor [คุณมอ] could you do this” - - “oh, sure Khun Tom [คุณทอม].”... So, when I left, within three months he had a mass walk out. We had 15 [staff] and seven of them all walked out in one day, in protest. **(FGP05)**

While most motivational inducements may be common across cultures—as stated metaphorically by *farang general participant* (FGP27) ‘99.9% is the same across borders for all subordinate staff’ (see full quote next section below)—it is the subtle cultural differences that matter. In this context, the interpersonal orientation, or *social smoothing* values of Thai culture, places much more onus upon the manager-subordinate relationship than might otherwise exist, in the quest for motivation and efficacy of PM. While in the West, PM systems design can be much more weighted on the individual and momentary rewards to engender motivation and efficacy of PM, which is linked to economic theory (Mattson, Torbiörn & Hellgren 2014), and agency theory that assumes self-interest is a key motivating factor (Rynes, Gerhart & Parks 2005). With the PM systems employed by organisations within this study, monetary rewards also feature prominently, with varying degrees of effectiveness.

Monetary Rewards

The importance of money as a motivating factor was emphasised by some and deemphasised by others.

A *farang general participant* who worked for a prestigious American consulting organisation in Thailand, acknowledges the Western bonus and incentive system works well with Thais, (within such professional job roles):

They [Thais] see a huge benefit of being in a big foreign organisation. The good ones immediately see how good it is to work for really good [highly professional] people. They [Thais] become competitive... especially if its American company. Actually they [Thais] are pretty money oriented too. So the KPIs [key performance indicators] will be linked to bonuses, gold chains, trips, and that works perfectly in the Thai setting, and so it is really what have you done for me lately? What's in it for me, works really, really well, really well. **(FGP07)**

The general participant spoke very positively as to the effect of such incentives. However, as discussed in an earlier example, it can be a fine line between rewarding performances based on positive motivating factors (such as affirmation of goal achievement)

or appealing to negative characteristics such as greed, which tends not to deliver efficacious outcomes.

The *farang general participant* in this next example acknowledges the importance of money, but that it goes beyond just the materiality value of money to one of self-worth, or the underlying value of *face*:

No one wants to be at work, so therefore recognise why they are at work and then what you've got to do is make sure that it's not all about the money. That's just it. And I would say it's probably 70 per cent about the money and the rest is about having that sense of loyalty... so, 30 per cent [is about] family and culture and everything else... what they're really looking for is a sense of belonging, a sense of self-worth in their work environment. You know, the money is one thing but it's that sense of self-worth that translates back to that sense of face. **(FGP14)**

The perception of self-worth is strongly associated with self-efficacy (Jorfi & Jorfi 2012) coming under the banner of self-determination theory, which is central to people's motivations (Erez 2008). This is particularly so with Thai cultural values, which have a strong sense of self that is rooted in Buddhist teachings (Komin 1998). Hence it is important for Thais to feel valued and respected within the team, the organisation, or the relationship. While money matters, its importance also relates to the concept of distributive justice and therefore is secondary to the concept of self-worth. This is also evident in the examples that follow.

A *Thai general participant* (HR Director) indicates that money matters, as an inducement in a competitive environment:

The main reason they tend to resign is get more money from other companies, because the competition in Thai is quite high regarding the banking firms, because there are not a lot of people to be produced from the University, [not] enough for business to use. If you go and look at the ratio of the employment rate in Thailand, you will find that it is 0.6 per cent at the moment. So that means that everybody has a job. **(TGP17)**

The above example tends to support agency theory, wherein self-interest is regarded as a key motivating factor. However, it remains the perception of self-worth and self-determination as competitive pressures recalibrate people's perceptions, and hence seek to maintain or improve their relativity with others. The general consensus of the participants of this research was that factors other than money, were the main reason people left their jobs or remained loyal; their relationship with their boss being prominent among these:

Interviewer: So you mean it's money – the main reason people leave their jobs? ...

PARTICIPANT: No. I know that people leave - - not leave the organisation, they leave their manager. **(TGP18)**

In this next example the Thai HR director acknowledges the importance of money, but the most important reason people leave their jobs is the relationship with the boss:

Interviewer: When a Thai person is not happy with the work and... they leave, what are the main things that make them do that?

PARTICIPANT: From my exit interview, the exit interview that I did with associates; our experience here, first the boss... The boss not good, not understand, not a good leader, doesn't make decision, first boss... second - compensation. **(TGP10)**

The general consensus, whether Thai or farang, was that while money may be important, the relationship with the boss, and a convivial working environment were far more important. The examples that follow typify this general view.

In the preamble to this following exchange, the discussion was about the terms contained within the participant's employment contract, which included basic terms such as start date, company rules, employee entitlements (sick leave, holidays and the like):

Interviewer: What are the types of things that make you want to stay at the company?

PARTICIPANT: Nothing in the contract.

Interviewer: No, there's nothing in the contract, but in your heart?

PARTICIPANT: No, nothing inside [Laughter].

Interviewer: Yes... the money is that the only thing?

PARTICIPANT: No, because like: not the letter [contract] or the money, but the way of how I feel - - how do you say, in the [Company], we work - - [it's fun] like we never fight together. **(TGP09)**

In this next example the *Thai case subject* had quit their job, since the previous interview (this was the third interview of four). In their instance, the extrinsic motivating factor of money doesn't rate a mention; they cite there can only be two reasons for quitting a job:

Interviewer: Can I explore your decision to quit your last job?

PARTICIPANT: Okay, two things, and I told this to my boss. You quit the job because you don't like the boss or you don't like the job, either way can't be more than these two reasons.

For me it's both, equally, I don't like my boss and I don't like my job so why stay, as simple as that. **(TCS02)**

The *farang case subject* in the following example, is talking about staff motivation they were addressing since starting their new role some three months earlier:

No one was fixing the business issues. They lost confidence in getting out of the hole. They were here because they needed the money, rather than because they enjoyed the job... So the culture I'm trying to establish is that people are genuinely coming to work to enjoy their job, I believe we will get a better result... There is no way they were coming to work to enjoy their job. **(FCS03)**

FCS03 implies that money is a need that motivates people to seek a job and come to work, but it is not what necessarily motivates them to perform at their optimum: 'they were just here because they needed the money'. FCS03 believes that people will work more effectively and 'get better results' if they genuinely come to work 'to enjoy their jobs'. This is in keeping with motivation theory that purports that intrinsic motivation factors (job enjoyment) are more effective than extrinsic motivation factors, such as money (Mattson, Torbiörn & Hellgren 2014).

In the following examples there is the acknowledgement that money is important, but ultimately it is the work relationships, the loyalty factor, that are the motivators:

It's [money] kind of like a mandatory issue... Just like any employee around the world, money is not the absolute answer. If the manager or something... nobody treats him [the subordinate] in a good way, he moves away [quit his job] and does nothing worse so he just moves, sort of thing. It's the loyalty factor in that case... Loyalty, it's loyalty [that motivates]. **(TGP21)**

The MacGregor theory X and the theory Y which is that *money doesn't motivate* which I learnt, God, so many years ago, and didn't understand what the heck that was about until I started actually working properly... then I did understand what he was talking about. He was absolutely right. Money isn't the motivator. Yes, of course it's important, but it isn't the motivator. What motivates... we talked earlier about sanuk (สนุก) and I think that element has to come into it when you're talking Thai staff. But I think it probably 99.9% is the same across borders for all subordinate staff. They have to feel, they have to have their self-esteem and respect. They have to feel worthwhile, useful, contributing, contributing useful. **(FGP11)**

Again it is the sense of self in terms of self-determination theory such as self-worth or self-esteem as expressed in the above example that are of primary importance for motivation.

The manager-subordinate relationship is an important motivating factor through trust and respect (Kainzbauer 2013) as the foundation to fulfilling self-determination aspirations such as self-efficacy, self-worth, or self-esteem (Gelfand, Erez & Aycan 2007).

In the last example the farang general participant acknowledges that the motivating factors are similar across borders, but singles out the importance of the value of sanuk (สนุก), which was by far the strongest theme to emerge in this research, as an essential motivating factor for Thai staff. Sanuk (สนุก) is an *intrinsic motivating* factor, being the fun derived from doing the job and participating within the work environment.

6.2.2 Intrinsic Motivating Attribute

There were three principal factors to emerge from the analysis of this research, concerning the intrinsic work motivating attributes. These three factors were: *empowerment*, *personal development*, and *fun - sanuk (สนุก)*. These three factors are presented below.

Empowerment

The sense of control, or psychological empowerment, people have over what they do in their jobs is an intrinsic motivating factor. Psychological empowerment engenders job satisfaction, and is associated with self-determination motivation through a sense of autonomy, and self-efficacy since people are more likely to be committed to meeting the challenge of their jobs (De Zilva 2014). This was found to be so in this research

For Thais to experience intrinsic motivating factors such as job satisfaction through autonomy and self-efficacy, it was evident they don't like to be micromanaged. Though there can be a tendency for farang managers to overly-manage their Thai subordinates, due to their lack of cultural understanding and how to interpret cultural cues. Hence their natural inclination is to try to control the situation. For example:

I end up micromanaging them. I will end up doing little tricks that would [peeve] any foreigner off but it doesn't [peeve] them [Thais] off. I say: "when you move those things up the Unit 26 could you send me a picture of it? [They'll reply]: "yeah sure". Anyone in the West would know that I'm micromanaging. But it works; I'm not trusting him to do a single [damn] task... Also it works to do things in writing, with little messages, because there is no emotion involved. I say: "could you do this, could you send me a picture when it's done".

(FGP07)

As stated by this *farang general participant*, there is a lack of trust in his staff so they resort to 'little tricks' with the intent to mask this lack of trust. FGP07 believes the strategy is

successful, since it does not annoy the Thai staff, but FGP07 implies it would do so with anyone in the West who ‘would know I’m being micromanaged’. This is not likely to be the case, however, since self-determination is a motivating need irrespective of culture (Erez 2008). More likely the case is that FGP07’s strategy is self-fulfilling. The perception is that the Thai workers do not appear to be upset at being micromanaged, but truth be known, Thais have a tendency to be *reticent*, which may be invoked by a number of cultural values, including: hierarchy deferment (the boss knows what they want), *greng jai* (เกรงใจ) (not wanting to discomfort, or cause *loss of face* for the boss by contradicting them), or conflict avoidance. The motivational tendencies of such values do not necessarily work in isolation, but may intertwine and vie for efficacy in complex ways to stimulate a behavioural response, which will be specific to time, place and people involved. Therefore, the consequence in the above example is more likely that the micromanagement is interpreted as a lack of respect and trust by the Thai staff, and denying them job satisfaction, engagement and a sense of self-determination. Such reactions are likely to drag on their performance, resulting in the Thai staff doing only what they are told as best they can interpret it, and exercising little initiative. Consequently, FGP07 perceives the need to micromanage, which perpetuates the situation, making it a self-fulfilling strategy. While FGP07 feels a sense of efficacy, because ‘it works’, it is more likely that the latent efficacy existing within the situation will be untapped, it will remain latent – since the Thai workers do what they are told and contribute minimal initiative to the task at hand. The outcome is that the farang manager has to continually micromanage the worker – as FGP07 also said in terms of micromanaging:

We are down to that level where I'm supposed to add a little more value at a higher level, but that's not possible in Thailand, and that's a frustration. **(FGP07)**

This is hardly an efficacious outcome, which has been denied due to a lack of understanding of the nuances of the cultural values of the foreign culture.

However, the strong consensus was that it is ineffective to micromanage Thais:

Initially they [Thai staff] felt they were being micromanaged, but it basically boils down to how you sell it to them, or how you present it to them. I'm performance managed, right. The owner of the company performance manages me, and he doesn't performance manage me from the perspective he wants to micromanage... They [Thai staff] don't like to be micromanaged, and they don't like to be told what to do, but if you do tell them what to do you tell them in a very Thai way. **(FGP05)**

The inference in the statement ‘they don’t like to be told’, is that to do so is an impediment to job satisfaction, because it is something they ‘don’t like’. Therefore, to

micromanage Thai staff is likely to have a moderating effect on job satisfaction and work performance.

The statement 'in a very Thai way' refers to observing the essential Thai values of trust, respect, conflict avoidance and face-saving. Rather than controlling, it is better to give Thai staff space, to open up the possible release of the latent efficacy within the situation:

PARTICIPANT: Don't tell [Thai] people what they have to do -- number one. Listen and try to understand *how* they can do - - how they can achieve what you want them to do by finding their own path... Often there are invisible barriers that Western people don't see... There are a number of invisible barriers that the Thais see them as clearly as sonar, you know sonar on a submarine radar... It's the way they do business, the way they interact with each other, the way they deal with conflict, the way they deal with ambiguity.

Interviewer: So it's very much rooted in culture?

PARTICIPANT: Yes, and the way they [Thais] have to discuss and resolve issues together, and they don't like being imposed on. It almost is an automatic reaction if you *impose* something on a Thai; it's like giving the cat a bath! **(FCS04)**

We probably had to be a little more flexible in terms of the rigidity of our working environment... we found that Thais want you give them the accountability and they embrace it, can take a bigger sense of ownership, for example, than what we find with the rest of us. They like to drive their own destiny if you let them. If you don't, what we've generally found with people we work with that other companies, they start to look elsewhere [for employment] as soon as they move into that job. **(FGP14)**

The average age of my heads of department was probably 40 to 50, which meant some of them were computer literate, but my F&B [food and beverages] manager couldn't do email, couldn't even turn the computer *on* and I had to get a secretary to do everything for him on the computer, *everything*. She would print out - - it was a green nightmare! She printed on paper every single email because he didn't know how to turn his computer on. But, he was up for retirement. He was late 50s, coming up to 60s. He wasn't in the best of health, and had a hip problem. But, he was brilliant. When I started, I was told to get rid of him by the former general manager. And he said be careful, he's useless. But, I had long experience with things like that, and one of my own sayings is the grass is never greener on the other side... Which means you think it is, and you get rid of one person and you think you can get a better one and it never—100 per cent of the time—never is. I don't know what the percentage would be of finding that right person, because even somebody considered by one manager as no good because he can't turn his computer on, he doesn't know how to set targets and can't do food promotions, and has no concept of financial management, but he was brilliant with his staff, he may have done every job under the sun within his department and

so knows it inside out, and the staff adore him. He likes you if you let him be—leave him alone, and that's quite important... So, I kept him on and motivated him and I gave him space. I gave him enough rope to hang himself basically, but I didn't want him to hang himself, and I took him under my wing and I guided him every step of the way, and it worked brilliantly. (FGP11)

In this last example, the *farang general participant* was able to see through all the shortcomings of 'F&B manager'—shortcomings he knew he could coach and develop him to overcome—to the latent efficacy that the F&B manager brought to the situation, which was that he was brilliant with his staff (which numbered some 150 to 200 staff) who 'adored him'. The *farang general participant*, knew from experience, this would be lost if he had taken a stereotypical Western approach, and replaced the F&B manager with someone with more contemporary computer and financial management skills, as was recommended to him. Rather, FGP11 allowed the F&B manager 'space' to perform to his strengths. By doing so, FGP11 demonstrated faith and trust in his F&B manager, drawing on motivations of self-determination by confirm his sense of self-worth. The F&B manager's motivation was further enhanced through elevation of his self-efficacy under the development, coaching and mentoring guidance that FGP11 provided. This allowed FGP11 to fully exploit the situation by allowing the latent efficacy to unfold naturally through influence, rather than impose staff and structural changes from a foreign sense of efficacy.

Development of the F&B manager was not only a means to bridge knowledge and skill gaps, but it also is a motivation means by providing feedback on what is required and how it should be done. It is closely associated with self-determination theory through the development of self-efficacy and self-pride (Chen, Y-C, Wang & Chu 2011; Wangsgard 2006). Development was also found to be a significant *intrinsic motivating* factor to emerge within this research.

Personal Development

As mentioned above, education, knowledge, experience and training tend to constrain performance. Development of a person's capabilities can elevate their sense of self-efficacy, which is rooted in self-determination theory (Erez 2008; Wangsgard 2006). At the personal level, development was regarded as an intrinsic motivating factor, as evident from the following examples from *Thai general participants*:

There was a time that I felt that they [the boss] have been putting me in the same job for too long... I voiced my concern to the performance manager: I had been told I have to move on once I finish this one, but how come I still am still in this job and people keep moving on? ... so I don't want to do the job that I cannot better myself ...as well as I don't want to do the

same stuff and don't improve myself, and other people just get benefit from me. I want to be in both ways. That's what would benefit me the most and motivate me the most. (TGP16)

What I like is like [my boss] teach me every day, and have the new thing for learning. And on the extra [involvement] of the job, I get to know the key person [client representatives] of the organisation. Like [my boss's] friends such Khun (คุณ) K[...] or other people that is the advantage on my life. It's not just the money, but the way you know the people, and they teach you how you do this, or the method of thinking that is the most important. (TGP09)

A Thai HR Director in giving the example of poor development score, in an employee engagement survey run by their organisation, highlighted the importance placed on development by their staff:

Before I join [the organisation] they conducted the employee engagement survey, and the results was very low. So, when I joined... I set up these small discussion groups. I invited let's say about 6 to 10 persons per group, to talk them directly... They said: that you don't get any training course - - it seems like the company do not pay attention to my knowledge just utilise me day-to-day, so I have never been developed. (TGP10)

Training for training's sake is unlikely to be a motivator, and the development needs to be sympathetic to cultural values such as self-efficacy and potential loss of face, and social smoothing values associated with *fun* (sanuk - (สนุก)) as revealed by a *farang general participant* who was a principal of the organisation:

From my level, I train at a particular level. From the manager's level they need to train at a particular level, and from the supervisor level they have to train. So, we also bring in people from outside [the organisation]... At first they hated it... because it meant that they had to give a couple of extra hours. They're happy to give the extra couple of hours if they're going to party, I don't mean drinking alcohol, but just having a nice time. Social time. But for training it was a bit boring, and was like: "why do we have to do this" and "what's the benefit?" We said... we will have Friday night training and Thursday night training, and do drinks and buy a couple of beers, and people could sit around and enjoy and exchange ideas. So, we had to change the way you would [train] normally. I like to do training as formal training: *this is a serious thing, this is how we need to do it; this is what we need to get out of it. And, you only get out of it, what you put into it.* It didn't work here. It was like: *let's have the fun, let's go through the process of having the fun and after we're done, we can go from there.* (FGP03)

In the above example the development was not directly relatable to elevating their ability to do their job, as stated: 'why do we have to do this and what is the benefit'. Therefore was

no sense of relevance to their self-efficacy, and hence it was regarded as a ‘bit boring’ and had no motivational benefit. It is reasonable to assume the training content was relevant to improve performance; otherwise the organisation would not have gone to the trouble and expense to run the training sessions. However they were presented in a formal manner, one that was not culturally attuned to Thai values of social smoothing, cohesion, face-saving and connectedness, which can often manifest in the Thai penchant for fun. FGP03’s principal learning in this example is the acknowledgement that the solution to the problem was to tap into the Thai value for fun.

The value of fun—or *sanuk* (สนุก)—was by far the strongest motivator evident in this research. In fact, it is an imperative: without *fun* in a Thai work environment, there cannot be efficacy of human resources performance management.

Fun (sanuk สนุก)

A central tenet of Buddhism is the belief that all human beings’ main motivation in life is the pursuit of a good life and happiness (Payutto 1992a), and that all experience suffering, which arises from ‘unknowingly tying the characteristics of suffering to the happiness of consuming sensual pleasure in material things’ (Payutto 1992a, p. 6) otherwise known as *attachments*. Other attachments to cause suffering are attachments to experiences of suffering of the past, and the fear of potential causes of suffering in the future; past wars between cultures/nations and the distrust that arises from them, are examples of these at a societal level, that may imbed such suffering within the cultural values of that society. The values of *sanuk* (สนุก) and *mai pen rai* (ไม่เป็นไร)—fun or happiness in the first instance, and non-attachment in the second—are related to these fundamental Buddhist teachings (Komin 1990b). In the West the measures of efficacy are related to material wealth, economic growth, and GNP (Gross National Product). Whereas in terms of Buddhist philosophy, rather than generating ever-increasing material wealth, resources should be consumed in moderation based on sufficiency economics. The measure of efficacy is based on the measure of peoples’ happiness or the concept of GNH (Gross National Happiness) introduced by the King of Bhutan (Kainzbauer 2010); the essential pathways to happiness are adherence to the four sublime states (refer p.42) of Buddhist teachings (Payutto 1992a).

Fun as a derivative of happiness is an essential part of work life in Thai culture. It is a social experience involving groups of people, whether friends, work colleagues, associates or acquaintances. It involves ‘social arrangements like shared work, shared food and shared experiences’ (Kainzbauer 2010, p.359). Fun, or *sanuk* (สนุก) in Thai terms, is an essential

value to avail if efficacy of PM is to be achieved in the workplace, for it is a basis of personal motivation and group cohesion. The concept of *sanuk* (สนุก) can capture the whole attitude one has about a situation or an activity such as work, or one's job. In this manner the word may be regarded as a cultural script within the Thai lexicon:

Thais have this concept of *sanuk* (สนุก): "What's your job like?"... "Oh, sanuk, sanuk" It doesn't mean that they're getting pots of money. They might be getting pots of money, but it means that they're working in a happy, safe, environment, where they get on well with the other people. **(FGP20)**

In the absence of fun, Thais will not regard work as worthwhile. They are unlikely to endure a job, and more likely to quit in that case, as was evident in an earlier example recounted by *farang general participant* FGP05 (refer pp. 137-38).

Even farang managers experienced in working with Thais, can mistake this tendency of Thais for fun as an aversion to work:

They [Thais] come to work to socialise. They don't come to work to work. If you get some work out of them I think you've done extremely well... So if, for example, I asked of them to organise a party they will organise the most magnificent party within a relatively short period of time, and everybody will be enthusiastically participating, but if I said to them let's go and do some work, it's totally different! **(FGP23)**

The inference in FGP23's comment is that the staff are not 'enthusiastically participating' in work because it is not fun like organising a party. This suggests an opportunity to redesign the job tasks, working structures and managerial practices that draw on elements of Thai values such as social cohesion, connectedness and shared experiences, to increase the experience of fun and motivation. This is also evident in the following example, where the job is not reflective of the 'life we live in'. The Thai general participant acknowledges that farang might find it difficult to understand the Thai penchant for fun in the workplace, recounts their experience in a job they ultimately left, because of the rigid nature of the work structure:

We don't want to feel like it's eight hours simply want time to pass and enjoy working. You know, *it's the life that we live in...* That's what I found as well when I first moved in and joined [the organisation], I was a person who will always worked and worked and worked and want to get it finished, and then I would talk to my colleagues I don't work and talk, work and talk. Well in Thailand I guess it's the culture, it's the overall culture of the Thai people; they are fun loving. **(TGP12)**

The vast majority of participants recognised the importance of the value of *sanuk* (สนุก) in a Thai workplace to achieve efficacious work performance outcomes. *Sanuk* (สนุก) can be a means to a variety of social smoothing values.

Sanuk (สนุก) can maintain interest and bond relationships:

Fun, sanuk. Sanuk [สนุก], you hear that a lot, the Thai work for fun. It's like when you do workshops and you do learning. Unless it's fun, they're not interested... You never see them go to lunch by themselves. It will be not just one or two... they will always go in groups, so that's very key to the culture. **(FGP02)**

It can break down reticence and build worker cohesion:

Every Friday at [the organisation] at 8:30 am we would get together. Typically, it was a whole floor as opposed to a whole building. Here I am in the whole group, and they get in and they see those TV commercials [new releases by the organisation], all the executives get a chance to speak, or I would ask people... to speak without notice, about what's happening in our performance areas. Everybody is informed, and it was a fun, happy-go-lucky environment. **(FCS03)**

Sanuk (สนุก) engenders motivation:

It's all about - - their motivation is a [fun] congenial working environment. Money is a motivating factor but, in my opinion, not the most important motivating factor. **(FGP05)**

It can help build loyalty:

Well, I guess fun is probably - - you kid around and joke and have a bit of fun and laugh or whatever... I guess mainly that's the way I am, but I like kidding around with them and joking with them and having a laugh or whatever. It's very comfortable and it doesn't break down the respect. You still keep your distance. But, if you're interested in their family and personal things and give them an extra time off, you always bring back candies or something on a trip so it's part of the kind of approach. That's the way I think you get loyalty. **(FGP08)**

Fun helps alleviate tension (conflict avoidance):

Fun is a leveller. Well, there are levellers and you've got to work out where the levellers are so, in Thai, Buddhists - - understanding, therefore, important things which are levellers. One issue is your ability to have fun. So the boss who comes in, he's a serious cabbage. That's not going to work very well. The other one is that people look for attributes of whether you

are going to be successful or not or whether you've got a hot head. So, if you've got a hot head and you're not a fun person, that's two things working against you. **(FCS04)**

Each of the primary intrinsic motivators detailed above is associated with Thai relationship orientated values: *empowerment, personal development, and sanuk* (สนุก), because as intrinsic motivators they involve elements of self-determination, elements of self-worth, self-efficacy, self-enhancement and trust. They are all intrinsic to the Thai relationship values such as social smoothing and social cohesion. Interpersonal relationships are an important feature of Thai cultural values (Holmes, Tangtongtavy & Tomizawa 2003; Kainzbauer 2010), and *relationship* proved to be the strongest thematic *category* within the *driver domain*.

