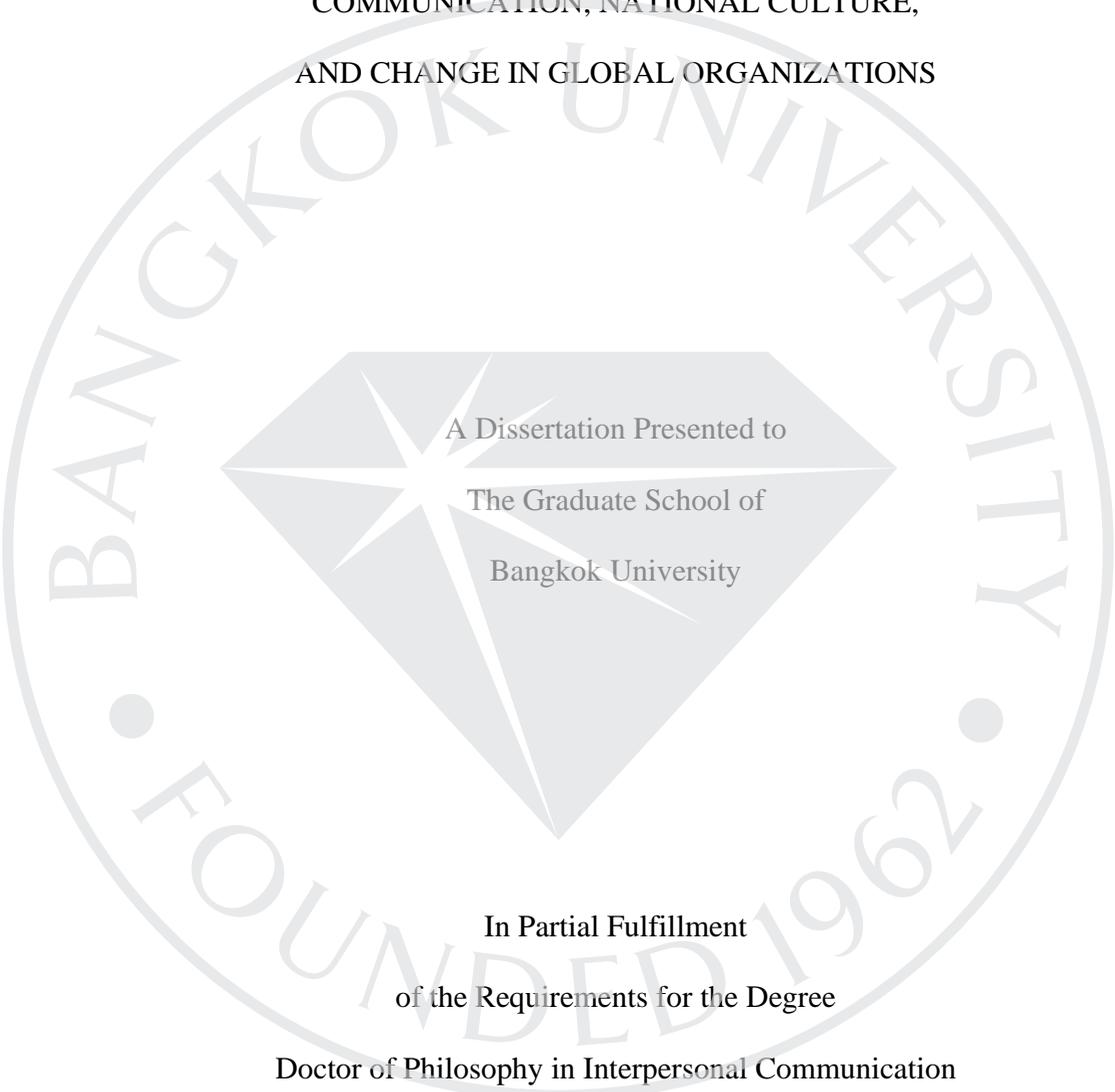


**EXPATRIATES AS CHANGE AGENTS:
COMMUNICATION, NATIONAL CULTURE,
AND CHANGE IN GLOBAL ORGANIZATIONS**



A Dissertation Presented to
The Graduate School of
Bangkok University