6.3 Relationship Category

The *relationship* theme is by far the strongest theme evident from the research. It was followed closely by the *communication* theme, which is hardly surprising since relationship and communication are intrinsically linked; they are two sides of the same coin. The nature of the communication, its content, tone, and frequency are all reflective of the nature of the relationship between people, both at the formal and personal levels (Scott 2004).

Relationship is a broad category within this research, and has been categorised into three sub-themes—*attributes*—of: *family, network, and manager-subordinate*. From a Thai cultural perspective, these three attributes are listed in their order of priority. While it is convenient to box these attributes with a specific order of priority, they are not fixed from moment to moment as a person negotiates their ways through their daily lives. Obviously, each one of these attributes can take precedence over the other at particular moments in time. For example, if a person is at work the manager-subordinate attribute is likely to be dominant, unless something untoward occurs affecting one of the other two attributes, causing them to come to prominence, such as an emergency at home for example. However, over a longer period of time, allowing for the natural order of these attributes to surface, they will rank in descending order of priority (strength) of family, networks, and manager-subordinate. This is so because of the importance placed upon values that underpin these attributes, and therefore are seen in this order of priority in terms of achieving efficacy within their daily lives. The following section provides an overview of the analysis of the first of these attributes: the *family*.

6.3.1 Family Attribute

The influence of family ties and the value of family relationships, on the behaviour of Thais, is acknowledged in the literature (Pembleton 2011; Roongrengsuke & Chansuthus

1998), in fact ‘the extended family is the most important social network in Thailand’ (Kainzbauer 2013, p. 8). Holmes, Tangtongtavy and Tomizawa (2003) also place the ‘family’, as paramount, at the centre of their social circle model of: the *family circle*, the *cautious circle*, and the *selfish circle*. Notwithstanding this, it is generally acknowledged that the influence of the family in Thai society is not as strong as in other Asian cultures, such as the Chinese or Japanese cultures (Roongrerngsuke & Chansuthus 1998). This was an observation made by *farang case subject* FCS03, who has extensive experience in working in other Asian countries:

I see the family environment much tighter in the Chinese culture, in Malaysia, much tighter in the Japanese culture, than I see in this culture here [Thailand]. I see family is really important, but it's not as *big* a family. **(FCS03)**

This apparent contradiction of family relationships being important to Thais, yet not as important as in other Asian countries, and seemingly incidental within the literature—has its roots in the values of Buddhism. Firstly, Buddhism emphasis the *self*, and one must take responsibility for one’s own life and bear the consequences of one’s own decisions and actions (Payutto 1995). This gives the Thai culture the a tendency towards an individualistic values based society (Komin 1998; Roongrerngsuke & Chansuthus 1998). Secondly, juxtapose to this, Buddhism also emphasises the suppression of one’s ego, with actions and intent focused on doing good for, and paying respect and gratitude to others (Buddhadasa Bhikkhu 2004). These teachings underpin the strong Thai value of *bun khun* (บุญคุณ): children should show gratitude to their parents for giving them life, and upbringing to adulthood (Holmes, Tangtongtavy & Tomizawa 2003; Komin 1990b). As highlighted by a *farang general participant*:

Isn't it funny, children in Thailand are eternally grateful to their parents for giving them life. Children in the Western world think their parents owe them something, because they didn't choose to be born. **(FGP20)**

This has forged strong family values within the Thai society. Notwithstanding that with increasing urbanisation and the influence of Western values of privacy, there remains strong moral obligation amongst the young to provide psychological and or financial support to their older generation (Pembleton 2011). As illustrated in the examples detailed below, family values was a prominent motivating force with Thais, evident in this research:

In a Thai workplace there is a prominent trait for staff to socialise amongst each other. A *farang general participant*, likened this to personal and family values transcending into the workplace:

All [50 staff] would probably go and eat together in groups of not less than five or six, the whole lot. Almost zero would ever go and eat lunch by themselves. So doing things together, personal culture, family culture is exactly communicated into the office arrangement. **(FGP01)**

Thai case subject TCS02 illustrates how the strong parental influence of family, can extend well beyond childhood, affecting career choices:

Oh, the family plays a very big role in Thai society, family [has] a strong influence over the Thais. One example is for someone who wants to quit the job and the boss tries relentlessly to get him or her to stay without success but, after talking to the [person's] mum, she tells the person not to quit... [Laughter] and we're talking about an 18-year-old, a 34-year-old! **(TCS02)**

A *Thai general participant* also indicates their strong attachments to family, and how they may affect career choices:

As a Thai person my family is so important to me, and I have a close-knit family so I'm really close with my parents and my parents will still be here in Thailand while I'm working overseas. So, this is the reason that most Thai people don't want to go abroad. I think it's because our values that if we grow up, make money, we should be responsible and taking care of our parents as well, and going abroad doesn't really make it that easy. **(TGP12)**

The following example of a *Thai general participant* refers to a situation of feedback on work performance. This example illustrates how the participant rationalises a difficult situation at work, by contrasting its insignificance compared to matters of family:

I think [the boss] may feel unhappy and take it personal, then fire me. I myself, I think, when I speak out, I finish, not take it personal. I then don't think or care much about it because it's just about work, not about my family members and not my life. I just do my best. **(TGP19)**

Unlike Western workplaces where there tends to be quite a strong demarcation between family traits and workplace values, the Thai family trait is one that transcends into the workplace (Holmes, Tangtongtavy & Tomizawa 2003). Farang managers regard the Thai family trait to be an important value for Thais, one that can be exploited as a defining characteristic of the relationship between the manager and subordinate, in their quest for efficacy of PM. The following four examples illustrate this:

1) In this example, drawing on the value of respect within family values:

I treat them [staff] as my daughters. I treat them with respect, and as with my daughters I expect them to respect me as khun por [คุณพ่อ- father] as it were, por farang [พ่อฝรั่ง - Western father]. (FGP20)

- 2) In the next example, showing respect for the worker's duties to family demonstrates trust, which is an essential value in any productive relationship:

My first comment that I make to you, that I make to everyone...is, the first priority to me is your family. The moment you say family, go and deal with the issue. You don't have to explain it to me, I trust you. (FCS03)

- 3) This following example illustrates the need to fit in with the cultural expectations of hierarchical—or power distance—nature of Thai relationships:

Managing people in Thailand you have to be aware of family, very much more than I did when I was in Europe. [It is] another trait or cultural difference in Thailand... you are treated as a father figure and you have to behave as a father figure. (FGP11)

- 4) The cementing of the manager-subordinate *bond* is achieved through both likening the bond to a family relationship, and being familiar each other's family:

Interviewer: How do you deal with it at a personal level to strengthen that bond, maintain that bond?

PARTICIPANT: Just being human. I wouldn't go so far as to say that they know everything about my life, but they tend to learn [laughter], they tend to figure it out.

Interviewer: Do you pick up on anything that they may be going through, that you would...?

PARTICIPANT: Oh, easily. They come in with a neon light flashing. No, no, no...they're very easy to read. This is closer than family. We know before anybody else. We know their families, we know everybody. (FGP06)

Conversely, Thais may view the workplace as a means of efficacy to further their family interests, as illustrated in the following examples:

In this example the research participant is a partner in a highly renowned global accounting organisation. So Thais can view it as being a prime source to gain prestige, particular accounting skills, and networks, to advance their personal and family future business interests:

They [Thais] will have a pecking order within the family, and if they think they can advance that pecking order, if they think they are that ambitious by joining [our firm] and getting skills and bringing those skills to their family. (FGP23)

The farang manager working for an equally renowned global firm, in a similar industry, also recognised the working relationship with Thai staff can be a means of efficacy for them to advance family interests. The *farang general participant* talks of it as a problem for such firms:

I think the biggest problem those companies have is that the Thai leave...typically because you get the best ones, they're trained in the US, they're trained in Australia. The people that can afford to send you for that kind of training are wealthy families and there's a family business to take care of, eventually. So you are in many, many instances it is a training ground for management principles that will then be applied to the family business [it happens] very, very frequently. **(FGP07)**

A *Thai case subject* associates family bonds and broader family interests as a significant reason why many Thai staff, who work for foreign companies, are not mobile outside of Thailand, as cited in an earlier example:

Participant: Thai people [mostly don't] look at international opportunity, because they are not mobile, mobility is low.

INTERVIEWER: And that's because...?

Participant: Family bond, and often because they are building a stepping-stone to a family business...also, Thais are happy within their comfort zone [of their family]. **(TCS02)**

The strong Thai family value is not discreet, lending itself to be boxed in a positivistic manner, but is part of a milieu of cultural values that contribute to behavioural tendencies. These tendencies are expressed through cognitive processes involved in framing a perceived efficacious pathway way—the mean-action-ends relationship of efficacy—and manifest in decisions and actions through our daily activities. In this way family values, as with all values, may be drawn upon in varying degrees of priority, depending on the circumstances, to decipher a behavioural response within their concept of efficacy. The differing social norms of relationship between the general Thai view of family and the typically less important emphasis on family of Western cultures, creates a *tension of expectations* between the two within the workplace, as highlighted in the following example:

Thais are very sociable. Group comes before the individual, which also very often means that whenever you're working—which you have to compartmentalise, in the West...I'm now working—'mum, please don't call me, I'm working', and it would be seen as ridiculous to sit and talk on your mobile when you're working. These are the 8 hours that you were working, and we expect you to work. That's not how it works with Thais, because there are hierarchies that are more important than the work hierarchies. **(FGP07)**

The tension of expectations in this instance results from FGP07's differing concept of time. FGP07 has a strong concept of social time, which is specific, measured and run by the clock, categorised and apportioned in an accounting or scientific manner; objectification of time in this manner is typical of Western cultures since the industrial revolution (Nowotny 1992; Tarkowska 2006). FGP07 clearly delineates work time from personal time: 'these are the 8 hours you work', work time is work time, it is 'ridiculous to sit and talk on your mobile while you're working'. The Thai society is a newly industrialised society, previously being predominantly an agrarian society (Baker & Phongpaichit 2010), in which the concept of time was oriented towards the daily activities of attending crops, sunrise, sunset, daily weather patterns, and seasons, rather than set to the rhythm of the clock. Thus Thais have a more blended sense of time, one that is more in keeping with their rhythm of their daily activities that did not require such strict demarcation between work and social commitments. Just as with their preparedness to blend their concept of fun (*sanuk* – สนุก) with the work environment, equally Thais have no aversion to blending personal time with work, or extending working relationships into personal time, which can be to the frustration of farang managers, as expressed by FGP25:

After 6 o'clock I don't need to [socialise with my staff] – my association with you [staff] is within that boundary [6 o'clock PM], within the work boundaries, professional relationship. Here, it's a very blurred line, which I find really difficult. (FGP25)

Tension of expectations is particularly evident within the *network attribute* (which is analysed in the next section), and also within the *manager-subordinate attribute* section that concludes the analysis of the *relationships category*.

6.3.2 Networks Attribute

Networks (outside the family social networks presented in the previous section) were shown to be an important feature within this research as a means of achieving personal undertakings, and may be explained by the entourage or patronage social 'system which involve a tightly bound patron-client group' (Komin 1990b, p. 188). Within the ambit of this research, the network groups—*phuk phuak* (พรรคพวก)—may include power groups, cliques, and personal connections such as school and university alumni.

As noted by Holmes, Tangtongtavy and Tomizawa (2003), 'Thais work hard to build and maintain relationships among a wide and complex network of people' (p.17). Because of the hierarchical nature of Thai relationships (see manager-subordinate attribute below) Thais will tend to gravitate to people of the highest standing within the hierarchy cohort, given their greater sphere of influence, as expressed by a farang general participant:

You go to a cocktail function here [Thailand] and you walk in and say hello, how are you? Before they say hello, how are you, their eyes are going to the next person to see who is coming in at a high level. It's like a swarm of bees, they will go to the honeypot for the person that's the highest at the event, the higher in the hierarchy the higher their sphere of influence. **(FGP03)**

Networks may be built across wide variety of social cohorts and are considered very important:

Alumni are very important to Thailand and if they are having an old school chums' university get together it is often considered important. I think it's at a higher level, or those balances between family work, life, friends, alumni, charity, volunteers, association work, SKAL, Rotary, Lions is probably at a higher level here than I see in the UK. So, it is an example of the old boys' network and it is, as you know, very, very prevalent in Thailand. More so than in England where there is a huge old boys': civil service network, whatever you call it, there is an old schoolboys' network. But here it is *who* you know. **(FGP11)**

Networks are a source or a *means* of getting things done, which forms part of the latent efficacy within a performance situation. *Farang case subject* describes how this may exist even within a competitive situation, as a stabilising means through the exclusion of outsiders:

I've introduced a lot of change in the logistics market that was interfering with traditional money flows, and a lot of Western managers that come in, say for example *contract consolidation*; they're companies that have got a policy of regional consolidation of logistic contracts. Well that doesn't necessarily work when you've got this guy supporting that one, and the financing goes back to a third person, and his family is sort of friends of [the other's] family. They're so intertwined, and when they reach that equilibrium they're quite highly competitive between each other, but when a foreigner comes in and throws a stone in the pond, and upsets everything, they all sort of turnaround and are all looking at me! **(FCS4)**

While this type of arrangement in Western terms might be described as a business cartel, in Thai terms it is a network built on relationships that cut much deeper than in Western terms through interdependencies of family, friends and cultural values of indebtedness and favour, such as *bun khun* (บุญคุณ). So the ability of one competitor to operate within the network may be dependent upon another competitor within the network. Therefore, a foreigner who seeks to implement strategies based on their cultural notion of efficacious *ends*—in this example to lower costs by rationalising contracts—may fail to achieve an efficacious outcome, because they are unaware or blind to the differing cultural notions of efficacy, that weave a complex landscape of interdependencies. As *farang case subject* FCS04 also said: 'build relationships before you build business'.

To fully avail of the resources within the workplace—to tap into the latent efficacy that exists within networks—it is necessary to first build relationships, as illustrated by the following examples:

I think you need to pick your trust marks, so you need to build them in all elements of it so we know that there are different bricks to the business. You need to make sure that you have your communication lines into each of these elements in an area of trust for each of them. You don't have to have the lot, but you need to understand the influencers, change merchants, and knowledgeable people are in the business, and build those lines. **(FCS01)**

In this example farang case subject FCS01 talks of building trust lines—networks—in order to achieve outcomes sought. Without establishing these relationships the necessary cooperation won't be forthcoming:

I needed access to a lot of very sensitive material in the HR department and the HR manager pretty flat out said 'no', and I had to get around that because she doesn't work for me, she's an Executive Vice President. I'm just some [farang] so in many ways I had to find a Thai way of getting her to cooperate. **(FGP07)**

The 'Thai way' FGP07 refers to, is first to establish a relationship. However, there are not only relationship networks that need to be present within the workplace, but also latent efficacy that may exist with relationships held outside the workplace:

On the other hand, they have their own group dynamics where they get things done. Typically, they call friends. That's one of the huge advantages. You get someone in who is working for you, very networked. Some of the girls in my office, it's unbelievable what they would do for us. Only say "what about that [they reply] I will call my friend", and "I went to school with them and they keep contact with them". **(FGP07)**

Networks start with relationships. The Thai value system to a large extent 'rests on the harmony and smoothness of interpersonal relations' (Komin 1998, p. 228), and relationship networks are an important feature in this order. Within the Holmes, Tangtongtavy and Tomizawa's (2003) three concentric circle model of relationships, networks fall within the desirable *cautious circle*. Network relationships tap into deep-seated Thai values, such as *bun khun* (บุญคุณ) and reciprocity. As illustrated above, in addition to loyalty and trust, networks can bring to bear the network relationships of others, thereby changing the dynamic of the latent efficacy within the situation. Without the appropriate relationships established, as in the examples above, the appropriate efficacy of means may not be available to achieve the performance outcomes desired, either within the workplace, or through the latent efficacy that

exists within the *means* available to subordinates, through their personal networks. In a PM situation the primary relationship is the manager-subordinate relationship.

6.3.3 Manager-subordinate Attribute

This attribute could well be represented as having a third element to it, being the organisation. The manager acts as the immediate representative of the organisation with the subordinate and also has a personal working relationship with the subordinate. However, regarding a subordinate's performance it is evident from this research that the working relationship with the manager, is more likely to act as a *driver* of performance, than the subordinate's relationship or identity with the organisation. Obviously the organisation is a legal entity and not a human being, and therefore the relationship can only be formed with representatives of the organisation: the manager, HR personnel, and the leadership team. It therefore must be on a formal basis, rather than a personal basis. This collective of representatives of the organisation are intrinsic to the organisation's systems, which from the perspective of this research, emerge as a constraint in cross-cultural PM. Therefore the relationship with the organisation is analysed within the Constraint Domain; refer PM Systems/Organisational Structures – Chapter 5, p. 105.

The hierarchical trait of the Thai society places expectations of norms and standards of behaviour upon one, in regards to their relationships to others within the hierarchy. The values that underpin relationships with Thais can impede a farang's ability to achieve efficacy in a working relationship, if they are unfamiliar with them and therefore unable to interpret the cultural motivating forces associated with them. This can lead to a deleterious effect on the efficacy of a manager's PM, where the manager's behaviour does not accord the expectations placed upon them by their subordinates and associates. Equally, these values can be exploited to tap into a latent efficacy that exists within the situation, and can also build a latent efficacy in the relationship, which may prove beneficial at a future time, such as the strong loyalty value of *bun khun* (บุญคุณ)—refer to Glossary of Thai Terms, p. xi.

Respect, trust and honesty were the key values that participants referred to most frequently, in terms of building a productive working relationship, or bond with their Thai counterparts and subordinates. A fundamental component of this is to act empathetically with regard to the Thai customs and beliefs, particularly regarding their Buddhist beliefs, the Royal Family, weddings, funerals, and the like, as highlighted by a *farang case subject*:

There are many, many cultural activities that happen. There are 17 or I think 18 holidays a year, public holidays. Half of them are tied around Buddhism. Probably a quarter of them are around the royal family or whatever and then there are some others. It is not necessary that you over engage in those activities from my experience, but it's important that you don't

disrespect them, and on the other hand, you actually acknowledge why they are doing it, particularly in relation to the Buddhist and the royal family piece, you would never be disrespectful to any of that... So, talking positively about some of the things that maybe the King has done, or acknowledging the birthday...[also] the Loi Krathong Festival [ลอยกระทง - annual 'Thai floating festival']...talk about it... "I went to Loi Krathong and saw the boats floating in the water" and ask them about it, just to engage in conversation. Don't say anything negative about it...just keep it honest, show an interest in understanding and I think that actually bonds...It is interesting, some of the [customs]...like learning about how funerals happen and the reason certain things happen at certain points. The funerals go on for five or six days or whatever. It doesn't mean you need to go for five or six days like perhaps the Thais might, but showing some respect and come along...So my approach is acknowledging it, talk about it, never talk it down, show some interest and respect to it, and that's bonding [the relationship]. **(FCS01)**

As a manager—the boss—is an elevated position within the hierarchy of the relationship, which implies a strong 'power distance' value, which, in turn, has a significant influence on the terms of the relationship, and the norms or expectation of behaviour within that relationship. In the example above, it is the expectation that the boss respects their beliefs, their institutions, and will attend funerals and weddings on occasions. Thai staff would be disappointed if the boss did not show respect for their staff by doing so. While the Thais will be forgiving of a farang boss in not doing so, since it is not their culture, by reaching out and showing respect in such a manner helps cement the relationship, building a bond for efficacy of performance.

Whilst the hierarchical nature of the Thai social system implies a strong power distance relationship, it doesn't necessarily mean that as a boss one has strong power, as illustrated by a *farang case subject*:

Thais have hierarchies that are more important than the work hierarchies...You will see them in the traffic every day: it's more important to talk to your mum than driving although there are 20 cars [stuck] behind you. We're thinking now you are driving, you have to do what you are supposed to do for driving, but those are all people [stuck behind them] that she/he doesn't know. They couldn't care less. It is mum on the phone because mum is the priority, obviously. So, there are circles that are so strong that apply pressure, not necessarily knowingly, that makes you have to tread very carefully. Thais leave jobs readily; easily, change jobs very easily. So you lose that sort of inherent power you have as a boss; if they don't like a job, no, they don't care! **(FGP07)**

This example tends to support the Holmes, Tangtongtavy and Tomizawa's (2003) three concentric circle model of Thai relationships. To establish an efficacious relationship a boss

must earn their elevation within the Thai circle of relationships, beyond the transactional of formal relationship, to one that attaches to the Thai sense of ego or self (Komin 1998).

The hierarchical trait can be a two-edged sword. In the first instance it can provide a state of order, as typically noted by a *farang general participant*:

They like to have a full hierarchy; everybody likes to know their spot so you don't complicate that too much. **(FGP08)**

In the second instance it can make staff reticent to express their opinions to their bosses, which can stifle creativity and access to the latent efficacy within the situation, as evidenced by a *Thai general participant*:

The Thai working style is still very hierarchical... people defer very much to their bosses and respect the bosses and would be more likely to go out of their way to please their boss, whereas in a Western environment, a Western company and the Western people, I think they do their jobs as per less restriction, and there is less personal respect, I find, unless it seems the boss is really, really good: but the general people get on with their job as per their job description. But, in Thailand, I think there is more personal respect and hierarchy and people I think stick to it. You would never question your boss in public [to lose] face or any of those sort of things... Thai workforce is less reluctant to speak up or to show their ideas, to share their ideas when their superiors are around. When they are in a room, they always think that it's for them to listen and for the boss, the more senior person, to do the talking. **(TGP04)**

Such reticence by Thai subordinate staff may be viewed as an impediment to drawing on the full capability of the staff, or team resource—the efficacy—latent within the *means* available to the performance situation:

So, the biggest problem is trying to get them to talk out, and even though I've got that staff that have been with me—the management level of been 14, 17 years, and the younger generation—some of them are still young—but they... will still go quiet. **(FGP03)**

It's very difficult for me; [as a manager] I am very team oriented, to work as a team, because I would say, “what are we to do here, I would like to hear your opinion?” but I won't get it. It will only be my opinion. So you can be 10 people, but you only get the thinking of one, which to me is very awkward. **(FGP07)**

A Thai cannot go up to say to the farang boss “I want to say something to you”, it never happens, not in this life, or next life, and life after [laughter] because even if the boss is Thai, we will say I do not do also, and when [the boss is] *farang*, Thais will say okay maybe *farang*

we don't understand because, you know, different place they come from, and so on and so forth, and the Thai does not want to challenge anyone. **(TGP04)**

In the previous four examples there are a multitude of values that interplay or vie for influence to determine efficacy for the individual, for example, respect for seniors in the order of hierarchy, an expectation that the boss is in command, knows what he wants done and will advise accordingly. This also invokes *greng jai* (เกรงใจ), and *face-saving* where the subordinate does not want to cause any discomfort to the boss, or loss of face: ‘you would never question your boss in public [to lose] face or any of those sort of things’ (TGP04). Further, there are issues of self-efficacy, on behalf of subordinates, who may fear that their contribution may not be of value causing them a loss of face. Worse is fear of retribution from the boss, who is in a position of power, as explained by a Thai HR director working for a large American multinational organisation (and an Australian boss):

If a subordinate does something or they say something not good [they fear] the boss will judge them, and [they will think]: “quickly he will talk to [HR Director] to fire me, or he will not like me; he will remember me and he will be biased, and it is not good for my progress in the company”. **(TGP10)**

As a foreigner manager, acting within the social norms of one’s own culture, in a manner that may be contradictory to the social norms of the local national culture, may also have an adverse effect on the performance situation:

I had [training] exercises in my BCP [business continuity plan]... I had a Thai manager resign on the spot because that person took a certain action in front of their staff and 10 minutes later it was found to be the wrong thing, it was just in the scenario we did—a make-believe—he knew it, he lost face and he quit in the middle of training exercise. **(FGP01)**

On the surface this might appear to be associated with that one particular event, but truth be known, it might just as well have been the ‘last straw’, something brewing from an accumulation of incidents over time, as evident in the following example:

A situation I've seen a lot. A valued person, if you talk to [them] “how are they going? Good? No? Very happy?” You have a discussion with them: “Yeah, you know I’m very happy, it’s all good”, and everything like that, and then the trouble next minute they've handed in a letter of resignation! **(FGP08)**

Thais also expect managers to be in control, not only of the situation, but also in control themselves. They expect a manager to be able to act calmly (*jai yen* - ใจเย็น), to promote harmony in accord with Buddhist teachings. When things go wrong they expect a manager to

be able to not become emotionally attached to the situation, but to be able to let the issue go and move forward in the manner of *mai pen rai* (ไม่เป็นไร), and give guidance. This is illustrated in the following examples:

A *Thai general participant* recounts their experience with a farang boss, whose behaviour ultimately caused them to resign:

Tell me how to fix it. If you are in a bad temper or get angry, or something, tell me how to fix it, and I will do it. If just only yelling at me and don't explain why, I cannot fix it for you, even now or in the future! **(TGP09)**

Such behaviour undermines the relationship through a loss of respect in the manager, as a *farang case subject* informs; the manager becomes the problem, not the issue:

When you lose your temper don't throw things on the table or stamp around. That's what Thais will see as the problem, not what you are describing. They will see your behaviour as the problem and not why you were being upset. **(FCS04)**

And can severely undermine the relationship and the efficacy of the situation:

The Thais generally will be more sensitive, so if a boss calls somebody out for making a mistake in the office in front of somebody it's very bad. It's about the worst thing you can do, right. And, how is that person going to respond? If it's a Thai they're going to be deeply hurt by it. They might have to resign. They might hold a grudge and get even with you by sabotaging something or doing something...If it's American [subordinate], he'll probably get over it; Australian [subordinate], he might fight back, but he'll get over it. **(FGP15)**

With these previous examples the *tension of expectations* mostly led to unfavourable outcomes, or a failure to achieve desired outcomes or effect, because of differing cultural expectations rooted in a differing suite of cultural values. However with a greater understanding of the other culture and willingness to make compromises, the latent efficacy within a situation may not be lost or compromised. This aspect is analysed in the proceeding examples.

Farang case subject, in the example below, talks of it being 'very easy to get commitment', but what they are referring to is that it is very easy to get 'apparent' commitment. Thai subordinates will often say 'yes' to a request or instruction, but the outcome can be completely different for a variety of cultural value reasons. These may include *face-saving*, where the subordinate does not want to look foolish if they did not understand the instruction; or deferring to the boss, not wanting to contradict the boss because the boss must know best (*power distance*), or because of the *conflict avoidance* trait. In

reference to team meetings, the *case subject* in this example, post a team meeting uses a softer, more circuitous approach through their relationships, to ensure that they have the commitment they sought to the task:

It's very easy to get commitment in meetings, but the insight that I've found here is that you need to go and re-establish that commitment later on and sometimes you actually need to drill down on the detail outside the meetings, so you can do that two ways, you can have the trust that people drill down to a certain extent before the meeting, but more particularly, you have to go and ask the questions after the meeting. Typically they [Thais] may even say it happened in the meeting, where there'll be discussion in the native language, which you know there's an issue, but won't be talked about—in a way—or in English or... language that you or I can understand, and a lot of it is about keeping face; not being disrespectful or putting someone on the spot in front of everybody such that, they don't look like they're capable of doing what they should be doing. So, there is a process here around double-checking and third checking, and continually following up on things, that requires a lot more focus and understanding than you would typically see in a more experienced westernized environment. **(FCS01)**

This approach is akin to going with the flow of the efficacy of the situation, seeking to influence rather than dominate the situation. A more direct, forceful approach—one that crosses cultural norms of behaviour—could jeopardise the manager-subordinate relationship, or alienate the staff and meet with resistance, resulting in a less favourable outcome, as presented in earlier examples.

An effective way to go with the flow in this manner is for a manager to act with *sum ruam* (สุภาพ) to be respectful, courteous, and calm:

Buddhist teach you to be *sum ruam*, because the Buddhist believes that when you're *sum ruam* your physical, you're heart or your mental, can be - - *sa-ngop* [สงบ] peaceful, calm...as a boss (or even as a junior) you have to be *sum ruam* and once you are not *sum ruam* you will be penalised at once, like you're bad. **(TCS02)**

This is a pathway to efficacy in relationships, according to Buddhist teachings, because to be *sum ruam* (สุภาพ) enables one to think more clearly, to be better able to see the reality of the situation. By promoting harmony one does not exacerbate the problem, which might otherwise occur by being clouded by emotions and motives unclear to one's self.

To act with *sum ruam* (สุภาพ) does not mean that a manager needs to act without authority in the relationship. Quite the contrary, an effective management style would be to

act within their position in the hierarchy. Being senior, the manager is looked up to by their Thai subordinates, and are expected to have the knowledge, skill and experience to be in control, and to give guidance, as would a parent-child relationship: firm, fair and caring. This managerial charismatic trait, or value, in Thai culture is referred to as *baramee* (บารมี) being comprised of *pradait* (พระเดช), the authority and control of a manager, and *prakhun* (พระคุณ) being the kind, caring and benevolent aspects of a managerial style—refer to the Glossary of Thai Terms, p. xi.

To be an effective manager, it is necessary to display both traits of management. A *Thai general participant* explains:

That [*prakhun* - พระคุณ] you buy them heart and they will be very honest to you, very respectful and loyal to you, this is the way to build up the relationship with your Thai staff...but you have to keep distance too, and act that you are the boss [*pradait* - พระเดช], good boss, to help the employee. (TGP19)

A *farang case subject* explains how it is important to be balanced (in *pradait-prakhun*), for being too far one way may lead one to miss the nuances (the latent efficacy) in performance situation:

If you are too far one side—and it can be either side—and you want to make ground, so [much so] to the point that if you're too authoritarian, and new to the market you won't understand the nuances here [in Thailand], and have preconceived ideas about what does and doesn't work. Some of the things you bring to the market will work, but other things are going to cause some extreme heartache. (FCS01)

Exercising a balanced managerial style in this way, especially extending *pradait* (พระเดช) in times of need, may cement the powerful value loyalty of *bun khun* (บุญคุณ) in the relationship with their subordinate, as typified in the examples that follow.

A *farang case subject* recounts a situation where he resurrected the career of a Thai subordinate through coaching, mentoring and supporting the subordinate beyond the subordinate's expectations:

I took him on, and it was sort of like a renaissance for this guy, and the more I gave him the more he did. The more he did the more confident he became and he regained his whole stature, and the guy ended up being an incredibly close friend, and that's where probably you were talking about before, the bonding for the foreigners that get it right, is much stronger

than the bonding we would have in our own workplace...in a Western work environment.
(FCS04)

And, as expressed by Thai general participants:

If [Thai] people forget *Bun Khun* [บุญคุณ] for anyone, those people are a bad person, that's what we were taught [by our parents] when we were young, and our religion also relate that as well; for example *Bun Khun* get from parents you never can give them enough, that *Bun Khun* from young until grown up...They [farang manager] should, yeah, they should. If they work with Thai culture, *Bun Khun* is very important. (TGP13)

And so for *bun khun* (บุญคุณ) the relationship will be better, and then the work will be better as well. You feel good about someone and you like to [work] your hardest. (TGP18)

A Thai case subject speaks of never forgetting the debt of gratitude that comes from *Bun Khun* (บุญคุณ):

Suppose there is trouble with family if I need money to pay for the hospital and have no money, I ask from you and at that time I'm just in real trouble, and that you come to help me at that time. I never forget that one; they call *bun khun* (บุญคุณ). (TCS02)

Bun Khun is a power value that may engender enduring loyalty (Komin 1990b). As the senior in their relationship, a manager is able to display heart-felt support to the subordinate, a support that is beyond the hierarchical nature of the relationship—the *prakhun* (พระคุณ) aspect of management style. This will engender *bun khun* (บุญคุณ) in the subordinate, and will be an enduring motivating value for the subordinate to reciprocate their support, well beyond the formal parameters of their job role. In this manner the *bun khun* value is a means to access a latent efficacy within a performance management through a debt of gratitude that motivates a subordinate to extend themselves in support of their manager, through the task at hand.

However, the hierarchical nature of Thai culture does place a formal structure on the manager-subordinate relationship, and depending where one fits in that hierarchy may determine the level of authority a manager carries with a subordinate in that relationship, as articulated by a *Thai general participant*:

If you are the managing director of this company, you own the company, everyone listen to you. Whatever you say, they say 'yes'. But if you are the number two, or number three, they

start to listen to you less. Okay? They will listen to you as long as what you are saying—their opinion—does not conflict with the top boss. **(TGP21)**

Where a manager is operating in a position lower than number one in the hierarchical order, this may be an impediment to their authority in the relationship with their subordinate, by placing them on a lower standing. However, a *farang general participant* illustrated how they were able to exploit the hierarchical trait, to enhance their authority with their subordinates:

I made it crystal clear where I was coming from. I would wai [ไหว้] her, the owner. She was in her 20s...It wasn't the norm but I wanted to show the staff that this is my boss and that whatever I say and do because she is sitting next to me - - you've got to be aware, my boss is sitting next to me. **(FGP11)**

The situation in this instance was a regular meeting of department heads of a locally owned hotel resort accommodation business. The farang manager was the general manager and they held the number one operating position. The owner of the business was Thai, approximately half the general manager's age, and vastly less experienced in the operations of a hotel resort business. Being farang, of significantly superior age and business acumen, it wasn't necessary for the farang manager to wai (ไหว้) the owner—'it wasn't the norm'—but by doing so, they not only showed respect for the Thai people (their culture), but made it crystal clear that their word, their authority, carried the imprimatur of their boss, the owner, thereby enhancing their relationships with their subordinates and the efficacy of their position, or *the means*.

As articulated by farang case subject FCS04, in Thailand 'relationship is king'. The hierarchical nature of Thai society, places the expectations of behaviour within a more formal structure than experienced in the more egalitarian nature of the Anglo-Western societies, especially with regard to Australia. Therefore in Thailand there is a higher expectation that behaviours accord with cultural norms. For a cross-cultural manager to be effective, it is necessary to be aware of such norms. It is important for managers to avoid behaviours that might be effective in their own culture, but which might offend in the foreign culture. Otherwise the behaviour may result in an adverse effect, and not the one intended. Just as importantly, being aware of cultural values and norms of behaviour enables a cross-cultural manager to draw on them to exploit the latent efficacy that is present in the situation.

6.3.4 Conclusion

Thais have a different sense of efficacy (to Western cultures) that is rooted in a different set of values, related to Buddhism, living in the present moment in the pursuit of happiness, to

avoid suffering of attachment to past experiences of worry about an illusory future. They have a strong sense of relationships that support them, be they family or broader networks. This has significant implications for performance management in that they can shift the dynamic of the manager-subordinate relationship, as illustrated in an example earlier, of *farang general participant* (FGP07), who spoke of the loss of inherent power as a boss. Thus it is paramount to forge an appropriate manager-subordinate relationship, one that elevates the relationship from a purely working relationship. The relationship should extend beyond the transactional that is rooted in principles of self-interest (as expounded by agency theory) to one that is aligned to the Thai values founded in the Buddhist teachings, such as the four sublime states – goodwill, compassion, joy at other’s good fortune, and equanimity. As illustrated in earlier examples this can be done by showing interest and respect for the community customs and traditions, and in the personal lives of one’s subordinates. However, as with all relationships, effective communication is paramount to an effective relationship.

6.4 Communication Category

As previously discussed, relationships and communication are intrinsically linked. In this section of the analysis, communication is primarily analysed at the relationship level between the manager and subordinate. This research did not study communication dealing with leadership and performance strategies at levels, which might be associated with the leadership strategies, such as town hall meetings, circulars or memo concerning HR and PM policies and procedures. While these other forms of communication are aspects of a relationship, they are regarded as a formal means of communication, not at the immediate level of manager and subordinate which is the focus of this research.

The principal themes to emerge as *attributes* of communication affecting the efficacy of manager-subordinate PM engagement are: *language ability* (that is, the ability to understand the other’s language), cultural values effect on communication (termed *culture-communication effect*), and communication effect on relationship (termed *communication-relationship effect*). The remainder of this section presents the analysis under these attributes:

6.4.1 Language Ability Attribute

English was the common working language between the farang and Thai, in all instances in this research. It is obvious for an effective manager-subordinate relationship to function, there needs to be a common language spoken between them. However, some farang participants didn’t think it is necessary to have knowledge of the Thai language to function effectively in their management roles. For example, in the case of a *farang case subject*, (who has worked in several countries throughout Asia) admitted that learning a foreign language was simply beyond their capability:

I'm not motivated. I've got to be honest with myself. I tried to learn it [Thai] once years ago. I tried to learn Chinese once years ago. I tried to learn Japanese. I don't get it. My brain is not computed. I just can't focus [on learning a foreign language]. **(FCS03)**

So to hold their subordinates' performance to account, the *farang case subject* fell back to financial and operating performance reports that is referred to as 'data' in the following example:

[in reference to subordinates]...we're going to talk about data, because you can't hide behind language, and you can't hide behind culture, so I deal with you on it at a data level...I'm known to my boss and everyone else—my performance review says—I'm a real data guy. I never was before I had to operate in a culture where I don't have language skills (other than an interpreter)...I have to deal with data. So the way I deal with these guys [subordinates] is data, and it kills them every time. So, my desk is 90 per cent data, no rhetoric. I can deliver rhetoric better than anybody, but data kills everything **(FCS03)**

This approach may have had benefits in getting everybody's focus on the key business performance indicators and budgets in the immediate term, but lacked a relationship focus beyond the immediate authority of manager ruling over the subordinate. As illustrated in the previous section of this chapter, this is a somewhat short-sighted view, for it attempts to ignore culture, or circumvent cultural differences in a forceful and dogmatic way, as though culture was some tangible element that can be by-passed, rather than a construct that helps explain behavioural differences rooted in differing value systems. When we take the latter view, it is evident that through the principle of cause and effect, every action one takes will be imbued—to some degree or other—with one's cultural orientation, which may be interpreted with differing cultural orientations by others. In this way, the influence of culture cannot be escaped, no matter how small that influence might be.

A *farang general participant* saw that being proficient in the local language, may be a disadvantage:

I'm not sure if I would have that much value added if I was fluent in Thai...In fact, in many ways it could have been more difficult for that reason. You are expected to know a lot more and to say more and there's a potential for you getting it wrong...I think I could have been in a lot tougher situations and had more difficult things to deal with, or whatever...If you're a foreigner and you understand Thai, they probably exclude you a little bit from some of the things, because they don't want you to know about this stuff. **(FGP08)**

However, the vast majority of research participants saw it was of significant value for farang managers to have Thai language ability, which gives a sense that *ignorance is bliss* in the above example, where it is stated 'I think I could have been in a lot tougher situations and

had more difficult things to deal with'. The following examples, given by Thai general participants, exemplify the advantage of understanding the second language:

Both in workplace and also in your private life and also outside the office, I think that what you get out of your stay here [Thailand] is going to be very enhanced by learning the language. In many countries you can get away with English whether Malaysia, Singapore, Hong Kong. In most other expat havens you can get away with English, but in Thailand the English language skills are very poor. Of course, their colleagues in the office, especially at a higher level, get away with some English but in general, particularly usually your subordinates, you need some language. You are not expected to be able to conduct a meeting in Thai, but you know, conversation, personal communication—you should be able to speak in Thai. **(TGP04)**

While having the foreign language ability may be a driver of performance, the converse—the lack of language ability—is a constraint on performance. As expressed by a *Thai general participant*, in reference to negotiating the setting of performance targets between a farang manager and a Thai subordinate, the lack of language ability may lead to a lack of commitment:

But with an expat, would you [Thai subordinate] be less likely to negotiate? Yes, less likely because the first thing is the language. Sometimes we have the language value, and they are not in a position to talk. They're feeling like: 'okay, I don't understand English, and they don't understand Thai, why do I have to bother?' **(TGP17)**

Learning the language is a key to understanding the culture and the people:

I want to say, our friend from a foreign country, try to understand the Thai language. The same thing when you go to Japan, if you go to let's say the name Uzbekistan, Mongolia, you need to understand the word, because the word really represents the people and the way they think, so then *you* can understand why they think [a certain way]. **(TGP21)**

This is a view supported by farang also:

It is important to learn the language if you want to understand what's happening in a broad sense. 'The language, like anywhere, is the key to the culture' **(FGP07):**

It helps you understand the thinking, not just communicate. It's a major breakthrough in simplifying your own grammar...I'm not a fluent Thai speaker, but the process of learning it unlocks so much—it allows you to understand the thinking of Thais. Some of the grammatical restrictions they have...helped me a lot...to simplify the grammatical structure of English, not to speak in Pidgin English because that's insulting to Thais. They understand you when you speak slowly and clearly, but in English you can construct a sentence eight

different ways. The same words you can put with different endings and you can construct—you can say the same thing six different ways. In Thai there's only one way. So learning the Thai language helps you accommodate your grammar so that it's easier for Thais to understand. **(FCS04)**

In the last example above, the *farang case subject* identifies learning the language as being a means to understand the thinking of Thais, the grammatical structure and logic sequencing of their language as being a window into how Thais think, and therefore being better able to communicate. Trying to understand the different logic of Thais was an often-expressed frustration of farang managers participating in this research, again manifesting as a *tension of expectations*. There is an implicit acknowledgement in the preceding examples of a culture effect on communication, how it is laden with cultural values (a repository for culture) and conveys cultural values (a conduit for culture), affecting the way people think and behave. Sometimes this experience was expressed as Thais being wired differently, in a similar way to Hofstede, Hofstede and Minkov (2010) software of the mind analogy—though not one participant mentioned any knowledge of their work:

Thais have *Thai-ness*, and they're wired differently and their thinking is different and the way they approach things is different. **(FCS04)**

A farang general participant used the analogy of mental models:

My Thai is quite good and that helps, but that makes it quite obvious that it's not just about what's being said. I think it has to do with mental models. Thais will always be looking to please you, and when you say something they will always be looking to find out what is he really saying, because we [Thais] don't say things straight: “what is he really saying?” **(FGP07)**

In this example, the Thai tendency is to talk around issues, not to be direct or forthright, which is the tendency of Western cultures such as Australia. Rather, Thais tend to talk around issues being motivated by a different set of values and cultural norms, such as: conflict avoidance, being sensitive to hierarchy behavioural expectations, *greng jai* (เกรงใจ) towards the boss (not wanting cause him/her discomfort through loss of face, for example), and to avoid loss of face themselves. This tendency may lead them to process instructions or requests from their farang boss in a similar manner. That is, they may try to interpret a deeper meaning to what is literally being said. As stated by FGP07, Thais ‘will always be looking to find out what is he really saying, because we [Thais] don't say things straight’; they are thinking or trying to interpret ‘what is he really saying?’ This can result in a tension of expectations, since it can cause performance outcomes to be vastly different to what was

intended. In this example the *farang general participant* touches directly on the *culture communication effect*: ‘because we [Thais] don’t say things straight’.

6.4.2 Culture-communication Effect

The *culture-communication effect* relates to how culture may affect the efficacy of cross-cultural PM through its cultural effects on communication, as evident in this research. Essentially, cultural values manifest in both verbal and non-verbal communication, and therefore affect the message transmitted and how it is interpreted. Having an understanding of the foreign language and cultural values will aid the correct interpretation, for they contain the codes to open the way to avail of the efficacy inherent within the performance situation. However, to have a fluent understanding of a foreign language (including the aspects of pragmatics, cultural scripts, and non-verbal cues) is beyond the scope of most foreign language learners, unless they have vast experience in the language and relevant culture. In this case the *culture-communication effect* is, to some degree, likely to confound one’s quest for efficacy in a cross-cultural PM setting. The remainder of this section will examine some of these effects and associated cultural values, as experienced by the research participants, commencing with the Anglo-western propensity to be direct in their communication (say what they mean). This tendency is opposed to the Thai tendency to circle issues with a non-direct approach, creating the potential for tension to exist within the PM situation.

This Thai *circular communication* tendency may be stimulated by a varying number of values, depending on the circumstances. For example, such values may include *hierarchy* (power distance) where a person avoids going directly to the boss, because of a lack of confidence dealing cross-culturally with complex situations (*self-efficacy* or lack thereof), and not wanting to lose *face* from their difficulty of comprehension in the foreign language, and the associated embarrassment they experience. So, rather than going direct to the boss, they go through a third party, who might be have a closer relationship with them. Another example may involve skirting an issue when in direct conversation, which may be associated an underpinning value of *conflict avoidance*; or not informing the boss of some problem because of the value of *greng jai* (เกรงใจ)—not wanting to cause the boss discomfort.

The Thai circular communication tendency can be frustrating for farang managers, as expressed by a *farang general participant* (who uses the term ‘triangles’ instead of ‘circles’):

PARTICIPANT: Thai culture, they are very reluctant to give direct feedback. They will do it through what we talk about as ‘triangles’. And, you’ve got to be attuned to that, you’ve got to be attuned. If [Joe Blogs] has got a problem, the chances are I’m going to find out about it through somebody else.

Interviewer: That's a deliberate communication channel?

PARTICIPANT: Yes, and that's fine. You've just got to be aware of and be attuned to it...you would prefer it not to be that way.

Interviewer: If you were not attuned to it you wouldn't pick up those signals?

PARTICIPANT: Precisely. In fact, a lot of expats react badly to it; “none of your business”, sort of stuff. “If you've got a problem, you come and talk to me” that sort of stuff, which just destroys it [the communication] and causes a bigger problem. And, a lot of expats do that...they feel confronted by it and [walk] away. **(FGP02)**

The Anglo-western tendency to do the opposite to the Thai non-direct approach—that is, to be more open and direct in their communication—may lead to misunderstandings, and can be confronting for Thais:

From a cultural perspective...don't assume you understand what their thinking is...Be wary of that, because what you think they're thinking, and what they are thinking are two different things, and you need to ask them and you need to try to get to bottom of it. It's not a matter of going direct to say what do you think about this situation? It's how best can we do something. We are generally direct as Westerners. We cannot be as direct as we used to be. We have to find an avenue that they will respond to...that is less confronting. **(FGP03)**

As acknowledged by Thai participants:

Thais don't like confrontation...They don't like to say no to people...don't like having to explain why this and no [that], like Westerners want—you can't just say no, you have to say why you were saying no, right? They don't want to go through that—especially if they are quite senior [that is, to a boss]...to give an explanation or making an excuse. **(TGP04)**

In this next example a *Thai general participant* (a HR Director with an Australian multinational organisation) uses the term ‘zig zag’ instead of *circular*, and alludes to the value of *greng jai* (เกรงใจ)—in this case, not wanting to ‘hurt someone’:

For example, if I want to get something to that [person]...I can go zigzag way to get that outcome. If I go directly, I hurt someone. If I go zigzag maybe not sure whether, you know, to confront people...sometimes people want to get message to me, they don't talk to me directly they give my employee [subordinate]. They talk to the *consultant* [subordinate title] and the consultant will talk to me more. They put the message to the consultant to get the message to me. They don't talk to me directly. **(TGP13)**

As admitted by the *Thai case subject* conflict avoidance is a motivator for this trait:

I'm someone who always avoids confrontation. I hate confrontation...For someone who is very strong, very un-Thai, one extreme would be to confront, just like my boss when we had the conversation last time, she's very un-Thai, she always jumps into confrontation, but for *me* I'm the other extreme, I avoid. I think the Thai may probably be somewhere on the non-confrontation side of the scale. (TCS02)

The Thai trait of circling an issue, or being non-direct in their communication leads to a tendency for them to be looking for a deeper meaning in the communication, trying to read between the lines, rather than accept the literal or direct message contained within the communication. This can be frustrating for farang managers, often requiring them to redirect their energies to ensure what was said was understood and actioned appropriately. As cited previously with *farang case subject* FCS01 'there is a process here around double-checking and third checking, and continually following up on things, that requires a lot more focus' by the manager. A *farang general participant* sees the issue, of Thais tendency to seek a deeper meaning than the literal message, as being the kernel of the *cultural clash*:

They're very often attempting to interpret what you *really* wanted, or what is good for you...I would say here is the dilemma—and I discuss it with my wife almost every day—I'll say: on one way you [Thai subordinate] say to me "just tell me what to do", don't empower me or anything, "just tell me what to do, I like my work that way". Okay, I'll tell you what to do. At then they [just] interpret it anyway, and don't do it [what I asked]. And I'm like 'but surely this is a no win situation'! I'd tell you what to do because you asked me. *But you assumed I wanted something else*. What was it that wasn't clear? And, this is the cultural clash in a nutshell. (FGP07)

Another farang general participant talks of being well prepared if an issue needs to be discussed due to the Thai trait of *conflict avoidance*, which may cause them to circle the issue:

As a rule they [Thais] don't like conflict, and they don't like confrontation. And, if you do have confrontation you've got to make sure you are very well armed because there's a tendency that they never stick to the issue...if you're trying to address something, address an issue (FGP04)

The issues of the *culture-communication effect* are unlikely to be associated with any one cultural value, for there is more likely to be a milieu of values vying for efficacy, depending upon the situation. In the following example the *farang case subject* touches on values of face saving, conflict avoidance, hierarchy, and relationship (for example trust, and coaching, which may be associated with the *pradait* (พระเดช) management style):

You need to make sure that you don't make them lose face in the process of them having a discussion with you on the side. The things that were said there, you might coach them down a path that sort of brings it back into the forum, but you definitely wouldn't go back to the senior Thai person and say “Khun [คุณ] such and such said this”. You have to really find a way that brings it back in without anybody losing face, otherwise, the next time you try to approach it you'll never get to it. They will just lockdown and be cagey about what they're actually giving to you, and again they go off and do the own thing, and probably resolve the problem, or try to resolve the problem by themselves, which can be difficult because, again if the problem isn't resolved, it's smouldering and escalating to the left-hand side and you're not seeing it, then we know the outcome there. (FCS01)

In this example the *culture-communication effect* on efficacy is the potential *reticence* of the Thai subordinates ‘they will just lock down’, causing an altered state of efficacy within the performance situation: become ‘cagey about what they’re actually giving you, and go off and do their own thing’.

It is not only verbal communication that potentially creates a cross-cultural communication void or miscommunication, that may affect the efficacy of a situation, but it is equally non-verbal communication, or what Hall (1959) calls ‘the silent language’ that may confound the actors in in a cross-cultural PM situation, such a body language.

As indicated in the previous examples Thais can be disconcertingly indirect in their verbal communication. Non-verbal communication may be ‘more subtle and most confusing to outsiders who may not be able to read all the signs’ (Holmes, Tangtongtavy & Tomizawa 2003, p. 22). Caution on non-verbal communication is the first piece of advice the *Thai case subject* would offer an incoming expat:

PARTICIPANT: First I would say: ‘what you see is not what you get with Thais’...so even if you see people nodding or seemingly pleasing, it's probably not what's deep down inside and their real feeling. So, don't be clouded by that.

Interviewer: In that case if you are warning them... how do you coach them to deal with that?

PARTICIPANT: Well, don't make decisions or conclusions at the first instance, okay. Take a long-term approach “do na naan naan, parsar Thai” [ดูหน้านานๆ ภาษาไทย - literally: “look at the face for a long time, Thai language”]. You look at that person from longer times, and you look at other gesture - - non-verbal language, physical language as well, before you conclude *what does this mean*. Ask many people before you make a decision. (TCS02)

A *Thai general participant*, who was educated in Australia, has limited Thai language skill, and whose work experience was in Australia (until their current role in Thailand) regards resistance to change as another non-verbal sign:

PARTICIPANT: So, they [Thai subordinates] try on a lot of things on me, they challenge me in a lot of ways.

Interviewer: In an overt way like in Australia?

PARTICIPANT: No, they wouldn't do it in that way.

Interviewer: They do it more subtly?

PARTICIPANT: Oh yeah! And that's even more dangerous, because you don't know what you're dealing with. They could set you up to fail if you are not careful.

Interviewer: Would you call that a *passive resistance*?

PARTICIPANT: It's a resistance.

Interviewer: So, would a normal farang in your position experience the same thing, or would they [Thai subordinates] be more forgiving?

PARTICIPANT: No, I'm sure they would experience the same thing, but they [farang] don't know it, they don't know it. **(GTP26)**

Thais may misinterpret non-verbal cues also, as in the following three examples:

Many times they get feedback from, from our [Thai] associates "why he got mad" [The farang boss], but I know he control himself... he also teach me about this that when you're angry don't use your emotions, you clam, you think, and then you react. **(TGP10)**

If I raise my voice, or I become too direct they take me as being angry even though I'm not. But because I'm very expressive when I speak, they tend to take that as being angry, in the Thai way, but I'm not and I'll just being expressive. **(GTP26)**

3) I think most of the misreading of the body language [by Thai], maybe some people who really you think should be grovelling around and... people think you are not showing them the appropriate amount of respect. **(FGP08)**

The underlying sensitivity and complexity of cultural values within the Thai culture make it very difficult for farang to come to terms with, which may cause miscommunication, frustration, and tension within the relationship between manager and subordinate, as alluded to in the following example:

I grew up in the UK and Australia and it's like I can really have a temper, but here... you've got to control it. It's taught me a lot. I use Buddhism and meditation to do that, but I did it for the only reason to stay calm with people, the reason because if you show any emotional side at all, and if you don't sort of smile, the *respect goes like that!* **(FGP03)**

A *farang case subject* highlights how this tension that may be caused by the *culture-communication effect* on the manager-subordinate relationship, and can have a significant effect on the efficacy of the performance situation, where the *signals* may be missed:

Thais, they get overwhelmed but the fact that you're a foreigner, you don't understand the signals, and “why should I bother”? The easiest way is to let the trigger or let the warning go past -- because the person is probably not receptive anyway. I'll give you examples of in my environment, forming business relationships where a Thai would become - - signals of risk, signals of personality that I would gloss over. And, you do it enough times and won't tell you again so they just let you do it. It's not that they mean you harm, it's just that it's too hard to confront you. It's just not in them. **(FCS04)**

The cultural values of hierarchy, greng jai (เกรงใจ), conflict avoidance, and face-saving, may cause Thais to be reticent in expressing themselves, or to use circular communication ploys. Such cultural values related behaviour can cause Thais to be very sensitive to non-verbal cues. These non-verbal cues can be just as foreign as language to a person of another culture. Such sensitivity to non-verbal communication, as indicated earlier, may cause Thais to seek a deeper meaning to the literal content of the verbal message. They tend to look behind the words, to the context, the non-verbal cues:

They're [Thais] looking at your eyes, they're looking at your face, but using all of the signals and the speech you use and what you are saying, to form a descriptive term of you in the form of your heart. **(FCS04)**

This example shows the broad context of the communication and how it is important to Thais in assessing the real message being conveyed; what is the true heart of the person, what is the nature of their relationship, which touch on the *communication-relationship effect*.

6.4.3 Communication-relationship Effect

Communication and relationship are intrinsically linked, especially in a PM situation. Communication can be symptomatic of a relationship, in that the form and content of the

communication may be reflective of the nature of the relationship. For example, if the nature of the relationship is a poor one, the communication might contain aggressive body language, plus disrespectful tone, manner and content. Conversely, if the relationship is good, the non-verbal and verbal forms of communication are likely to be respectful and helpful. The absence of communication can also be symptomatic of the relationship, as shown in earlier examples of the reticence of Thai subordinates in some circumstances. Communication, through the pragmatics and cultural scripts of language, is laden or coded with culture. The bases of relationships are also reflective of cultural values on which they are formed. Communication functions as a *repository* and a *conduit* of culture, and cultural values through these functions are the basis of the intrinsic linkage between communication and relationships.

Just as the *culture-communication effect* relates to how culture may affect the efficacy of cross-cultural PM, through its cultural effects on communication, the *communication-relationship effect* represents the effect the *relationship* has on the efficacy of cross-cultural PM, through the intrinsic link between communication and relationship. This effect comes through *opening up*. Communication can open up a relationship, and the relationship can open up the communication:

If you are a manager... first try and build the relationship. Try and build a good relationship, because I think a good relationship will open the communication, especially with the Thai staff. With the Thai staff if you don't have a good relationship... it's really difficult for someone of your team member, who was less senior, to come say that this is not right, this is wrong, to give advice openly. **(TGP18)**

In this next example the *farang general participant* talks about the difficult conversations in dealing with staff in relation to poor performance:

Quite often, in terms of work and responsiveness, you can get people to focus on: what are the issues of why they can't do things, and how you can help them with those things. If you can do it on the basis of how you can help them, you want to try something else; you just need to create something a little bit different... To me, the closer the relationship you've got with them, the more you can do that. So, if they are feeling comfortable with you, know you are doing those things, they know you're going to put it delicately, and know you are being sincere about it. Therefore, there is a greater tolerance level, so "I think it would be good if you could improve in this area and maybe you should be doing this" [for example]. **(FGP08)**

In this example the manager uses the bases of relationship values of trust 'so they feel more comfortable with you', and respect 'you're going to put it delicately', and greng jai (เกรงใจ) 'on the basis how you can help them'. The greater the level of trust in the

relationship, the higher the level of happiness and hence the greater the level of intrinsic motivation will be experienced in the working relationship. This leads to more open communication and higher work performance (Kainzbauer 2013). This is evident in the above example where working through the relationship in this way opens up the communication through ‘responsiveness, you can get people to focus’; thereby building ‘a greater tolerance level’ to the feedback on the poor performance.

Building a relationship through loyalty builds a personal connection and opens up communication:

To get loyalty it's very much a feeling that there is a personal connection, that you can communicate okay, you understand them and have some empathy. **(FGP08)**

Building the relationship beyond the formal work level is important for Thais, for it helps strengthen the bond, which will help open up the communication from cultural communication barriers such as hierarchy, *greng jai* (เกรงใจ) and alike:

Your relationship can go up to the next level where you can go and eat and have lunch with them and spend some time talking, you know, outside work... it gives you a tighter bond with your staff...Very, very important in Thailand. **(TGP04)**

PARTICIPANT: They [Thai] *greng Jai* (เกรงใจ): even they want to talk to you but... don't know whether you want you to have your own room [space], or what, at the moment. So the Thai will look first but don't talk first. Look whether, okay, you want your own space, or you want to talk and have interaction with others.

Interviewer: So, what is advisable for farang? They should...

PARTICIPANT: Thai using informal ways of working a lot. If you take your people or your employee to karaoke [laughter] then it will be, you know, become their friend and they will feel like okay, the relationship is getting better. So it is not only your work that you have to spend your time doing indoors kind of activity [socialising] as well. **(TGP17)**

A lack of willingness by a farang manager to learn and be able to communicate in the local language, may impede a relationship, to show they are not interested:

If you don't learn some language than you're seen as being lazy or not really interested. **(FGP15)**

Conversely, a willingness to learn the language will both enhance one's ability to communicate, plus understand and bond with their subordinate better:

I would recommend to anyone that they take a course, because it's taking a course and showing that you're trying, that's what's appreciated over here. So if you study for five years, and you still can't crack the language, the fact that you have been taking classes and you give it a bit of a go, and have a bit of a laugh at yourself every now and then, that would build bonds with the Thai people. **(FGP24)**

A *farang case subject* exploited this trait by issuing a challenge to motivate a Thai subordinate to undertake a challenging task:

I wrote a list on his whiteboard and completely covered the whiteboard and he was looking at it as if, you know, it was coming like a sermon on the mount. He said it was very, very difficult, what you're asking me to do. He said I can only think of one thing more difficult than what you asked me to do and that is for you to learn Thai. Okay. I said khun (คุณ)..... if you can do these tasks, work your way through them, just one by one by one, I will commit to you I will learn Thai. That was our commitment. **(FCS04)**

The postscript to the example is that both the subordinate and the case subject were successful in completing the challenge. This example also illustrates how both communication and relationship may be important motivating factors in PM.

6.5 Conclusion

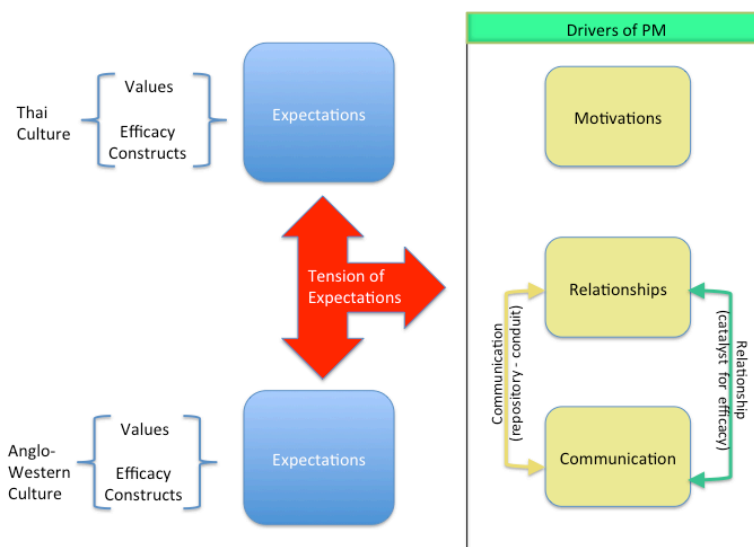
Language, the primary means of communication, is both a *repository* of culture and a *conduit* of culture. Firstly, language contains the names and phrases that give meaning to cultural values, thereby acting as a *repository*. Secondly, language acts as a *conduit* of culture through the contextual meanings attributed to the communication, and conveying cultural values via such as mechanisms linguists refer to as *cultural scripts*. For example, if one is to read Shakespeare today, in order to have a proper understanding of Shakespeare's meaning, one must have an understanding of the language itself, its usage and the cultural context of the time (pragmatics) and must understand the inferences and nuances contained within the language usage (cultural scripts).

Culture underpins both relationships and communication; it is through communication that relationships are formed and maintained, and it is through relationships that performance is achieved. Relationships act as a *catalyst* in accessing the inherent or latent efficacy within a performance situation. It is not what delivers the outcome, but the acts as a *means to efficacy* in the nature of a catalyst; the better the relationship, the more likely it is that the potential efficacy of a situation can be achieved.

Opening up the intrinsic connection between communication and relationship will allow for a better understanding of the motives of the other person: why they turn up for work: their

needs, and their intrinsic and extrinsic motivating factors. These factors create an avenue to release the *tension* that may exist due to differing expectations that arise from differing cultural values. Through the three principal drivers—*motives*, *relationship*, and *communication*—a bridge of common understanding and compromise may be formed. This, in turn, will enable the release of tension, which may deny the latent efficacy within a performance situation to be exploited. This is represented in Figure 6.1 below:

Figure 6.1 - Domain Effects of Cross-cultural PM Drivers



The dynamics of the three Categories of the Driver Domain are the means to overcome the primary constraints of cultural adjustment and PM systems and organisational constraints—as presented in Chapter 5—to provide a pathway to efficacy of cross-cultural PM. In Chapter 7 following, a holistic model will be presented, incorporating the models of the Constraint and Driver domains, to develop these concepts further, while addressing the research questions detailed in Chapter 1.

Chapter 7 - Discussion

7.1 Introduction

Chapters 5 and 6 presented the analysis of the effects of culture on the efficacy of cross-cultural PM, under the two principal themes of Constraint Domain and Driver Domain. Chapter four covered the Constraint Domain, which comprises the sub-themes (*categories*) of: *cultural values adjustment*, and *PM systems design/organisation structure*. Within the context of this research, these two categories tend to act as a constraint on the effectiveness of performance in a cross-cultural PM setting.

In Chapter 5, the cross-cultural setting was likened to a PM landscape, one that contains within it a natural tendency for efficacy, one that has a natural propensity and latency. The tendency for efficacy within a situation may be exploited if allowed to unfold naturally and by seizing opportunities as they emerge, through influence rather than direct forceful control. In doing so, efficacious outcomes that are rooted in natural attributes and propensity of the situation and have a natural sustainability, as opposed to a forced or imposed ideal of reality that is unlikely to be sustainable, as it is likely to require ongoing intervention to maintain the status of its effect. The concepts of *cultural efficacy blindness* and *tension of expectations* were developed to explain how cultural values may manifest as forces or tendencies, to constrain or confound the efficacy latent within a cross-cultural PM setting. The analysis presented in Chapter 5 culminated in a model depicting the relationship between these tendencies, which is represented in Figure 5.3 Domain Effects of Cross-cultural PM Constrains, p. 132.

The Driver Domain of cross-cultural PM presented in Chapter 6 comprises the sub-themes or categories of: *motivations*, *relationships*, and *communication*. Within the context of this research, drivers are those culminations of values that tend to give impetus to performance in a cross-cultural PM setting. In presenting the dynamics of the categories comprising the driver domain, it was explained that communication acts both as a conduit and repository for cultural values. Chapter 6 explored how the categories of communication and relationships are intrinsically linked, and that relationships act as a catalyst necessary to achieve efficacy of cross-cultural PM. The interrelationships of these concepts were presented in a model in Figure 6.1 Domain Effects of Cross-cultural PM Drivers at the conclusion of the Chapter.

Whilst Chapters 5 and 6 have developed constructs to explain cultural values and tendencies at force in cross-cultural PM within the context of this research, they have not explicitly addressed the research questions. Chapter 7 will do this by bringing together the underlying logic of the models presented in Chapters 5 and 6, to firstly address the primary

research question: *what is the effect of culture on the efficacy of human resources performance management*, within the contextual setting of this research. To do this, the interrelationships of the constraint and driver domains will be explained in terms of the tripartite relationship between the organisation, the manager, and the subordinate that exists within a PM setting. Secondly, Chapter 7 will address the first three supplementary research questions, which in essence are, how does culture affect: 1) the manager-subordinate relationship, 2) their cross-cultural communication, and 3) how the latter affects their relationship. This will be done with use of the constructs developed in the preceding two chapters, to illustrate the dynamic effects of culture, namely: *culture-communication effect*, *communication-relationship effect*, and *tension of expectations*. Finally, a model is developed from the primary themes that emerge to address the fourth supplementary question: how managers and subordinates promote effective PM in cross-cultural contexts.

7.2 Constraint and Driver Domains: Tendency Forces on the Tripartite Relationship of Cross-cultural PM

As explained in Chapter 6, the principal relationship in a PM situation is between the manager and the subordinate. There are other existing relationships, such as between the subordinate and the manager's manager (line manager) or higher up the line of management, as well as with representatives of the human resources team, and colleagues and teammates. However, the main responsibility for the performance of a subordinate, rests with the subordinate themselves, and with their direct line manager.

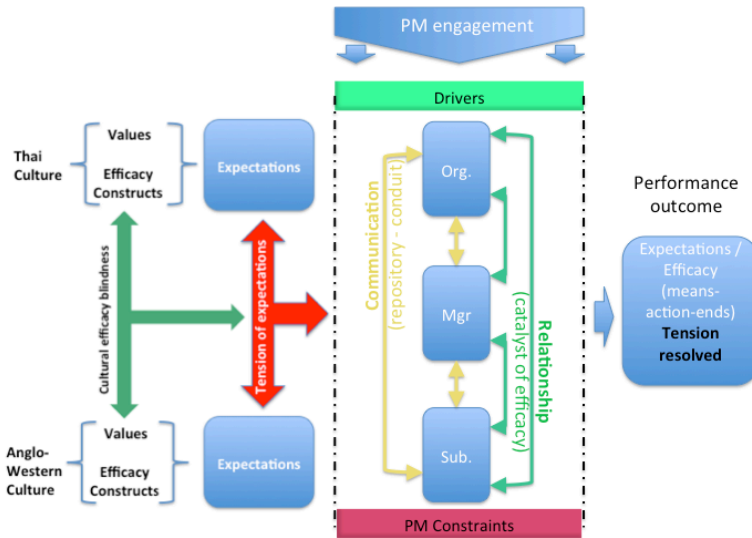
As reviewed throughout Chapter 2, a strong determinant of an employee's performance is the nature of their relationship with their manager (Brun & Dugas 2008). This strong influence of the manager-subordinate relationship on the effectiveness of PM was also found to be evident in this research, as presented in the manager-subordinate attribute (Section 6.3.3, p. 158). The manager, however, has a dual relationship role with their subordinate; firstly as the direct representative of the organisation in the relationship the subordinate has with the organisation. In this relationship the manager represents the organisation with the whole of the organisation's bureaucracy behind them – the leadership team, human resources representatives, and the organisation's documented policies and procedures. This formal relationship establishes the nature of the hierarchical relationship between the manager and the subordinate. Secondly, the manager has a direct working relationship with the subordinate. The relationships between: the organisation and the manager, the manager and the subordinate, and the organisation and the subordinate, will for the purposes of this research, be referred to as the *tripartite relationship* within a PM situation.

The organisation provides the means, the collective force, and the channels of engagement (interface) with the external environment (the market). While it might be a separate legal entity, the organisation is not a functioning separate entity in and of itself; without the people, the *organisation* would merely be a collection of inanimate property (both tangible and intangible). It is the will, the intellect, and the effort of its people who deliver performance, not the *organisation* per se. No single person can deliver their performance without the reliance on the collective efforts of others within the organisation—the means that underpins their performance—nor can they be immune to uncontrollable events within the environment, for good or for bad. This is what forms the landscape of the performance situation, and one that contains a natural tendency for efficacy, both unfolding and latent. Yet PM design has a rationalistic, almost forensic, focus on the performance of the individual, as though the overall organisation performance can be atomised and apportioned to its members. The principal goal of PM design is therefore one of control, that is, to influence, control or constrain the behaviours of its employees such that they are in keeping with the objectives and strategies of the *organisation* (Chiang & Birtch 2010).

Much of the design within PM systems incorporates motivational theory that is meant to drive performance, such as self-determination, goal setting, feedback, and rewards, as highlighted in Chapters 2 and 5. The predication of much of the theory and design is biased towards American and Western values and management theories (Ailon 2008) and as such their effectiveness, when applied in a cross-cultural situation, is somewhat questionable (Locke & Latham 2002). Chapter 5 explained how cultural value differences might constrain the effectiveness of PM through systems design elements of goal setting, performance ratings and feedback, and approaches to staff development. Management control systems such as matrix management may also act as a constraint on staff performance, due to issues associated with cultural distance of management operating outside the country of operation, of the offshore subsidiary's business. The constraints imposed by cultural differences on the efficacy of PM were explained through concepts of *tension of expectations* and *cultural efficacy blindness*.

Similarly, Chapter 6 explained how the intrinsic relationship between communication and culture (communications acts as a conduit and repository of culture), and between communication and relationships (relationships acts as a catalyst for efficacy of PM), and how they might be used to exploit cultural motivational traits to access the potential or latent efficacy within the PM situation. The associations of the Constraint and Driver Domains are brought together with the *tripartite PM relationship* explained above, and depicted in the model below:

Figure 7.1 - Cross-cultural Performance Management Engagement



The first part of Figure 7.1 is the model developed in Chapter 5 explaining the tension of expectations. The centre part of the Figure labelled *PM engagement* represents the manager-subordinate relationship described in Chapter 6, expanded to include the organisation (as described above). The PM engagement is represented as having the three principal factors—Tension of expectations, PM Constraints, and PM Drivers—influencing PM outcome, which is represented by the box on the far right.

The cross-cultural PM Engagement model above will be unpacked to address the primary research question, and the supplementary research questions 1, 2, and 3, commencing with primary research question: *in the cross-cultural setting of Anglo-western corporations operating in Thailand, what is the effect of culture on the efficacy of human resources performance management?*

7.3 The Root Effects of Culture on the Efficacy of Cross-cultural PM

As presented in Chapter 5, the effect of culture on the efficacy of cross-cultural PM can be explained by the interrelationship of two principal constructs: firstly, *cultural efficacy blindness* – which arises as a conditioning of our cultural environment and our ontology, and secondly, *tension of expectations* – which arises from cultural blindness and differing cultural constructs of efficacy, founded on differing sets of cultural values and or value weightings. The Western approach to problem solving or strategy design, is locked into rationalism, one that envisions the world in ideal forms, sets up models to impose its will, and deliberately gives rise to its goals to make them become a fact in the form of ends, that is the measure of

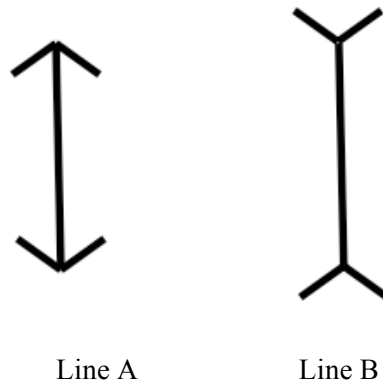
efficacy (Jullien 2004). There is an overwhelming tendency in Western organisations for strategists and analysts to see themselves as detached observers, deploying organisation assets (including human resources) in accordance with their grand designs, as though they were chess pieces on a chessboard that is its market. By doing so there is a constant tendency to be blind to, or consciously ignore, invisible historical and cultural forces latent and more pervasive within the environment. Such latent forces ‘ensure internal consistency of action necessary for strategy to emerge through uncoordinated local actions’ (Chia & Holt 2009, p. 23) that are natural and more sustainable to the situation, and may prove counter to heroic grand designs. To impose by force in opposition to going with the flow influencing the natural propensity within the situation, is likely to meet opposition, either overtly or passively, and thus deny an efficacy that is lasting or sustainable (Chia & Holt 2009; Jullien 2004). This Western orientation to efficacy is juxtaposed with the Eastern traditions, whether ancient Chinese philosophy, or Buddhism that is the foundation of modern Thai society, which proffers that one should not seek to dominate the natural propensity within the situation, but recognise one is an actor within it and seek to influence rather than dominate (Jullien 2004; Sumano Bhikkhu 2013). In a cross-cultural PM situation such juxtaposed views of efficacy can set up a tension of expectations, where different cultural constructs of efficacy (means-action-ends) are brought to bear on the performance.

PM design is rooted in Western cultural values with a focus on the individual, as if they were separate from and neither at the mercy of or reliant upon a milieu of relationships and external forces of the operating environment. It presupposes that success can be traced to specific individuals. This is done as a motivational strategy, based on Western values of the individual, by apportioning rewards to them as if they were solely responsible – with little regard to the supporting actions (directly or indirectly) of a multitude of others upon which the individual’s success is founded (Chia & Holt 2009; Hesketh & Fleetwood 2006). Yet as presented in Chapters 5 and 6, there is only a tenuous link between Western values upon which PM systems are predicated and motivational values that imbue cultural constructs of efficacy from a Thai perspective, thus affecting the efficacy of PM.

However, it is not only cultural value differences that affect the efficacy of PM, but also the way they influence how we literally perceive the world can have a significant effect. Our cultural values, the way in which we live in and view our world (form our societies and how we relate to one another) can literally determine what we may or may not see, and how we cognitively process what we do see, that is, how we interpret what we do see. Alter (2013) describes these forces that shape us as ‘seeing objects and places through a cultural lens’ (p. 125). He makes reference to research conducted in the early 1960s that showed the famous

optical illusion, of German psychiatrist Franz Müller-Lyer's (depicted below), to groups of people from different cultures.

Figure 7.2 - Franz Müller-Lyer Optical Illusion



The research showed that peoples of cultures who lived in cities, towns, and buildings in which there are straight lines that converge with perspective, on average viewed the vertical Line B to be twenty per cent longer than Line A. This is notwithstanding the lines are identical in length. However, when viewed by peoples of cultures that were not exposed to a world of straight-line perspectives, such as the Bushmen tribes in Southern Africa and tribe peoples in Angola and the Ivory Coast, they perceived the lines to be of almost identical length. The Bushmen and tribe peoples were immune to the illusion, which is attributable to the fact that they:

lived in worlds with very few lines. Their houses, often made of thatch, were either round or devoid of hard lines that dominate Western interiors, and they spent most of their time gazing at natural scenes of grassland, trees, that similarly lacked geometric angles. (Alter 2013, p.127)

Such culturally different perceptions date back millennia and still resonate today. For example, much of Western philosophy is based on the ancient Greek philosophers, as referenced in Chapter 2. The Greek philosophers tended to separate objects from their context when analysing them. However, ancient Chinese philosophers tended to analyse things within their context. Another study compared the recall of students from American and Chinese backgrounds when shown pictures of objects in context. For example, they may have been shown pictures of a tiger by a stream in a forest, and a jet aeroplane with an alpine background. When the objects were in context such as these, both the American and Chinese students had similarly high rates of recall. However, when the objects were shown out of

context, for example putting the tiger into a grassy plain, the recall of the Chinese students fell significantly compared to the American students. In examining the eye movements used by the students to study and memorise the pictures, the researchers were able to conclude that the American students spent much more time focusing on the object than on the background, compared to the Chinese students who tended to spend as much time focusing on the background as on the object. The American students' views were more aligned to an Aristotelian worldview concentrating their study of the objects with little time devoted to memorising the context. Whereas, the Chinese students adopted a Confucian view, forming their memories *inclusive of context*, leaving less time devoted to memorising the specific object (Alter 2013).

These examples are in the same vein as the analogy given in Chapter 5, where Australian Aboriginals view the efficacy latent within a drought-stricken desert landscape to sustain them spiritually and physically, as opposed to the to that of non-Aboriginal Australians, who tend to view such conditions as the absence of such efficacy, one that causes suffering and death. It is in this way that cultural conditioning can influence how we view our world and engage with it to solve our problems, or achieve our goals. As explained by case subject FCS04 in the context of this research (refer Chapter 5, p. 101 for the full reference) this cultural conditioning can be likened to colour blindness:

They [Thais] will look at something completely different whereas you are looking at it trying to rationalise something, they are looking at the disturbances associated with your actions. They see the conflict or the ambiguity - - they see the conflict in their own ways as opposed to trying to understand your business objectives... that to them is technicolour, whereas, for us you wouldn't even see shades of grey. **(FCS04)**

Also the example cited by case subject FCS03 (refer Chapter 5, p. 99 for the full citation of this example) illustrated how he saw a different performance landscape after he felt free of his sense of Thai culture. This sense constrained his own performance that he projected on the situation, and prevented him from perceiving the efficacy natural to the performance situation. After relaxing control, by placing more freedom and trust in his staff, the natural efficacy in the situation was allowed to unfold. There was more opportunity for his staff to apply their capability, have the self-efficacy express themselves across cultures and within the power structure of the manager-subordinate relationship. Thus, with less control there was less constraint for the inherent efficacy within the situation to manifest in the PM outcomes, with far better results or efficacy of PM. This revealed to FCS03 the true capability of his staff that he had hitherto grossly under-assessed. Previously, he was confounded by the question 'is it culture or is it competence' when managing cross-cultural performance. However, once he was able to cut through their cultural perspective shielding him from

perceiving the latent efficacy within the performance situation—or in his own words ‘lifted the hood and gone underneath and looked at the engine’—FCS03’s view of the performance potential of the situation changed significantly. He saw ‘some really, really smart competent capable individuals, young, Thai people’, who were in fact always there.

It is such cultural conditioning that can influence the way we perceive our world or the landscape, or in the context of this research: the way in which we view the efficacy of a cross-cultural PM situation; where differing culturally conditioned views of efficacy—the means-actions-ends—are encountered as solutions to a performance situation. This can be a root cause effect of the underlying tension of expectation that can affect the efficacy of cross-cultural PM, as illustrated in the above examples. This relationship between cultural constructs of efficacy, cultural blindness, and tension of expectations, is depicted in Figure 7.1 earlier. Tension of expectations is not only a manifestation of cultural blindness in the context of cross-cultural PM, but there is also a more direct relationship between differing cultural values, which give rise to expectations as explained earlier in this section. Hence, the cultural values differences that are drawn upon in forming constructs of efficacy, may also act as a root cause of a tension of expectations.

As expounded in Chapter 5 *tension of expectation* is a construct describing situations where the outcome from an engagement with others from a different culture, which is different to what they would expect from someone of their own culture. This tension arises due to the different cultural perceptions of efficacy and the means-action-ends relationships that are applied to the formation of cultural constructs of efficacy. It is referred to as a *tension*, because the experience is usually one that is below the expectation of one or other of the actors within the engagement, and or causes discomfort to either or both. The consequences of tensions of expectations are ones that tend to thwart the efficacy of PM.

The differing expectations that actors from different cultures might have are formed from differing cultural values, or different values weightings, which are deemed to be efficacious in terms of the actor’s cultural norms. As presented in Chapter 2, values endure and evolve in culture because they prove to be efficacious in guiding peoples of that culture to negotiate their way through their daily lives. While they are deeply shared ideas about the world, they are not fixed or hermetically sealed. Nor is there a simple linear relationship, where one value is applied to guide behaviour to a particular circumstance. As presented in Chapters 5 and 6, many values within a culture have similar characteristics (yet are subtly different within the context of the culture) that may be drawn upon to cope with the complex subtleties of a particular circumstance or context. Similar or differing values, depending on the context and judgement of the actor, will vie for efficacy to guide behaviour. To illustrate this point, Thai subordinates may react by going ‘around and around and around’ the issues, or may

react with silence (refer Chapter 5, p. 118). In this example, the reactions of the subordinates may result from a milieu of cultural values such as the Thai social smoothing values of conflict avoidance of *jai yen* (ใจเย็น), or *cheoi* (เฉย), and other associated values such as *grewng jai* (เกรงใจ) in not wanting to cause discomfort to a superior. The subordinate may also be respecting their expected behaviour, which is, deferring to their lower status within the hierarchy of the relationship, or they may lack self-efficacy in presenting their opinions in a second language. These and other values may vie for efficacy or overlap in a cultural construct of efficacy, to deal with the situation as the subordinates deem appropriate: the *means* being the milieu of cultural values, the *action* being the behaviour, and the *ends* being the goal to diffuse the situation and protect their own ego and sense of *face*.

In this example the tension of expectations is set up by the construct of efficacy employed by the farang general participant—one of being open, direct, and seeking to engage the subordinate by allowing them to explain the reasons for their performance—and expecting the subordinate to be direct and forthcoming in their response. However, the subordinate's reaction is to interpret the situation differently, because of differing value weightings, and counters with a cultural construct of efficacy founded on a different set of cultural values.

The above example is a generalised one, given by farang general participant FGP03. An actual case recounted by farang case subject FCS04 proved to be quite an expensive outcome for the organisation:

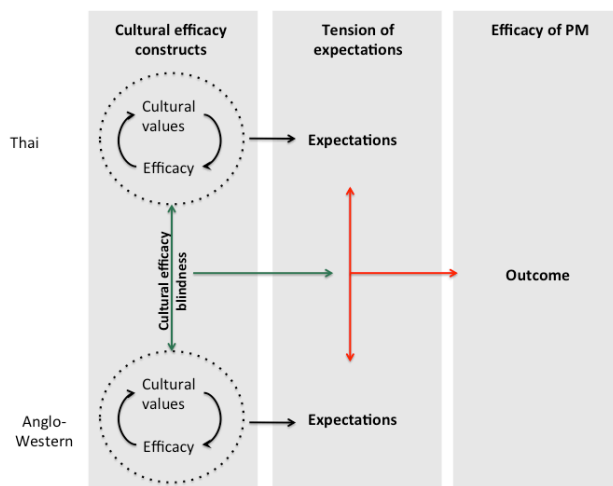
In a [global US multinational] company I worked with [in Thailand] – the Regional Office terminated a very large contract and replaced by another contractor... But the Thai subordinate paid both, because they didn't want to lose the relationship with the old contractor. (FCS04)

In this example the Thai subordinate may have had to maintain relations with the old contractor because of past favours and the network benefits they had previously provided, such is the nature of the strong Thai cultural loyalty value of *bun khun* (บุญคุณ). The old contractor may also have been an integral part of the subordinate's social network, and to sever the relationship may have had unwanted collateral effects on their broader network. In this instance the Thai subordinate was placed in a state of cognitive dissonance, having obligations to deliver under competing cultural views of what constitutes an efficacious outcome. The Western view of efficacy was based on immediate efficiency through cost control and forceful action, versus the Thai *technicolour* view of all the interrelated dependencies. The Western view was centred on immediate profitability improvement through cost reduction and perceived efficiencies to flow from the new contractor

arrangements. The Thai view was focussed on *social smoothing values* that maintain harmony and improve one’s standing for longer-term benefits. Such benefits may be unknown or defined, and underpinned in the concept of good merit and karmic effect within the Buddhist tradition. This led the Thai manager to choose a path to satisfy both the instruction of his regional office, by adopting the services of the new contractor, and continuing to pay under the old contract to satisfy his compelling tendencies, by dint of his cultural constructs of efficacy formed to resolve the situation. There were social values and ethical standards the Thai subordinate felt compelled to honour, that led him to believe an efficacious outcome was to satisfy both his obligations to his manager and the relationship with the existing contractor. From others’ perspectives, paying under both contracts may seem illogical, but in this subordinate’s mind it was the appropriate solution, to satisfy the competing interest of both his manager and his cultural values. It is through the different cognitions, rooted in different cultural values orientations that determine the means-action-ends relationships—the cultural construct of efficacy—and, in turn, how culture affects the efficacy of human resources performance management through a tension of expectations.

In answer to the primary research question, the effect of culture on the efficacy of cross-cultural PM can be explained through the interrelationships between cultural constructs of efficacy, the constructs of cultural efficacy blindness and tension of expectations, as described above and depicted in the model in Figure 7.3.

Figure 7.3 - The Cultural Effect on the Efficacy of Cross-cultural PM



The above representation of the effect of culture on the efficacy of cross-cultural PM is a high level perspective. To address the supplementary research questions 1, 2, and 3, it is necessary to drill deeper into the cultural effects on the PM engagement between the manager and the subordinate and its consequential effect on PM motivation. As presented in Chapters

5 and 6 the primary drivers of PM that affect this engagement are the communications and relationships drivers, and the intrinsic nature of the link between them.

7.4 The Cultural Effects on the Primary Drivers of Cross-cultural PM

A primary constraint on the efficacy of cross-cultural PM was presented as cultural adjustment in Chapter 5. Constraints by definition in this research are those cultural tendency forces that constrain or limit the effectiveness of the drivers of performance. Because of differing expectations between peoples of different cultures they have established different social norms of behaviour—how they relate to one another, how they communicate and problem solve—the adjustment process can be difficult, and can take a considerable length of time. As previously presented, these differing expectations can set up a tension of expectations that, in turn, can impede or deny efficacy of cross-cultural PM. The hierarchical nature of the Thai culture, or power distance value, is an example where either a tension of expectations may arise, or simply a misinterpretation of motives underlying behaviour, may deny the efficacy of PM.

By way of example, the Thai hierarchical value is not just one of respect for or deferment to authority, but a complex cultural construct that may also comprise a slew of cultural values, such as *greng jai* (เกรงใจ), *mai pen rai* (ไม่เป็นไร), *sa-ngop* (สงวน), and *bpen-gaan-guunaa* (เป็นการกู้หน้า), that is, face-saving. Such values may manifest in behaviours easily misunderstood by peoples who are not so attuned to the cultural nuances, and or they can set in motion a tension of expectations. Under this value, a subordinate in Thai culture is likely to expect the manager to know what they want done, and how to do it. The manager is the senior party in the relationship, expected to have more knowledge and experience than the subordinate, and therefore to instruct, or give commands and guidance. However this can be a cause of frustration, as with the example given by farang case subject FGP07 (where these expectations don't necessarily exist within the Anglo-western mindset), the manager can get little or no response when seeking subordinates to provide their ideas to solve a performance task: 'I would like to hear your opinion, but I won't get it. It will only be my opinion' (refer Chapter 6, p. 160). Another example heightens a sense of *greng jai* (เกรงใจ), causing a subordinate to not bring a problem to the manager, because they consider s/he may be too busy, or simply do not wish to discomfort the manager with the problem. All too often this behaviour can serve to compound the problem – however the subordinate feels compelled to *greng jai* (เกรงใจ) the manager.

There are also expectations placed on the manager, in terms of their behaviour or demeanour (particularly as they are senior in the hierarchy) such as suppressing displays of anger, both verbally and non-verbally, that is, to conduct themselves with values of *jai yen* (ใจเย็น) or *sum ruam* (สำรวม) – refer Chapter 6, p. 163. Non-confirming behaviour is likely to act as a constraint on the efficacy of cross-cultural PM.

Further, where the manager is perceived to reside within the broader relationship hierarchy is also important, not simply that they are senior to the subordinate. As Holmes, Tangtongtavy & Tomizawa (2003) highlight in their Three Circles of Thailand model representing the hierarchy of importance of relationships for Thais (family circle, cautious circle, and selfish circle), the family circle as the most influential in motivating behaviour. This was illustrated by farang general participant FGP07 when referring to Thai hierarchies causing a manager to lose their ‘inherent power’ (refer Chapter 6, p. 159). However, PM participants can also exploit hierarchical values to harness the efficacy latent within the situation, farang general participant FGP11 recounted how they would *wai* (ไหว้) the owner to make it crystal clear to their subordinates that what the manager said carried the imprimatur of the owner, thereby ensuring no diminution of the manager’s referent power (refer Chapter 6, p. 166), to construct the relationship value.

Other relationship values proved to be effective in motivating subordinates. These include a balanced managerial style of *baramee* (บารมี) particularly in relation to the value of *prakhun* (พระคุณ), which can engender the strong loyalty value of *bun khun* (บุญคุณ) – refer examples cited in Chapter 6, pp. 164-65. The Thai values of *family*, and *fun* also proved important values for managers to harness in their quest for efficacy of PM – by way of example, refer to: farang case subject FCS03 with reference to family ‘the first priority to me is your family’, as cited in Chapter 6, p. 153, or farang general participant FGP14 whose reference to family ‘we are creating a family culture for everybody’, is cited at Chapter 5, p. 107, and farang case subject FCS04 to whom to ‘fun is a leveller’, refer Chapter 6, p. 146 for the full citation.

It is because behaviours do not always match expectations, as in examples above (and the many others cited in Chapters 5 and 6), that culture can affect the manager-subordinate relationship, potentially giving rise to tension of expectations, and have a flow on effect to the efficacy of PM. By being aware of such expectations through knowledge and experience, adjustments to behaviours can be made by the actors in a PM situation to minimise such potentially adverse flow on effects. Importantly by so doing, it is likely to open the way to harness other relationship values, which are latent within the efficacy of the situation, to

achieve an efficacious outcome. This ability for relationships to leverage cultural values towards cross-cultural PM efficacy suggests they are a *catalyst for efficacy* in cross-cultural PM situations – refer Chapter 6, p. 179.

Thus an answer to supplementary research question number one: the effect of culture on the manager-subordinate relationship to achieve PM outcomes is explained in two parts. Firstly, failure to adequately adjust the *constraint domain* and cultural values to the new culture may deny or impede the efficacy of PM. Secondly, cultural values associated with the cultural *driver domain* construct of *relationships*, may be harnessed to enhance PM outcomes, in a manner where relationship acts as a catalyst for efficacy for PM. However, in further addressing supplementary research question number one, and addressing supplementary research questions two and three, the intrinsic linkage between the relationship and communication drivers must also be considered.

Language acts as both a *repository* and a *conduit of culture* and it is through this dynamic nature of language, and the intrinsic link between communication and relationships that culture may affect both communication and relationships, to ultimately affect the efficacy of cross-cultural PM. Firstly, the construct of *cultural scripts* explains this dynamic of language. Cultural scripts contain words or phrases that carry more than their literal meaning and this may have cultural value references and meanings that are broader or more profound than the literal word as, for example, *mateship* in the Australian idiom (Wierzbicka, 2002), or *mai pen rai* (ไม่เป็นไร) in the Thai language, that act as a repository for culture.

Secondly, the way in which cultural scripts are used, the structuring of the language, what is and what is not said, and the nonverbal cues, all relay cultural values, thereby acting as a conduit of culture. By way of example, learning the language, understanding its structures and logic sequencing, can help to diffuse the potential for tension of expectations to build up. As illustration, citing farang case subject FCS04, ‘it helps you understand their thinking, not just communicate’, and ‘the word really represents the people and the way they think’ (TGP21) (Chapter 6, p. 169). Having knowledge of the language can also avert potential *cultural efficacy blindness*, as cited by *farang case subject* FCS04 where Thai subordinates may become ‘signals of risk’ that might otherwise be easily glossed over (refer Chapter 6, p. 176).

Understanding the language also displays a mark of respect for others of that culture. In turn this can lead to a better understanding of the people, and assist in building better relationships. For example, Thai general participant TGP04 stated that ‘what you get out of your stay here [Thailand] is going to be very enhanced by learning the language’ (refer

Chapter 6, p. 169). Therefore to be able to diffuse the potential for a tension of expectations, language must minimise this impediment to achieving efficacy of PM.

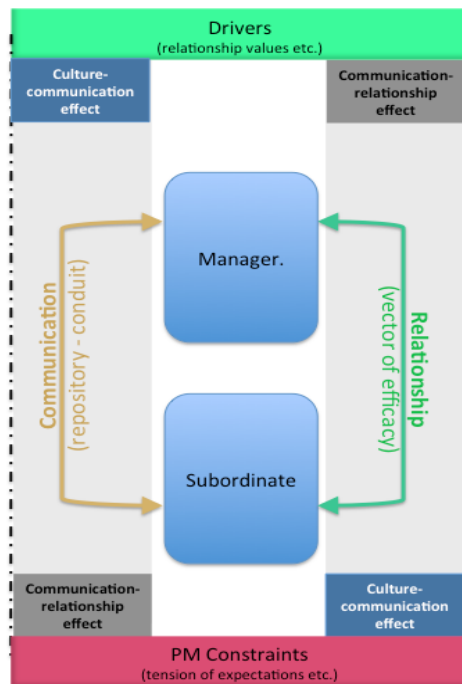
Understanding the language and the people also aids in understanding the *culture-communication effect* which was defined in Chapter 6 (for the purposes of this research) as being the effect of cultural values that manifest in certain types of communication behaviours, such as *circular communication*, or *reticence*. Having appreciations of the interrelations of language, people and culture-communication effect can also help diffuse potential tension of expectations that may arise from miscommunication, as evident by farang general participant FGP04, who refers to being ‘well prepared’ if one is potentially facing a conflict avoidance situation (Chapter 6, p. 173). Again, through the enhanced insight of the other’s cultural values and logic sequencing patterns, having knowledge of the other’s language, enhances the ability to achieve efficacy of PM.

The potential to build good relationships will be enhanced through better communication that can occur from a better understanding of the foreign language. Being better attuned to cultural values through knowledge of the language, one is able to better understand the people and the cultural dynamics at force within the cross-cultural engagement. This, in turn, enables a better alignment of expectations, that is, reduces the potential for tension of expectation to arise. In turn, with a better relationship communication will be enhanced, since values that may otherwise impede communication may be overcome, such as *greng jai* (เกรงใจ) or *face-saving* that may arise due to a lack of confidence in the foreign language. Thus cultural effects on relationship can be overcome to help open up communication; as cited by Thai general participant TGP18 ‘try to build good relationship, because I think a good relationship will open the communication’ (refer Chapter 6, p. 177 for this and other illustrative quotes). This intrinsic linkage between communication, relationship, and the efficacy of cross-cultural PM, was defined in Chapter 6 as the *communication-relationship effect* (for the purposes of this research).

In summary, answers to the supplementary research questions one, two, and three, can be explained by the *culture-communication effect*, the *communication-relationship effect*, and the *tension of expectations* which can arise from differences in cultural values that manifest in differences of expected behaviours between cultures. Since communication acts as both a *repository of cultural values* and a *conduit of culture*, this duality gives rise to the *culture-communication effect*. The intrinsic linkage between culture and relationship, wherein good communication can lead to good relationships being formed between manager and subordinates, and good relationships can lead to good communication between managers and subordinates, gives rise to the *communication-relationship effect*. Through better

understanding of the dynamics of cultural values within these constructs, the potential to diffuse *tensions of expectations* and *cultural efficacy blindness* (cultural constraints of performance), will enhance the potential to harness cultural values as *drivers of performance*, to achieve efficacy of cross-cultural PM. These interrelationships are depicted in the model in Figure 7.4.

Figure 7.4 - Cultural effects on Manager, Subordinate and Communication Interrelationships



The interrelationship of manager, subordinate, and communication are integral to achieving efficacy of cross-cultural PM. The process of negotiating ways of achieving efficacy of cross-cultural PM is not a simple matter of applying processes, rules or guides to each cross-cultural PM situation, but is one that is continually negotiated at all phases the efficacy construct (means-action-ends) as circumstances evolve. This theme will be explored further in the following section by addressing the final supplementary research question: *what are the main ways managers and subordinates promote effective PM in cross-cultural contexts?*

7.5 Cross-Cultural PM – What Practitioners Advise

Within the literature PM is often described as a process, a system of management control forming part of an organisation’s overall business management control systems (Biron, Farndale & Paauwe 2011). The systematic element of PM can act as a constraint on the efficacy of cross-cultural PM as presented above in this Chapter and in Chapter 5. However,

only those research participants, who were employed by the large multinational organisations, experienced the systems constraint on the efficacy of PM. All such employer organisations imposed unified and integrated PM management systems across an array of subsidiary businesses internationally. In such instances PM can become a process detached from the face-to-face PM engagement between a manager and subordinate, and as a consequence PM has been criticised as a process inflicted upon people (Buchner 2007). Smaller organisations were found, in this research, to have greater flexibility, and PM systems were not found to be a significant constraint.

The practitioners in this research recognised the importance of their focus on PM was not the system, but on people—their subordinates—by seeking to leverage drivers of performance, while working within systems to counter constraints in their quest for efficacy of PM. They also recognised that at a practical level PM was an ongoing process of interactions with their subordinates at every engagement with them. This not only applied within the workplace, but also needed to extend beyond into personal place and time. Therefore, while part of the system element, PM was not merely a calendar event of periodic review of performance, but it required involvement at every phase of the performance situation or task at hand—the means-action-ends of efficacy—to achieve desired outcomes, or efficacy of PM. To achieve efficacy was not a matter of command, control, and domination by the manager, but an ongoing process of involvement within the context of the performance situation, so as to exercise influence by countering constraints and leveraging drivers of performance. Cultural considerations were found to be a major factor of the contextual characteristics of the performance situation.

Each of the research participants was asked what advice they would give to an uninitiated incoming expat in managing Thai subordinates. Their responses covering management, support and motivation of staff, fell into four dominant themes, which not unexpectedly serve to summarise the analysis gone before in Chapters 5 and 6, and the preceding sections of this Chapter. These themes are: *cultural adjustment* (constraint), *communication* (driver), *management style* in a Thai context (driver), and *relationship* (driver).

7.5.1 Cultural Adjustment

The main characteristics of advice offered in this theme were firstly cultural awareness development, and secondly to take the time to look, listen and observe, to develop one's adjustment to the new cultural environment, rather than making judgements only from one's own cultural perspectives.

Farang case subject FCS04 emphasises the need to become fully culturally immersed through observation, learning the language and seeking a local mentor:

Don't jump into work before a period - - allow yourself enough space for observation, trying to learn the language or take some cultural immersion, first, and look for someone that you want to cultivate, and don't jump on the first person you see, but try to find a two-way mentor. They can be a young person or an old person that is willing to take you on board for two-way mentoring. **(FCS04)**

FCS04 links immersion in the culture to counter the *cultural adjustment constraint* with two principal drivers of performance, firstly with communication by 'trying to learn the language', and secondly with relationships 'look for someone you want to cultivate...try a two-way mentor'. Two-way mentoring is a closer relationship than purely a manage-subordinate relationship, because it requires higher levels of trust and respect, more as equals, than the more formal hierarchical manage-subordinate relationship. As catalysts to harness the latent efficacy within a cross-cultural PM situation, relationships are an important *driver* of efficacious cross-cultural PM.

In the next example, a Thai HR director emphasis the need for farang managers to understand the beliefs, religions, behavioural norms, ceremonies and traditions of Thai culture:

Probably I would explain to them about our belief, our religion, right, very, very important. For example, last month I had to arrange the teacher organise the [indistinct] ceremony and monk ceremony. This is like the tradition and some farang asked me why do we need to pay for this if I am not Thai people, and I have to explain. This is very important for the Thai. Talk about our King, right, our monarchy, King, Queen, this is very important. Do not say something [ill] about this. This is very important for us. I explained to them [farang associates] a little bit about some culture, for example we do not use foot, like this [gestures by pointing with their foot] when they are angry they [farang] kick - - but the Thai you can explain to them a little bit about our work culture [you cannot behave this way]... I think the Thai, most of them have been abroad so they know, they understand about the farang. Even sometimes the farang mistake they [Thai] always say the farang do not know our culture, [whereas Thai] understand about the farang culture, how is different from Thai. **(TGP10)**

Some elements of understanding a culture may seem obvious, but what is less often appreciated, is how important they are to peoples for the foreign culture. In the final part of the above quote there is an expressed need to make excuses for farangs who might make mistakes, about respecting the expectations of Thais concerning Thai social norms of behaviour. There is an implied complaint when Thais can understand the farang culture, yet this may not be so with farang understanding the Thai culture. This shows a diminution of respect on behalf of the Thais towards farang in this case. This is unfortunate, because respect is an important characteristic of effective or functional relationships and, as evidenced

by this research, effective manager-subordinate relationship is a principal *driver* to achieve efficacy of cross-cultural PM.

In this next example the farang general participant emphasises taking a softly softly approach and time to adjust to the cultural differences:

My first thing for them to do would be to take it easy, relax, become familiar with your environment...assess your environment...learn, talk to the people, talk with them what they do and find out about it. Assess your environment very much. Then, work out how best to deal with that environment. Any time you go into a new environment you have to try not to be judgmental, recognise it may be different and just try and look at it and get together and understand it...[some] come in and say don't give a [...] about culture and everything, and you just do this and that, and sometimes, you know, they might get the results, but I think long-term I don't think they build it up. To me, it's sort of softly, softly, letting people know what your values are in terms of those discussions, let them know what you think is important, what the values are, the expectations...But, I think you really, really have to understand your environment and recognise that you are on a learning curve. You've got to learn a lot. **(FGP08)**

'Softly softly' implies adopting an attitude of influencing within the PM situation, rather than imposing one's will by force. FGP08 also distinguishes sustainability as a characteristic of efficacy of performance. It is important to *care* enough to adjust to the culture, for not to do so, in the short-term 'they might get results' but in the long-term they don't 'build it up'. There is also a link to communication as an important *driver* to manage expectations as a counter to cultural values adjustment constraint: 'learn, talk with people' and 'let people know what the values are, the expectations'. While this last excerpt might imply a controlling or directing tone, it is balanced by the tenor of the overall quote, which implies the need to adjust rests principally with the expat. As the following excerpts from this example, illustrate 'softly softly' as mentioned earlier, 'not to be judgemental' implies a need for reflection and adjustment, and 'recognise you're on a learning curve' implies a learning adjustment on behalf of the expat is necessary to become effective.

In the next example, the *Thai general participant* emphasises the need to understand the culture, because that leads to an understanding of the way people think, and by inference, the way they behave. Understanding how people think and behave is a precursor to understanding the people and forming *functional relationships*, which is a primary performance *driver*:

PARTICIPANT: You need to have a good understanding of the culture...the customary culture...that drives the way people think...You need to do a lot of homework. You need to read...you need to ask.

Interviewer: So really when you say to get an understanding of culture, is to be aware that there was a need to take time to develop an understanding because there is a difference?

PARTICIPANT: Yes.

Interviewer: Not just go to try to set a path and be ignorant of the cultural differences.

PARTICIPANT: No, you can't because if you do that I think you set yourself up to fail. If you are coming into this culture you can't work at the same pace as where you come from.

Interviewer: So you have to readjust your expectations?

PARTICIPANT: Yes, but it doesn't lower your standard though. It's different.

Interviewer: Maybe a different timeline?

PARTICIPANT: Yes, different timeline. The work pace is different. And then, you can adjust it back how you want it to be. Originally you need to adjust that. You come in with a high expectation; you can't superimpose your management style from your Western world in here. It will just fall apart. People won't respond to you at all. They will respond to you in front to get the monthly payment, but behind they will – they would do it begrudgingly, for sure. (TGP26)

TGP26 highlights that the failure to adjust to the new cultural environment and to try to impose one's own cultural expectations and *management style* is likely to lead to a less than efficacious outcome: 'it will just fall apart', and 'people won't respond to you at all'.

7.5.2 Management Style

As highlighted by TGP26 above, attempting to impose a Western style of management is likely to lead to begrudging performance, and as illustrated in previous examples in Chapters 5 and 6, can cause a significant number of staff to resign. While TGP26 did not specifically define 'Western management style', references throughout their interview, purported that a manager needs to understand the differences in cultural values in order to adjust their style of management, so as not to offend staff and to have an understanding of the root values that motivate performance. Management style in this context is a broad term that traverses both *constraint* and *driver domains*. Firstly as indicated by the above example, one's style of management requires adjustment to the cultural values of the Thais. One needs to understand the culture to understand the people, in order to adjust one's behaviour in a manner that does not deny access to the efficacy of the PM situation. This adjustment process falls within the Constraint Domain; one needs to culturally adjust to counter this constraint. Secondly, adjustments required relate to values and their nuances across a variety of circumstances, which involves how one relates to others, their *relationships*, how they *communicate*, and

draw on these values to *motivate* people. Each of these factors (*relationships, communication, and motivations*) is a principal category of the Driver Domain, as illustrated in the following examples.

Thai case subject TCS02 regards a manager's demeanour as important. Their style should not be boastful, big note themselves and should give credit where credit is due; they should display humility:

You need to be humble, and that's very typical of Thai but untypical for Farang, and I always get the other side of, you know... get counter back on that, because people [farang managers] view me as too humble, and when you are too humble you're not going to get very far in a foreign organisation [where] you need to say what you do...or even you don't do, you still say it [take credit] [laughter]... but for Thai you [shouldn't] tell, you need other people to tell, right, don't do it yourself. (TCS02)

The Thai demeanour of humbleness is a manner of showing respect in the particular circumstance. Thais have a strong sense of ego (Komin 1990b), and to act in a non-humble way shows a sense of superiority towards the other, one that may not be justified by the circumstances, or may be interpreted as being disrespectful by a Thai. Importantly, TCS02 highlights that it is not only a matter for farang managers to show a certain amount of humility, but it is also important to recognise that such behavioural displays by Thais, may be a cultural value influenced behaviour, rather than lacking strength of character, self-efficacy, or the will to succeed. This is evidenced their statement 'when you are too humble you're not going to get very far in a foreign organisation'. Yet, TCS02 is a very successful executive employed by a large Australian multinational organisation at the time. In a career spanning over thirty years working for such organisations, that also included organisations of American and British origins, they have had to proactively change managers and organisations to shed the shackles of such judgemental interpretations of their humble demeanour; no doubt to the loss of those offending managers.

Farang general participant FGP08 makes a similar observation concerning respect and the misinterpretation that may arise through nonverbal cultural cues, in this instance body language:

I think most of the misreading of the body language, maybe some people who really you think should be grovelling around and you're not... people think you are not showing them the appropriate amount of respect, but if people who consider that you are equal or inferior they are probably not going to be too worried if you are a bit overbearing and things like that... one of the things that I keep pushing, and pushing, and trying to reinforce in any organisation, is what is called *civility* – how you treat people. It's important in your

organisation that you are civil to all the people, and if you've done something wrong you don't scream and yell at them, you find some way of letting them know. **(FGP08)**

In Thai society there are strict norms of behaviour as to where one ranks in the hierarchy of the relationship. In this instance a farang's body language may (unwittingly) not display due humbleness or one of superiority to a Thai, who is superior within the hierarchical dynamics of the relationship. It is apparent that FGP08 remains uncomfortable with the notion of the displaying humbleness in this manner, with their use of the pejorative phrase 'grovelling around'. Nevertheless, FGP08 emphasises the need to show respect, or 'civility' in their terms, to all people within the workplace, no matter where they might stand within the relationship hierarchy.

These two examples show a clear linkage between cultural values, the intrinsic link between communication and relationship, and the need to adjust one's management style accordingly. However, an understanding of the Thai leadership or management concept of *baramee* (บารมี), and its component values of *pradait* (พระเดช) and *prakhun* (พระคุณ), is necessary if a leader or manager is to be successful in their role (Holmes, Tangtongtavy & Tomizawa 2003; Roongrerngsuke & Liefoghe 2012). This was also evident from the advice offered for incoming expats in this research.

TGP04 emphasises open and frequent communication and relationship development in their advice, which are all elements of values associated with the *prakhun* (พระคุณ) aspect of *baramee* (บารมี). But all the while the job must be done, which relates to the *pradait* (พระเดช) characteristic element of *baramee* (บารมี).

I think I would encourage them to have a lot of communication and direct personal contact with their Thai staff because Thai staff are usually very open to foreigners. It's not like they will automatically be against the Westerner. As a matter of fact, they would probably be happy to get personal attention. I would definitely encourage that and secondly be very patient and things may not be done in the way you do it, but get used to it, you are living in Thailand now, but of course the very basics, you are still expected to carry out their jobs, you can't get away from that, but in terms of the way you speak to them, the body language and the interaction, the more the better. **(TGP04)**

The display of patience, and flexibility in understanding that 'things may not be done in the way you do it' are behaviours of understanding and support required of a manager, which are also elements of *prakhun* (พระคุณ). To be an effective manager, ideally they will have a balance of *prakhun* (พระคุณ) and *pradait* (พระเดช) in the make-up of their *baramee* (บารมี),

or management style (refer glossary of Thai terms). This requires good judgement of the circumstances at any particular time, and which characteristic of *baramee* (บารมี) should be exercised to best motivate a subordinate. Should it be the softer supportive and understanding *prakhun* (พระคุณ) trait, where a subordinate might be struggling and require the assistance, understanding and guidance of the manager? Or should it be the more directing and demanding style of *pradait* (พระเดช), where limits are reached, deadlines are looming, or the subordinate is displaying insufficient effort? It is the skill and experience of the manager that will determine how to act appropriately. However without the awareness of the need for an appropriate balance of *baramee* (บารมี), it will be difficult or unlikely that a manager will be able to form the appropriate *relationship* with their subordinate, to harness or adequately influence latent efficacy within the performance situation.

7.5.3 Relationship

Working relationships for Thais are something that goes beyond the working environment. It is a matter of properly getting to understand each other and learn the culture, as highlighted by a Thai general participant:

the first thing, they should learn and observe how Thai people doing, you know, suppose they ask you to after work go for dinner, the whole group should go to join them. And plus get along together; learn, you know, about the Thai culture. (TGP13)

Similarly, the Thai case subject emphasised the need to extend the relationship beyond the workplace:

Relationship in Thai goes deeper than working relationship, and a lot of times it means so much if you ask the staff how is your dad, how is your family, how was your kids? How are they going on at school and are they doing well? Little bit of that would go a long way in for farang who would come to Thailand, not just purely a working relationship. (TCS02)

In the following example the Thai general participant talks of the need to extend the relationship beyond the workplace, and if support can be afforded through a deep display of *prakhun* (พระคุณ), then it is likely to engender a strong sense of loyalty in the subordinate, the

Thai value of *bun khun* (บุญคุณ):

PARTICIPANT: One thing is maybe you can have a party or have a meal with them once a year like the New Year, I think would be fine.

Interviewer: Do something as a team together, personal?

PARTICIPANT: Go out together and then maybe you say hello and ask him how is your family?

Interviewer: Take a personal interests?

PARTICIPANT: Yes. If Thai person and if any member, they are sick and you pay attention to them they would feel very appreciative, and this is I experienced when my younger brother got very sick and some of my friends asked me that I would feel very appreciative... And, I think sometimes it's the financial status and that when you know how they are within the family. You will get the signal first or maybe have a kind of financial support to help them.

Interviewer: To help them?

PARTICIPANT: To help them. And, they will feel very appreciative. It means that you try hard [the Thai subordinate will work diligently].

Interviewer: That would generate *bun khun*?

PARTICIPANT: Yeah that's right. That you buy them heart and they will be very honest to you and very respectful to you in for a loyal to you, this is the way to build up the relationship with your Thai staff... But you have to keep distance too and act that you are the boss, good boss, to help the employee. **(TGP19)**

Notwithstanding the advice to exercise a deep sense of *prakhun* (พระคุณ), by extending the support and relationship beyond the workplace, which can engender the strong loyalty value *bun khun* (บุญคุณ), TGP19 also cautions the need to maintain a balance in the manager-subordinate relationship by maintaining one's authority within the relationship – the *pradait* (พระเดช) management trait: 'but you need to keep your distance and act that you are the boss'. This is in keeping with the Buddhist philosophy to take the *middle path* 'which aims as a denial of each extremes' (Ronkin 2009, p. 10) and as such is essential to Buddhist views of efficacy.

Relationships are expected to go beyond the workplace, which is reflective of the Thai penchant for conflict avoidance and the importance they place upon social smoothing values (Komin 1990b). However, there is a fine line when the order of the hierarchy needs to be maintained, that is, the balance of *pradait* (พระเดช) and *prakhun* (พระคุณ).

Farang case subject FCS04 talks of how developing strong relationships can extend beyond the immediate working environment, which can be a lifelong loyalty and protective relationship:

You form a buddy, and I've had several in my different corporate careers [in Thailand] who absolutely saved my skin, because there's a period of time when you are investing and one day that person is going to return the favour. That's where it's important to take time to cultivate that person, and relationships... They need you to develop their own career. There will come a stage where the Thais will see and hear things, which are working against you, and they will either intervene to assist you or let you fall. It's a two-way thing... it can be a lifelong. (FCS04)

FCS04's reference to intervention is that where a manager has strong relationship Thais are likely to proactively assist or protect the manager, which might not be so otherwise. Through assisting the subordinate to develop their career, demonstrating a level of support beyond the immediate working relationship, *bun khun* (บุญคุณ) will be engendered, which can be inferred by the 'lifelong' strength of the loyalty. This, in turn, engenders a latent efficacy in the relationship that may manifest at some future time, given the necessary circumstance.

The perception of time is a value that is intrinsic in a cultural construct of efficacy. Is the time dimension one oriented to a Western notion of time, seeking immediate effect, with due regard to the long-term or sustainability, or is efficacy measured over a longer time-frame, one that goes with the flow, influencing the natural propensity of the situation to achieve a sustainable outcome? The Western (industrialised) notion of time is one based on clock-time including calendars, schedules, allocations of time to events, social time, and work time (Güell et al. 2015; Nowotny 1992) and underpins the notion of efficacy. The tendency in the West is towards action and intervention; to cause things to happen faster through force, rather than allowing the situation to unfold, allowing the efficacy within the situation to emerge with the fullness of time, and seek to influence the outcome to one's advantage. The general notion of time in Thai society daily life is temporally based also, but not as deep-seated as in the West. The delineation between work-time and social time, for instance, is not as stark as in the West; there is a much stronger blending of the two. In Buddhism—the underlying philosophical base of Thai values—there are no temporal boundaries on time in the measure of efficacy. The efficacy of one's actions is manifested in their effect on one's karma. The cause and effect flow-on from karma is not temporally bound; it may be immediate, at some near or far future time, or in another lifetime. Whether one's actions will create good karma (an efficacious outcome) is dependent upon whether such actions abide by the *Noble*

Eightfold Path that leads to the cessation of suffering (refer Chapter 2, p. 49) (Payutto 1992b; Sumano Bhikkhu 2013). In the above example, (temporally) looking beyond the immediate work environment, and beyond the immediate manager-subordinate relationship, a latent efficacy is established that provides a certain insurance or protection for future performance situations. This is the importance of the relationship loyalty value of *bun khun* (บุญคุณ).

The nature of the relationship between the manager and the subordinate is a primary determining factor in achieving the efficacy of PM, across all control and motivation aspects of performance. The intrinsic link between relationship and communication cannot be ignored when considering one or the other, as evidenced how they are interwoven throughout the examples in Chapter 5 and 6 and the preceding sections of this chapter, and again in the next section.

7.5.4 Communication

While it was not suitable for everyone, as highlighted in Language Ability Attribute Section 6.4.1, language ability was also a common theme with reference to recommendations for incoming expats to Thailand. This is exemplified in the following example of a *farang general participant*:

Interviewer: For expats coming into the country, what would be the primary advice you would give them in managing Thais straight up front?

RESPONDENT: First of all, learn the language.

Interviewer: True?

RESPONDENT: It will help you understand a little bit more, not a lot but without the language you've got no chance.

Interviewer: So the communication aspect is very important. So when you say learn the language what level of skill?

RESPONDENT: Just conversational. I mean, I told you before I made a very bad error in judgement by not learning to read and write; stupid, really stupid. You should be kicked for that, but in reality the fact that you can listen to what they say; bearing in mind they will change it to suit if they know you understand but before they know whether you understand or not they will speak - - which will give you a feeling about which way they are coming, are they honest, are they going to play with you, are they not? If you don't speak the language you have got no idea. So my advice is yes, learn about the culture but if you don't understand the language you're not going to ever understand completely the culture, so put the effort into [learning the language]. (FGP03)

There is an element of distrust in FGP03's response, as they contend that having foreign language ability will allow a manager to properly assess the situation, and be more difficult for subordinates to mislead. In the context of the whole interview, it goes deeper. Having the language ability helps one adjust to the new culture more effectively; it helps remove uncertainties of interpretations, and confusion that both language and values of the foreign culture might create. It enables a better understanding between the manager and the subordinate, and the development of a better relationship. This in turn puts the manager-subordinate relationship at ease by countering the potential *constraint* of a *tension of expectations* to arise between a manager and their subordinate.

The advice of a Thai general participant emphasises the need to communicate, and again with the intrinsic link with relationship:

Okay, so we come back to the very early conversation. Just with the word inclusiveness, you listen to them, okay. You try to find a way to get him involved, get them involved, okay, but don't push them. For example, you might have a thing like: why don't we, you know I'm just new I just want to know you guys, you know, more personally and professionally. Can I request to have something like let's say we have a coffee time together, let's say once a week in the morning, any day, maybe Wednesdays so we have coffee together, half an hour. Why I say this because you say can we have breakfast together in the morning? They might feel something like it pushes me too much and in that conversation, try to talk about things that are not work. So, if you can see the body language and set up in a way that is not really the meeting; even though you sit down and doesn't make that you are at the top of the table or the head of the table. Try to be open and let them talk more than you. Let them talk okay so you can see the chemistry amongst people, okay, so engagement, inclusiveness, listening more and more and more. I think that's very important. **(TGP21)**

TGP21 emphasises listening as an important part of the communication, which echoes the view of most participants in this research; in the words of *farang general participant* FGP02 'don't be a hippopotamus – big mouth and little ears'. TGP21's advice is imbued with an Eastern sense of efficacy: 'don't push them' which is the opposite to a Western view of forceful control. Also they reference influencing of the situation through listening 'more and more and more', and engagement and inclusion. This is akin to going with the flow, allowing the voice of the Thai subordinates to be heard, giving them the confidence to use their voice, through engagement and by building good relations both inside and outside the workplace.

7.5.5 Summary

In the preceding subsection, participants' views on the ways they promote effective PM were summarised into four principal themes of: *cultural adjustment* (constraint),

communication (driver), *management style* in a Thai context (driver), and *relationship* (driver). Management style in essence encapsulates the way managers conduct their relationships and communicate with their subordinates. Therefore, the examples presented in the management style subsection may have been presented in either sections of relationships or communication. However, the emphasis was on management style in a Thai context, particularly with regard to *baramee* (บารมี), *pradait* (พระเดช), and *prakhun* (พระคุณ) and was therefore presented as a separate theme.

As highlighted at the beginning of the, section PM is not simply a periodic event that is scheduled within the systems processes of PM, but is a process that requires constant engagement. It is a process of monitoring development throughout the performance situation, and every engagement between a manager and a subordinate, represents a PM engagement in some manner or form. A manager needs to stay abreast of development, so they are aware of developments and can intervene to influence as deemed appropriate. This necessity is more so in a cross-cultural setting:

There is a process here around double-checking and third checking and, continually following up on things that requires a lot more focus and understanding than you would typically see in a more experienced westernized environment. **(FCS01)**

Follow-up, follow-up, follow-up, and encourage and give them their own stuff to do, give them their own stuff to do all the time the check they are on track, check that they are feeling okay with it, check that they are happy with what's going on. **(FGP24)**

The efficacy of a performance situation has its own propensity as circumstances evolve and change and, as highlighted in the following example, this can happen easily in manners that a *farang* may be oblivious to in a cross-cultural situation:

You probably find that in your experience with some of the Thais close to you, you already agreed but in another five minutes it's all changed and that's gone in another direction and you think what the hell is going on here? We agreed with this. This happened, that happened. They continually shifting and managing and adjusting and sometimes in the situation you just roll with it, you know, it's too complicated. But, I wouldn't say the things that are bad or are impossible, or drive you to distraction. I think you still retain how you feel what is the right thing to do and what should be done and what you do, but you can see that other people are on to different other things, and you have to accommodate that and figure out what drives them. And everyone says yes and agrees to things, so you never know whether they agree with anything. And, you have to revisit things... You always have to be going around and gently revisiting that issue. If you don't keep doing that then they just drop off it as a general rule. **(FGP08)**

Participants in this research consider effective PM is a continual process of engagement with their subordinates, harnessing the principal drivers of *relationship* and *communication* to *motivate* their subordinates, by ‘going around and gently revisiting’ the issues, which is more akin to going with the flow than one of forceful control. In so doing, they recognise the need to understand and be sensitive to cultural differences, so they can adjust to the ways they engage with their subordinates, to achieve effective outcomes. This process of harnessing driver and countering constraints across the PM situation—the *means-action-ends* of efficacy—is depicted in the Figure 7.5 below.

Figure 7.5 - Effective Cross-cultural PM

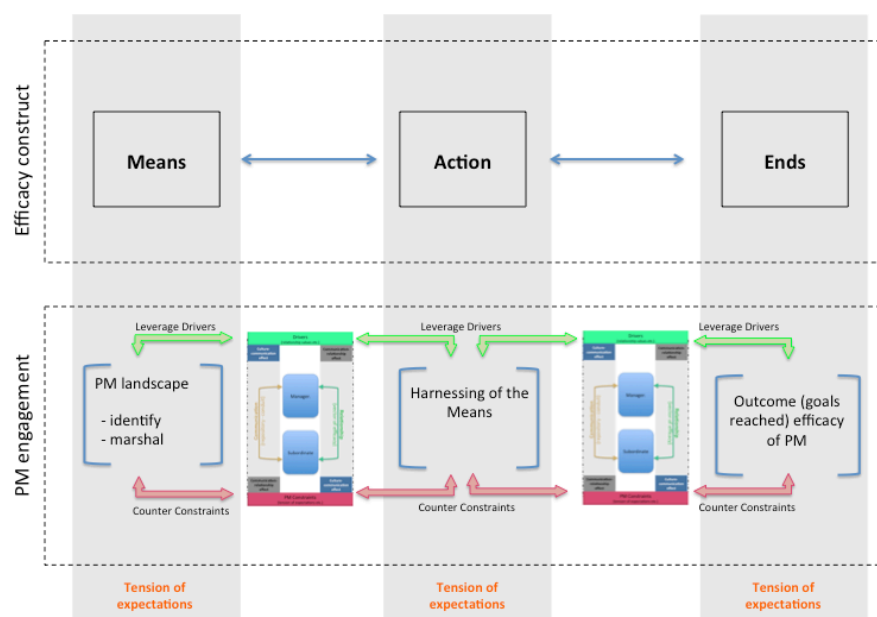


Figure 7.5 represents an overlay of the efficacy construct represented upper horizontal flow and by the vertical columns means-action-ends, with the PM engagement represented by the bottom horizontal flow and so labelled on the left. Each phase of the efficacy construct is depicted as potentially encountering a tension of expectations, as shown across the bottom of the Figure. This is so, because each phase is subject to the cultural effects on the *manager, subordinate and communication interrelationship*, as depicted by the two icons of the model (between means and action, and action and ends), which represent Figure 7.4 developed to show this interrelationship. At each point in the PM engagement, there is a continual process of countering *Constraints* and mitigating *Tensions of Expectations*, through the leveraging *Drivers*, as described in the research participants’ examples above.

7.6 Conclusion

This chapter draws together the findings presented in the analysis Chapters 5 and 6, by specifically addressing the primary and supplementary research questions. In addressing the

research questions, this research makes several important contributions to understanding of the effect of culture on the efficacy of cross-cultural PM. The research develops a new perspective on the cultural construct of efficacy, and how it applies to affect cross-cultural PM through the concepts of *cultural efficacy blindness*, *tension of expectations*, the *culture-communications effect*, and the *communication-relationship effect*. These concepts provide informative frameworks, in understanding effective cross-cultural PM. The next and concluding Chapter will present the theoretical contributions of this research further, together with its limitations and practical implications.

Chapter 8 - Conclusion

8.1 Introduction

This chapter is the final chapter of this thesis. It gives an overview of the preceding chapters that address the research questions. A section covering the extent to which this research contributes to the body of knowledge follows the overview of the chapters. The remaining sections of this chapter cover: limitations of this research, practical implications, observations of areas for possible future research, practical implications of this research, with concluding remarks to close this thesis.

8.2 Addressing the Research Question

Chapter 1 gave an overview of the research, including the research problem, the research questions, and the research methodology employed in this research. It established the context and the nature of the research problem, being to explore how culture can affect the efficacy of cross-cultural human resources (HR) performance management. The research problem was set against a backdrop of an ever-increasing rate of globalisation of business, the *Asian Century*, and the importance of international trade between Thailand and Australia within this context.

Chapter 2 provided an overview of the extant literature covering the principal topic areas of this research, including: management control systems with particular focus of HR performance management systems and the underlying theories, the concept of national cultures and cultural values, the cultural concepts of efficacy. Chapter 3 extended this review by providing an overview of the cultural context for the setting of this research, namely the Thai culture. Chapter 3 concluded with the development of a conceptual research framework. This depicted the PM manager-subordinate relationship being at the heart of this research project within the guiding contexts of: cultural efficacy constructs, cross-cultural communication, and cross-cultural PM systems.

Chapter 4 justified the research methodology and methods employed in this research to address the research questions, and described the research design process (refer Figure 4.1). The principal elements of the research design are: social constructivism qualitative research methodology, supported by research methods of semi-structured and in-depth interviews of general research participants and four case subjects. The data was analysed adopting the method of inductive reasoning.

Chapters 5 and 6 provided an overview of the analysis of the themes identified within the data. Chapter 5 presented the overall thematic representations of two principal domains to describe the tendency forces existing within cross-cultural PM, being the domains of constraints and drivers of performance. The Constraint Domain was defined as compromising those tendency forces that constrain or limit the efficacy of cross-cultural PM. The two principal categories of constraints were described as: *cultural values adjustment*, and *PM systems and organisational design*. Chapter 5 also introduced the concepts of *cultural efficacy blindness* and *tension of expectations* as explanatory constructs for the nature of the cross-cultural constraints comprising the Constraint Domain.

Chapter 6 presented the analysis of the Driver Domain, which was defined as those categories of drivers that may provide impetus to performance in a cross-cultural PM setting. Three principal categories of drivers were presented (*motivations, relationships and communication*) that both provided impetus to performance in a direct manner, and also as a counter to the constraints of performance by diffusing or circumvent *tensions of expectation* that may arise. Chapter 6 also presented the constructs of the *culture-communication effect*, and the *communication-relationship effect* to explain the nature of these tendency forces of driver domain categories of constructs. In so doing the concepts of communication serving as both a *repository of culture* (in the form of *culture-context* nature of communication, for example), and as a *conduit of culture* (for example, in the form of *cultural scripts*).

The analyses in Chapters 5 and 6 were firmly grounded in empirical data, and were also linked to theoretical notions. Chapter 7, in synthesising the analyses of Chapters 5 and 6, extended the linkage of the empirical data to theory, to specifically address the primary research question and each of the four supplementary research questions. The root cause effect of culture on the efficacy of cross-cultural PM, was explained as primarily arising from differing cultural constructs of efficacy, between cultures, due to differing cultural values and value weightings (or nuances of values), plus differing cultural conditioning, that arises from the cultural environment, and may give rise to a *cultural efficacy blindness*, denying sight of, or recognition of, *latent efficacy* existing in a performance management situation.

The supplementary questions addressed in Chapter 7, also drew on explanatory constructs developed in Chapters 5 and 6; in particular, drawing on the constructs of the *culture-communication effect*, and the intrinsic link between communication and relationship through the *communication-relationship effect*. Chapter 7 explained the manner in which the dynamics of these constructs may be employed, to leverage drivers of performance and counter constraints of performance, in a cross-cultural PM setting.

8.3 Key Contributions

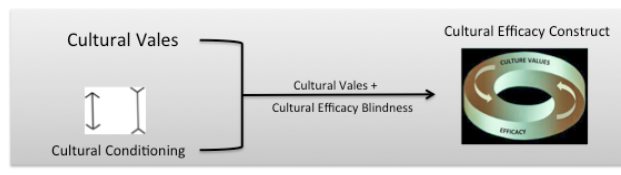
The primary purpose of this research is to address the research problem of how culture affects the efficacy of human resources performance management within the context of Anglo-western organisations and managers operating in Thailand. In this problem and in answering the primary and secondary research questions, it was argued that the concept of cultural constructs of efficacy are a new means to provide a discourse to extend our understanding of cross-cultural management. In doing so, this research has made four distinct contributions to the body of knowledge: 1) development of the concept of *cultural constructs of efficacy* to explain the potential and or latent efficacy existing within cross-cultural PM situations, and how differing value systems and the concept of *cultural efficacy blindness* may affect the efficacy of cross-cultural PM, 2) advancing the concepts of *cultural distance* and *friction* with the construct of *tension of expectations*, within a cross-cultural PM context, 3), advancing cross-cultural management theory through the explanatory constructs of *culture-communication effect* and the *communication-relationship effect*, which draw on general management theory, cultural context theory and cultural scripts theory in addressing the supplementary research questions, and 4) how Anglo-western managers conduct PM in Thailand. Each of these contributions are summarised below.

8.3.1 Cultural Constructs of Efficacy

This construct, in the context of cross-cultural management, looks beyond the efficacy of human resources performance management as being something that is measured by efficiency or effectiveness (Ferreira 2009, Horwitz and Horwitz 2012, Seldon 1993), to explain how each of the means-action-ends elements of the efficacy construct is imbued with culture. It recognises that efficacy is a cultural construct in the manner proffered by Jullien (2004), in that the performance situation has latent efficacy within it which may be exploited. Each situation has inherent efficacy and natural propensity that unfolds within the fluid nature, or flow of performance. A sustainable performance outcome is more likely to be achieved by going with the flow, influencing circumstance rather than imposing a notion of reality on the situation (Chia & Holt 2011, Jullien 2004). For, to impose an alternate cultural view of efficacy may fail to exploit the latent efficacy and natural propensity of the situation, and may meet with resistance. Therefore, to do so is likely to require greater initial and ongoing investment of energy to sustain it.

This research extends the concept of efficacy from one that is based on cultural values that give rise to priorities of strategy design, to one that is based not only on *cultural values*, but also *cultural conditioning*. These influences or forces of culture serve to form culturally oriented notions of efficacy. The model in the Figure 8.1 below depicts this cultural effect.

Figure 8.1 - Cultural Efficacy Construct

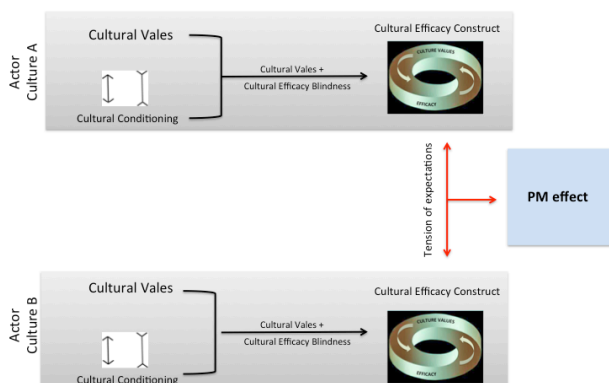


It was explained in Chapter 5, when people construct notions of efficacy, the influences of cultural values and cultural conditioning can cause them to misinterpret and/or fail to see, the natural latent and potential efficacy contained within a PM situation. This can manifest in a form of *cultural efficacy blindness*.

8.3.2 Tension of Expectations Construct

Chapter 5 explained that a primary constraint on the efficacy of PM arises from a *tension of expectations*. Within the field of cross-cultural PM, this construct extends the existing explanations for tensions that might exist in cross-cultural situations such as cultural distance (Hemmasi & Downes 2013), cultural *friction* (Shenkar 2012a), or the culture, expectations and contingencies model of Zhang (2009). This research shows that *tension of expectations* arises not only from cultural values differences, but also from more deep-seated differences that have their roots in differing cultural constructs of efficacy. The tension of expectations is not fixed or immutable. Just as different cultural and personal values, needs, and wants continuously vie for efficacy within the cognition of the actors (as situations evolve), so too does tension of expectations ebb and flow with every passing moment of changing circumstances and exchange between the actors of the cross-cultural PM exchange. This relationship is depicted in the static model below.

Figure 8.2 - Tension of Expectations



The tension of expectation that may be experienced between Culture A and Culture B (in the above figure) affects the efficacy of PM, which is represented by the box *PM effect*.

Chapter 5 explained that *tension of expectations* is a primary constraint on the efficacy of PM. This constraint can occur throughout the various phases of the efficacy construct (*means-actions-ends*) and to achieve efficacy of PM it is not merely a matter of cultural adjustment. It is also one of having the cultural awareness and understanding, not to be blind to the *latent and potential efficacy* that exist and have cultural sensitivity to exploit these tendencies throughout the PM situation as it evolves.

8.3.3 Culture-communication and the Communication-relationship Effects

This research showed the importance of the intrinsic link between culture, communication and relationships. It extended concepts of the cultural context and the forces that shape us (Alter 2013) and cultural scripts (Wierzbicka, 2002) within the Thai context. In so doing it illustrated the way in which communication acts as both a *conduit* and *repository of culture*, and its effects on the efficacy of PM through such concepts as *circular communication* and *reticence*, and their underlying Thai cultural values.

This research also showed the importance of cultural considerations of PM within the Thai context. While there were consistencies with current Western motivational theories (goal setting, feedback, rewards and recognition) in a general sense, this research showed that the nuances of cultural value differences may significantly affect the dynamics of motivational factors within such theories, and in turn the efficacy of PM. For example, the importance of the Thai traits/values of *baramee* (บารมี), and the balance of *pradait* (พระเดช), and *prakhun* (พระคุณ), and how they are intrinsic to the *culture-communication* and *communication-relationship effects* in the pursuit of efficacy of PM. By relinquishing the domination, control, and action—a Western notion of efficacy, one akin to the Thai value *pradait* (พระเดช)—and shifting to a strategy of influence and going with the flow, one that nurtures the latent efficacy contained within a situation, thus allows it to emerge (Chia & Holt 2009; Jullien 2004). This employs the balanced Thai leadership/managerial trait *baramee* (บารมี), one that is attuned to the natural efficacy of the PM situation, hence yielding a more sustainable (efficacious) outcome.

8.3.4 Human Resource PM in Thailand

Currently, there is dearth of empirically based research into the systems and practice of PM in Thailand, from the perspective of Anglo-western organisations and expatriates. As highlighted in Chapter 3, what little there is tends to deal with specific issues of PM, such as performance appraisal (Shrestha & Chalidabhongse 2005; Valance 1999). This research helps address this gap. It provided a comparison of the Thai cultural values in practise

compared to the Western cultural values inherent in the design of PM systems and application. This research also confirmed the broadly based adoption of Western based PM systems and practices within the employer organisations of the research participants, across a spectrum of industries and organisation size, from global multinational to small locally owned organisations. This research revealed the constraining nature of PM systems on the efficacy of PM. It showed how PM systems applied by a large organisation lacked flexibility for management to adapt the application of their PM practices to the local cultural environment, which otherwise exists within the smaller organisations. Further, this research revealed a sample of the lived experiences of expatriate and local Thai managers and subordinates, providing a thick rich description of how they promote effective PM within the cross-cultural context of Anglo-western organisations operating in Thailand.

8.4 Limitations of This Research

Due to the nature of the research and inherent resource limitations, this research relies on a relatively small data source sample. Therefore there was not the capacity to explore PM in other situations, for example, solely within Thai cultural settings, or other Western or Eastern cultures with Thai. The ability to do so may have provided fruitful insights from comparative analysis. Further, the research resource constraints did not permit exploration into other demographic sectors of the Thai society, such as, non-tertiary educated Thais, or regional and rural areas. Again, these areas may have provided further insights for this research. Notwithstanding these limitations, many of the themes revealed in this research, may prove beneficial to other/future case studies, through the concept of transferability (Bazeley 2013). As such, it is appropriate for concepts developed in this research to be transferred to other settings, to be tested and help develop theory further (Denzin & Lincoln 2005). Notwithstanding this, the limitations above should be acknowledged.

A further limitation is that the research interviews were conducted in English. This research demonstrated the inability of the manager to converse in the foreign language might act as a constraint on the efficacy of PM. In a similar manner with this research, the limited Thai language ability of the researcher, to some degree limited the ability to explore the experiences of some of the *Thai general participants*. Potentially this may have caused the researcher to apply the wrong interpretation upon the Thais' recount of their experiences, due to limited language ability and unwitting cultural bias.

8.5 Practical Implication of This Research

The implications of this research have a practical application in the design of cross-cultural PM, both in the policy and procedural guideline development. Greater acknowledgement of cultural differences in the motivational elements of PM may benefit

efficacy of design. These are considered within the framework of the key contributions of this research, as follows: 1) cultural constructs of efficacy/tension of expectations, 2) culture-communication effect and communication-relationship effect, and 3) human resources PM in Thailand.

8.5.1 Practical Implication – Cultural Constructs of Efficacy/Tension of Expectations.

By drawing upon the understanding of differing cultural orientations of efficacy, both in terms of the how to (processes) and the end result (goals), the focus of policy and procedure design can shift management dogma from an *outcomes* focus, to one that incorporates *management of expectations*. This will facilitate a more flexible approach to efficacy—go with the flow—rather than imposing standard Western management dogma in an ethnocentric manner. For example, if a solution to a task, or a strategy is to be developed, a process to incorporate assessment of the cultural ramifications—such as values, relationship interconnectedness, and priorities—so that the solution can incorporate mitigates for these, through the alignment of expectations, between the managers and subordinates. This will better equip cross-cultural PM practitioners to more effectively negotiate across the *means-action-ends* pathways to efficacy. Such culturally attuned PM design would enable both managers and subordinates to more effectively *manage expectations*, to alleviate *tension of expectations constraints*, which in turn, would be more likely to yield efficacious PM outcomes.

8.5.2 Practical Implications – Culture-Communication and Communication-relationship Effects

As evident from this research the intrinsic relationship between cultural values, communication, and human relations is very important in achieving efficacy of PM. This has ramifications for both organisational policy design and articulation, and management training and development. Firstly, in the articulation of organisational policy, when developed in English, should have value-laden concepts and terms written in the simple possible language, and where possible foreign words included for clarification. For example, if a policy was to articulate organisational values of ‘integrity, collaboration, and accountability’, what do these concepts actually mean in the foreign culture, and how do they manifest in human relationships, what do their values weightings differ in the foreign culture? Answers to these questions lie in researching the foreign language equivalents, which may require fuller explanation in the English equivalent, and perhaps the foreign language equivalents may be necessary to minimise the possible doubt, misunderstandings, and possible tension of expectations.

Furthermore, it was evident in this research that training in the foreign language for expatriates is beneficial. This is so in several ways, firstly: for both relationship development (showing respect, building trust) and managing performance. Secondly, it facilitates a better understanding the different construction of logic of the cultural other that is evident in their foreign language. This enables expression of ideas, within English, to be better aligned with the foreign way of thinking, thereby improving communication and the likelihood of an alignment of expectations, which in turn is requisite to efficacious PM. Thirdly, foreign language skill enables expatriates to draw on contextual feedback within the work environment: the general chatter in the background, aside conversations, and the way things are said, when, where and why. This enables the manager to be better attuned to developments of work in progress, whether on track, whether the flow of contextual forces are beneficial or counter-productive, and thereby enabling the manager to make appropriate interventions to take advantage of the unfolding efficacy of the situation. Without foreign language skills, an expatriate manager will be less able to do this. Therefore, the implication is that language training should be incorporated in expatriate development.

8.5.3 Practical Implications – Human Resources PM in Thailand

The differing weightings of importance of Thai cultural values evident in this research have implications for PM design. This is in regard to work motivation and the incorporation management of motivational techniques within PM design of management/leadership approaches. For example, currently Western PM design has an intense focus on the individual and the task orientation in terms of goals, performance assessment and feedback, rewards and recognition. In Thai culture it is more appropriate to lessen the focus on the individual when incorporating them in PM design, by ensuring they are sympathetic to Thai motivational values. Extrinsic rewards, goals, task accountability, assessment and feedback are all important, but they need to be imbued with Thai cultural values such as face-saving, social smoothing values, sense of belonging (family), and a sense of *sanuk* (สนุก) (fun) if PM design and practical application are to be efficacious.

Furthermore, there are also implications for policy and organisational structure design, whereby managers are given greater flexibility to manage the performance of their subordinates. This is particularly appropriate regarding matrix management, as highlighted in Section 5.2.3 Organisational Structure Attribute. Experienced offshore managers are better positioned to have knowledge and ability to assess the contextual intricacies of their operations, such as: culture, market conditions, and people skills they need. Therefore, by allowing greater autonomy for managers within an organisation's offshore operations to hire local staff of the host country, it is likely to lead to better staff hiring outcomes to underpin

the efficacy of PM outcomes. This would not necessarily require a dismantling of a matrix management structure, but rather, modification to the lines of people management (as opposed to other matrix alignments such as business unit, or product/marketing alignments) to ensure that they are aligned with the cultural context in which the management operate.

8.6 Areas of Possible Further Research

Given the complexity of cross-cultural management issues, there is undoubtedly an endless array of worthwhile opportunities for empirically based research in the field. However, within the context of this research three such areas became apparent.

Firstly, this research found that the cultural values underlying the design and practice of PM were almost exclusively based on Western values and management theory. Further, this research showed that large multinational organisations lacked the flexibility of the smaller organisation within their design of their PM systems. This research found in such instances, PM systems design was a significant constraint on the efficacy of PM.

It was also evident when interviewing the few Thais who had recent experience in working in large Thai organisations in Thailand, that such organisations may adopt ‘off-the shelf’ Western designed PM systems in their move to modernise their management practices. This is also being done with little or no modification, in substance or form, to the PM system design. For example, a Thai participant cited the situation where a large local Thai bank had recently implemented a Western PM system without changing the PM document (similar to the generic form at Figure 5.1) from English language to Thai, notwithstanding Thai is the language of the workplace. Therefore, there may be benefits from studies into PM systems employed by large Thai organisations, to determine the design nature of such systems: whether unmodified Western PM systems design, or adapted Westerns designs, or Thai designed systems are being employed. A comparison of their efficacy of the different approaches to design, within a single Thai culture setting, could be beneficial for future PM design.

Secondly, the only significant and comprehensive Thai values survey that has been conducted, is that of Komin (1990b). A longitudinal study of this nature on Thai values would be beneficial, as a current reference for future studies involving the Thai culture, and also as a measure of the impact of advancing nature of the Thai economy and growing middle class, and as a measure of the impact of globalisation on the Thai culture, if any. Whether there has been an impact resulting from these forces, or not, the findings would be enlightening.

A further research opportunity is to apply the essential findings of this research within practical situations, in the manner outlined in Section 8.8 above. For example, action research methodology could be designed to apply some of the models developed in this

research (incorporating cultural constructs of efficacy and tension of expectations), to determine if they can be used prescriptively to improve cross-cultural management practices and PM outcomes. It is considered the testing and refinement of the various models/PM design implication generated in this research, would have the potential to reduce the lengthy time it takes expatriate managers to attain efficacy in cross-cultural PM situations.

Finally, while not explored in this study, research in the field of psychology shows that the exercise of willpower has a significant impact on a person's performance. Exercising willpower requires a significant use of a person's energy, which is fuelled by glucose. Since energy is a finite resource, people's performance naturally begin to flag as their reserves of energy are depleted throughout various periods of the day. With less energy reserves, research shows people's willpower wanes affecting their judgements and overall performance (Gailliot et al 2007). The implication is that cultural adjustment can require exercise of a significant amount of willpower, in how one reacts and controls their behaviour within a cross-cultural setting. The need to exercise a higher degree of willpower in a cross-cultural setting may be another way in which culture can affect the efficacy of cross-cultural PM. Therefore, a study into the impact of the need to exercise willpower, and its impact on performance, may be of significant benefit to the design and practice of PM in cross-cultural settings.

8.7 Closing Remarks

Working in a cross-cultural environment has long been, and continues to be, a confounding experience for many, notwithstanding the considerable amount of research in the field. Researching in this field has been a very rewarding experience for the researcher, not only academically, but also personally. During this study the researcher often reflected on his four-decade career experiences remembering changes in the PM systems he was exposed to, almost as signposts, where advances in PM theory filtered into PM design and practice in the workplace. Also, to study cross-cultural management so intimately in practise during this research, it has been particularly rewarding to be able to develop a theory that brings a new construct to the field that sheds further clarity into the dynamics of cross-cultural management practice.

As revealed in this research, to gain the depth of knowledge and expertise to become truly effective in cross-cultural PM takes many years. The researcher is optimistic that this research, and further research that it may influence, will significantly shorten this timeframe. For, the imperative to build such skills is ever increasing with globalisation, and one that is becoming essential for people and nations if they are to be competitive. Notwithstanding Australia's proximity to Asia, research by the Diversity Council Australia, shows that

Australian businesses lack strategies to develop capabilities critical to business in Asia, including understanding the cultures, the Asian countries' businesses capabilities, and language skills. Many businesses in Australia have the human resource capabilities latent within their workforce, but lack the strategies or foresight to harness them to advance their businesses within the Asian regions (DCA 2015). While there is a need for additional research into working cross-culturally, the greater need to adopt recent theory developments in the field of cross-cultural management, into business strategies, policy and human resource development, remains a key challenge for both practitioners and academics.

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Appendix 1: Three Principal Streams Comparison of International Cross-cultural Management Inquiry

Issues	Perspectives	Cross-national comparison	Intercultural Interaction	Multiple cultures
Context driving emergence	<ul style="list-style-type: none"> • Political, post WW II • Economic forces • Academic research forces • Current reinforces (e.g. globalisation) 	<ul style="list-style-type: none"> • Change in global economic power • Dramatic increase in FDI (JVs, M&As, MNCs) 	<ul style="list-style-type: none"> • Political, and Economic forces • Technology • Social forces 	
Theories / frameworks	<ul style="list-style-type: none"> • Nation-state = culture • Culture is given, single and immutable • Quest for universal applicability 	<ul style="list-style-type: none"> • Culture is socially constructed • National culture/identity of critical importance • Emergent cultures derived from: org. culture, interpretive paradigm, anthropological theories, cross cultural communication 	<ul style="list-style-type: none"> • Collective, socially constructed phenomenon • Orgs = multiplicity of culture • Individual can belong to many cultures • Salience of any cultural group is an empirical question 	
Key contributors	<p>Comparative management: Farmer and Richman (1965) Haire, Ghiselli and Porter (1966) House et al. (2004)</p> <p>Dimensions and constructs: Hofstede (1980) Schwartz (1995)</p>	<p>Kleinberg (1989)</p> <p>Rohlen (1974)</p> <p>Silin (1976)</p>	<p>Sociologist Berger and Luchmann (1966)</p> <p>Industrial anthropologists Trice and Beyer (1993)</p> <p>Organisational research Balthazard, Cooke and Potter (2006) Caulkins (2004)</p>	

	Smith, Peter B., Peterson and Schwartz (2002)		Cont...
	Triandis (1972)		Fayolle, Basso and Legrain (2008)
	Trompenaars and Hampden-Turner (1998)		Martin, J and Siehl (1993)
	Country clusters:		Sackmann and Stiftung (2006)
	Ronen and Shenkar (1985)		
Research focus	<ul style="list-style-type: none"> • Managerial attitudes and behaviour differences • Effect on firm performance • How to control cultural difference 	<ul style="list-style-type: none"> • Impact on organisational life • influences cultural evolution from bi-national interaction 	<ul style="list-style-type: none"> • Many cultures exist in org's • How do cultures interact? • What are the implications for management?
Knowledge contribution	<ul style="list-style-type: none"> • Generalisations across national units • Clustering • Finite set of cultural variables 	<ul style="list-style-type: none"> • Importance of contextual analysis • Emergent negotiated culture • Intercultural communication 	<ul style="list-style-type: none"> • Culture socially constructed • Sense making and practical applications • Complexity of personal identity and org life.
Research Methods	<ul style="list-style-type: none"> • Positivistic • Universal categories • Large-scale quantitative studies 	<ul style="list-style-type: none"> • Interpretative • Anthropological ethnography – thick description • Primarily qualitative analysis 	<ul style="list-style-type: none"> • Interpretive, inductive methodologies • Hybrid, multiple methods • Field-based data collection

Source: adapted from Sackmann and Phillips (2004)

Appendix 2 a): Hofstede - Values Dimensions

Value Dimension	Description
<i>Power distance</i>	Is the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally. This represents inequality (more versus less), but defined from below, not from above. It suggests that the followers as much as by the leaders endorse a society's level of inequality.
<i>Uncertainty avoidance</i>	Measures society's tolerance for uncertainty and ambiguity; it ultimately refers to man's search for Truth. It indicates to what extent a culture programs its members to feel either uncomfortable or comfortable in unstructured situations.
<i>Individualism vs. collectivism</i>	This dimension measures the degree to which individuals are integrated into groups. The word 'collectivism' in this sense has no political meaning: it refers to the group, not to the state.
<i>Masculinity vs. femininity</i>	Masculinity versus femininity refers to the distribution of roles between genders, which is another fundamental issue for any society to which a range of solutions are found. The assertive pole has been called 'masculine' and the modest, caring pole 'feminine'.
<i>Long-term vs. short-term orientation</i>	Values associated with long-term orientation are thrift and perseverance; values associated with short-term orientation are respect for tradition, fulfilling social obligations, and protecting one's 'face'. Both the positively and the negatively rated values of this dimension are found in the teachings of Confucius, the most influential Chinese philosopher who lived around 500 B.C.; however, the dimension also applies to countries without a Confucian heritage.
<i>Indulgence vs. restraint</i>	Refers to the degree people within a society try to control their impulses and desires. Societies with indulgent tendencies allow relative freedom to its people to seek gratification of their desires for life, whereas, societies with a tendency towards restraint seek to control through stricter social norms.

Source: Adapted from Shi and Wang (2011)

Appendix 2 b): GLOBE Study – Values Dimensions

Value Dimension	Description
<i>Power Distance</i>	The degree to which members of an organization or society expect and agree that power should be shared unequally.
<i>Uncertainty Avoidance</i>	The extent to which members of collectives seek orderliness, consistency, structure, formalized procedures, and laws to cover situations in their daily lives.
<i>Institutional Collectivism</i>	Level at which a society values and rewards collective action and resource distribution
<i>In-Group Collectivism</i>	Level at which a society values cohesiveness, loyalty, and pride, in their families and organizations
<i>Humane Orientation</i>	Ideas and values and prescriptions for behaviour associated with the dimension of culture at which a society values and rewards altruism, caring, fairness, friendliness, generosity, and kindness.
<i>Performance Orientation</i>	Level at which a society values and rewards individual performance and excellence.
<i>Assertiveness</i>	A set of social skills or a style of responding amenable to training or as a facet of personality.
<i>Gender Egalitarianism</i>	Level at which a society values gender equality and lessens role differences based gender.
<i>Future Orientation</i>	The extent to which members of a society or an organization believe that their current actions will influence their future, focus on investment in their future, believe that they will have a future that matters, believe in planning for developing their future, and look far into the future for assessing the effects of their current actions.

Source: Adapted from Shi and Wang (2011)

Appendix 3 a): Interview Guide – Farang version

General information

1. What is your current position within the organisation? Very briefly describe the main responsibilities of your position?
2. How many years/months experience have you in managing the performance of staff?
3. How many staff are you currently responsible for? What is the ratio of local staff to expatriate staff?
4. What is your level of your formal education?
5. How long have you worked with Thai staff?

Performance Management (PM)

1. Can you please tell me about the performance management / appraisal process in your organisation?
 - What incentives are offered to enhance staff performance? Disincentives?
 - What do you think are the strengths and weaknesses of the system?
2. As a line manager, can you please give me an example when you think the PM process worked well for you?
 - How did you feel?
 - Why did you feel that way?
3. What are your impressions of how your staff feel about the PM process?
 - Why do you think they feel that way?
4. Please tell me about a time when you felt the organisation (or your superiors) did not meet your expectations of the terms of your employment.
 - Do you consider those were contractual or moral obligations? =
 - How did this make you feel?
 - Did it affect your work performance? Please elaborate. =
5. Please tell me about a time when you felt the organisation (or your superiors) exceeded your expectations of the terms of your employment.
 - Do you consider those obligations were contractual or morally obligatory?
 - How did this make you feel?
 - Did it affect your work performance? Please elaborate.

Continue...

Culture

1. What has been your experience in working in Thailand?
 - Can you describe how you think the Thai culture is different to that of other countries you have worked?
 - How have you adapted to working within the Thai culture?
2. How do you think cultural differences, in any way, affect your ability to optimise the performance of your local staff? Examples?
 - What are the key features (culturally) you would advise newcomer expats to observe to successfully manage the performance of their Thai Staff?
 - Is this similar or different to your experience in working with people of your own culture?
3. Do personal adjustments (family, lifestyle, national and/or workplace cultures etc) that expatriate staff and their families have to make when working within a new culture / country, affect work performance?
 - Are there long-term as well as short-term adjustment necessary for expats and /or their families? Examples?
 - What are the associated performance management issues? Examples?
4. Please describe the similarities in the way you conduct PM since working in Thailand to that of the way you did in other countries.
 - Are there differences in their effectiveness? Please elaborate.
5. In your terms please describe the culture of your organisation / workplace.=
 - Does it have a value system: formally articulated or word of mouth (folk law)?
6. Do you think organisational / workplace culture assists with the performance management of staff? In what ways, or why not? (As appropriate.)
7. What do you think your staff feel about the organizational / workplace culture?
 - In the workplace which value set predominantly influences staff work performance, national culture or organizational / workplace culture.
 - From your experience, in what ways are there differences in the feelings of local staff and expatriate staff to the organisational / workplaces culture, if any?
8. How are the organizational cultural values reflected in performance assessment of your staff?
9. Please describe how the prescribed culture adopted by the organization in Thailand differs from that prescribed globally for the organization.
10. Are there any other thoughts or comments you would like to express?

End.

Appendix 3 b): Interview Guide – Thai version

General information

6. What is your current position within the organisation? Very briefly describe the main responsibilities of your position?
7. How many years/months experience have you in managing the performance of staff?
8. How many staff are you currently responsible for?
9. What is your level of your formal education?
10. How long have you worked with Thai / Farang staff?

Performance Management (PM)

6. Can you please tell me about the performance management / appraisal process in your organisation?
 - What incentives are offered to enhance staff performance? Disincentives?
 - What do you think are the strengths and weaknesses of the system?
7. As a line manager or as a subordinate, can you please give me an example when you think the PM process worked well for you?
 - How did you feel?
 - Why did you feel that way?
8. Please tell me about a time when you felt the organisation (or your superiors) did not meet your expectations of the terms of your employment.
 - Do you consider those were contractual or moral obligations?
 - How did this make you feel?
 - Did it affect your work performance? Please elaborate.
9. Please tell me about a time when you felt the organisation (or your superiors) exceeded your expectations of the terms of your employment.
 - Do you consider those obligations were contractual or morally obligatory?
 - How did this make you feel?
 - Did it affect your work performance? Please elaborate.

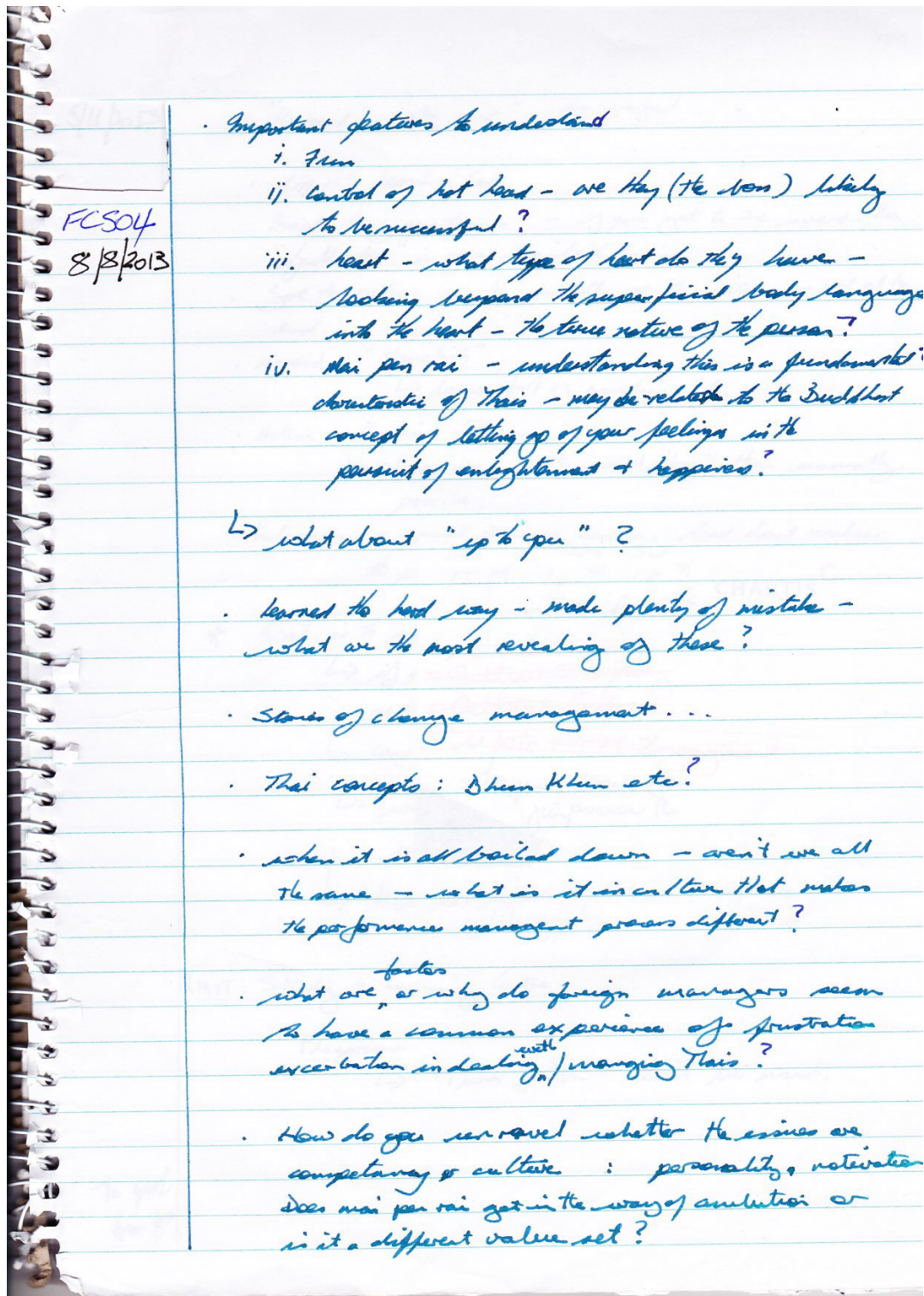
Continue...

Culture

11. What has been your experience in working in Thailand or working with Farang (as the case may be)?
 - Can you describe how you think the Thai / Farang culture is different to that of other countries you have worked?
 - How have you adapted to working with the Thai / Farang culture?
12. How do you think cultural differences, in any way, affect your ability to optimise work performance outcomes? Examples?
 - What are the key features (culturally) you would advise newcomer expats to observe to successfully manage the performance of their Thai Staff?
 - Is this similar or different to your experience in working with people of your own culture?
13. Do personal adjustments (family, lifestyle, national and/or workplace cultures etc) that expatriate staff and their families have to make when working within a new culture / country, affect work performance?
 - Are there long-term as well as short-term adjustment necessary for expats and /or their families? Examples?
 - What are the associated performance management issues? Examples?
14. In your terms please describe the culture of your organisation / workplace.
 - Does it have a value system: formally articulated or word of mouth (folk law)?
15. Do you think organisational / workplace culture assists with the performance management of staff? In what ways, or why not? (As appropriate.)
16. How are the organizational cultural values reflected in performance assessment of your staff?
17. Are there any other thoughts or comments you would like to express?

End.

Appendix 4: Interview Guide – FCS04, Interview 3 of 4



Appendix 5: RMIT University Human Ethics Committee Approval



Business College Human
Ethics Advisory Network
(BCHEAN)

Building 108, Level 11
239 Bourke Street
Melbourne VIC 3000

GPO Box 2476V
Melbourne VIC 3001
Australia

Tel. :
Fax :

Notice of Project Amendment Approval

Date: 30 April 2013

Project Number: 1000485

Project Title: *Does Culture Affect the Efficacy of Performance Management? A Study at the Cross-Cultural Interface of MNC Banks (Anglo Cluster) Operating in Thailand*

Risk Classification: Low Risk

Principal Investigator: Prof Martin Wood
Student Investigator: Mr Thomas Doumani

Project Approved: From: 5 February 2013 To: 27 February 2016

Project Amendment Approved: From: 23 April 2013

Amendment Details: Broaden the data sampling base beyond the banking industry to Western corporations and individuals (Anglo-cluster) across the spectrum more generally. Seek volunteers for the research through LinkedIn.

Terms of approval:

- Responsibilities of the principal investigator**
It is the responsibility of the principal investigator to ensure that all other investigators and staff on a project are aware of the terms of approval and to ensure that the project is conducted as approved by BCHEAN. Approval is only valid while the investigator holds a position at RMIT University.
- Amendments**
Approval must be sought from BCHEAN to amend any aspect of a project including approved documents. To apply for an amendment submit a request for amendment form to the BCHEAN secretary. This form is available on the Human Research Ethics Committee (HREC) website. Amendments must not be implemented without first gaining approval from BCHEAN.
- Adverse events**
You should notify BCHEAN immediately of any serious or unexpected adverse effects on participants or unforeseen events affecting the ethical acceptability of the project.
- Participant Information and Consent Form (PICF)**
The PICF must be distributed to all research participants, where relevant, and the consent form is to be retained and stored by the investigator. The PICF must contain the RMIT University logo and a complaints clause including the above project number.
- Annual reports**
Continued approval of this project is dependent on the submission of an annual report.
- Final report**
A final report must be provided at the conclusion of the project. BCHEAN must be notified if the project is discontinued before the expected date of completion.
- Monitoring**
Projects may be subject to an audit or any other form of monitoring by BCHEAN at any time.
- Retention and storage of data**
The investigator is responsible for the storage and retention of original data pertaining to a project for a minimum period of five years.

Regards,

Professor Roslyn Russell
Chairperson
RMIT BCHEAN

Appendix 6: Formal Invitation to Research Participants



School of Management
Building 80
Level 8
455 Swanston Street
Melbourne VIC 3000
Australia
Tel. +61 3 99255969
Fax +61 3 9925 5850
www.rmit.edu.au

dd / mm / 2013

INVITATION TO PARTICIPATE IN A RESEARCH PROJECT

PARTICIPANT INFORMATION

Project Title: Performance Management, Culture, and Efficacy: a Cross-cultural Study Set in Thailand

Investigators:

- Thomas Doumani, PhD Candidate, School of Management, RMIT University, Thomas.Doumani@rmit.edu.au, ph +61 3 9925 5969
- Martin Wood, PhD, (Principal Supervisor, Professor of Organisation Theory), School of Management, RMIT University, Martin.Wood@rmit.edu.au, ph +61 3 9925 5675
- Ling (Irene) Deng, PhD, (Associate Supervisor, Lecturer) School of Management, RMIT University, Ling.Deng@rmit.edu.au, ph +61 3 9925

Dear [*insert participant's name*],

You are invited to participate in a research project being conducted by RMIT University. Please read this sheet carefully and be confident that you understand its contents before deciding whether to participate. If you have any questions about the project, please ask one of the investigators.

Who is involved in this research project? Why is it being conducted?

The research is being conducted as part of a PhD program in the School of Management at RMIT University in Melbourne, Australia and will go towards satisfaction for the degree of Doctor of Philosophy in Management. Thomas Doumani as the PhD candidate investigator is conducting this research. Professor Martin Wood and Dr Ling Deng are Thomas Doumani's supervisors in this research project and his overall PhD program.

The RMIT University Human Research Ethics Committee has approved this research program.

Why have you been approached?

You have been approached because as a leader within your organisation you have experience in managing the work performance of subordinates, which is relevant to the research topic.

Further, as previously discussed we believe you possess the requisite experience, skills and interest in the subject matter to make a valuable contribution to the research.

What is the project about? What are the questions being addressed?

This research will investigate performance management (the process of managing workers to achieve the organization's goals) in a cross-cultural setting of Western multi-national corporation banks operating in Thailand and that have their parent companies located in English speaking countries such as the US and UK. From the experience of leaders within such organisations, the research will explore the issues of cross-cultural performance management of staff and how these issues may impact the effectiveness of performance management processes and outcomes.

The research will explore these issues from the perspectives of both national culture and corporate culture.

The primary research question is:

In a cross-cultural workplace, what are the implications of national culture and corporate culture on the effectiveness of the performance management of staff?

Secondary research questions are:

What is the nature of such effects? Are they likely to improve staff performance or inhibit staff performance?

If I agree to participate, what will I be required to do?

If you are willing to participate, a convenient date, time and venue will be agreed to conduct an interview of up to 1 hour. At the interview, open-ended questions will be asked for you to offer your experiences and views relating to the research subject matter. Some basic information will also be sought such as: what is your current position at work; how many staff are you responsible for; what is the number of years experience you have in managing the performance of staff?

What are the possible risks or disadvantages?

There are no apparent risks or disadvantages in participating in the research. It involves discussions based on a professional level only. If you are unduly concerned about your responses to any of the questionnaire items or if you find participation in the project distressing, you should inform Thomas Doumani as the primary investigator as soon as convenient. Thomas Doumani will discuss your concerns with you confidentially and suggest appropriate follow-up, if necessary.

What are the benefits associated with participation?

There are no direct benefits to you for participating in the research, other than the satisfaction of contributing your knowledge and experience to assist in the objective of the research.

All recorded data will be transcribed and encrypted / coded, and archived. The transcribed data will be kept during the analysis phase of the research on the personal laptop computer of the principal investigator and on the allocated desktop computer at RMIT University, School of Management. USB / external hard-drive device will be used for backup purposes and will be secured in locked cabinets under the control of the principal investigator at RMIT University and his personal residence. All computer devices used for the storage of data are password protected.

Safeguards for your confidentiality are assured. You will remain anonymous throughout the research other than to the principal investigator. You will not be identifiable within any information or reports to emanate from the research as a result of your participation.

Any information that you provide can only be disclosed if (1) it is to protect you or others from harm (2) a court order is issued requiring disclosure, or (3) you give your written permission to the investigators.

Prior permission will be obtained from participants if there is a wish to use your data for some purpose other than the use in this project.

The results of the research will be disseminated in the forms of a thesis, papers for publication (e.g. academic journals) or conferences/conference proceedings. Pseudonyms will be used when quotes are necessary for inclusion in any such reports.

The research data will be kept securely at RMIT University for 5 years from publication, after which it will be destroyed.

What are my rights as a participant?

You have the right to withdraw from participation at any time, without prejudice. You have the right to request that any recording cease. You have the right to have any unprocessed data withdrawn and destroyed, provided it can be reliably identified, and provided that so doing does not increase the risk for the participant. You have the right to have any questions answered at any time, in relation to the project and your participation.

Whom should I contact if I have any questions?

Should you have any questions relating to your participation in the research you may contact Tom Doumani (primary investigator) at email Thomas.Doumani@rmit.edu.au or ph +61 3 3 9925 5969 or Prof. Martin Wood (principal supervisor) at email Martin.Wood@rmit.edu.au or ph +61 3 9925 5675.

What other issues should I be aware of before deciding whether to participate?

There are no other ethical issues we can think of that you should be aware of, before deciding whether you wish to participate in this research. Nevertheless, please feel free to contact either Thomas Doumani or Professor Martin Wood (as stated above) should you have any concerns with respect your participation in this research.

Yours sincerely,

Thomas Doumani
M.Ed (workplace)

Dr Martin Wood
Professor of Organisational Theory

Dr Ling Deng
Lecturer

If you have any complaints about your participation in this project please see the complaints procedure on the [Complaints with respect to participation in research at RMIT](#) web page

Continued...

PARTICIPANT' CONSENT

1. I have had the project explained to me, and I have read the information sheet
2. I agree to participate in the research project as described
3. I agree to be interviewed and/or complete a questionnaire.
4. I agree that my voice will be audio recorded.
5. I acknowledge that:
 - (a) I understand that my participation is voluntary and that I am free to withdraw from the project at any time and to withdraw any unprocessed data previously supplied (unless follow-up is needed for safety).
 - (b) The project is for the purpose of research. It may not be of direct benefit to me.
 - (c) The privacy of the personal information I provide will be safeguarded and only disclosed where I have consented to the disclosure or as required by law.
 - (d) The security of the research data will be protected during and after completion of the study. The data collected during the study may be published, and a report of the project outcomes will be provided to participants in the research. Any information which will identify me will not be used.

Participant's Consent

Participant: _____ Date: _____
(Signature)

Participants should be given a copy of this PICF after it has been signed.

End.

Appendix 7: Email Seeking Expression of Interest to Participate



Thomas Doumani thomas.doumani@rmit.edu.au
13 May 2013 at 14:55

Subject: Cross-cultural study: Introduction by Dr. [...]

1 message

Dear Ms [...],

In reference to previous correspondence from Dr [...] and your subsequent conversations with him, I am writing you concerning my research into the issues associated with cross-cultural performance management.

By way of further introduction, I have attached a letter from my professor, which also gives a brief overview of my research topic.

I wonder if I could interview you or a delegate of yours for the purpose of my study. The interview usually takes in the vicinity of 50 to 60 minutes and is governed by the strict standards of the University's Ethics Committee, concerning privacy etc.

With your depth of experience in the subject area, you and your colleagues have the capacity to contribute a great deal of value to the research. Therefore I am sincerely hopeful that you are able to participate.

I look forward to hearing from you.

Kind regards,

Tom Doumani

PhD Candidate
School of Management
RMIT University
Building 80, Level 7,
455 Swanston Street,
Melbourne, Vic. 3000
Australia.

Ph: +614 xxx xxx (Aus)
+668 xxx xxxx (Thai)



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