**In Partial Fulfillment
of the Requirements for the Degree
Doctor of Philosophy in Interpersonal Communication**

by

Vinai Roachthavilit

2004

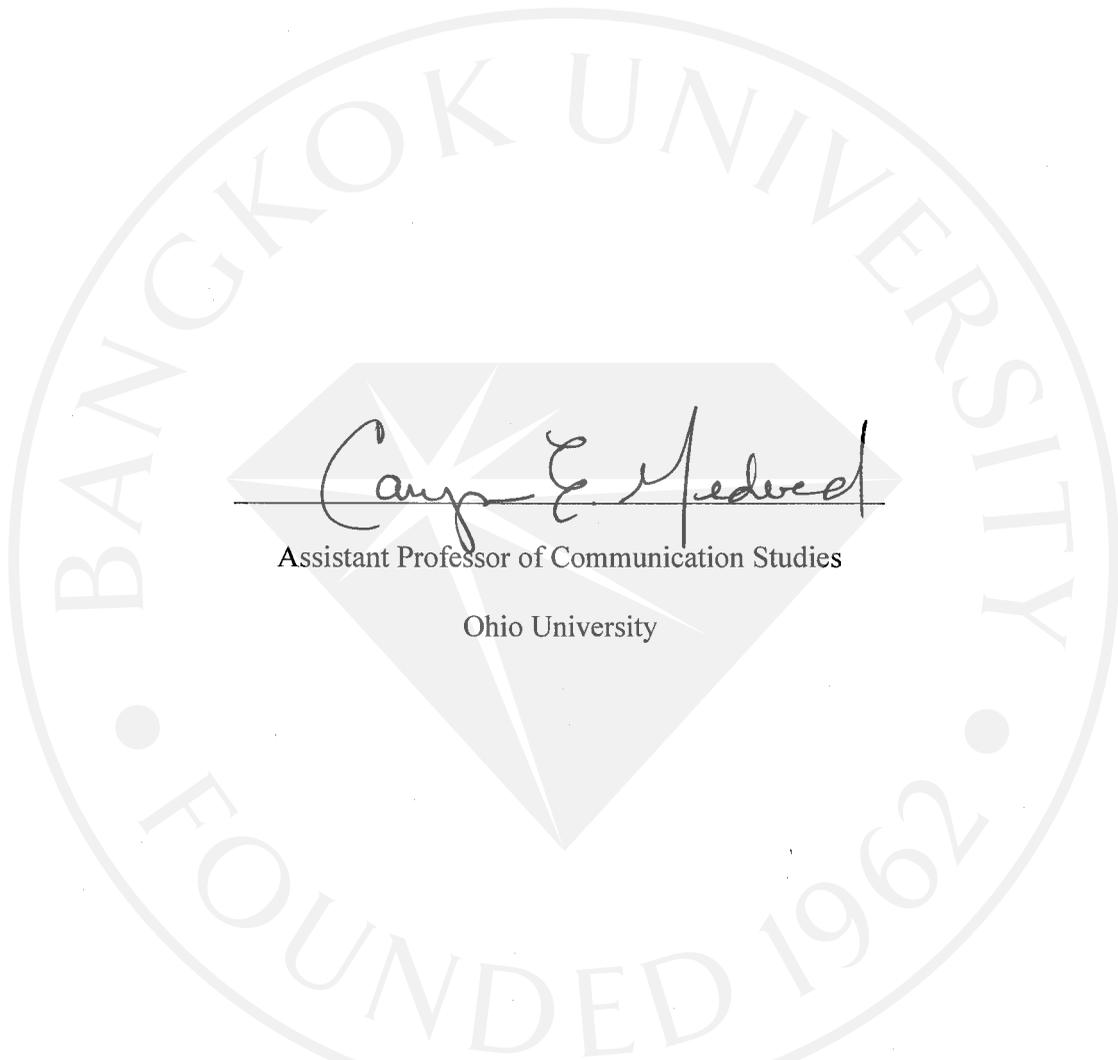


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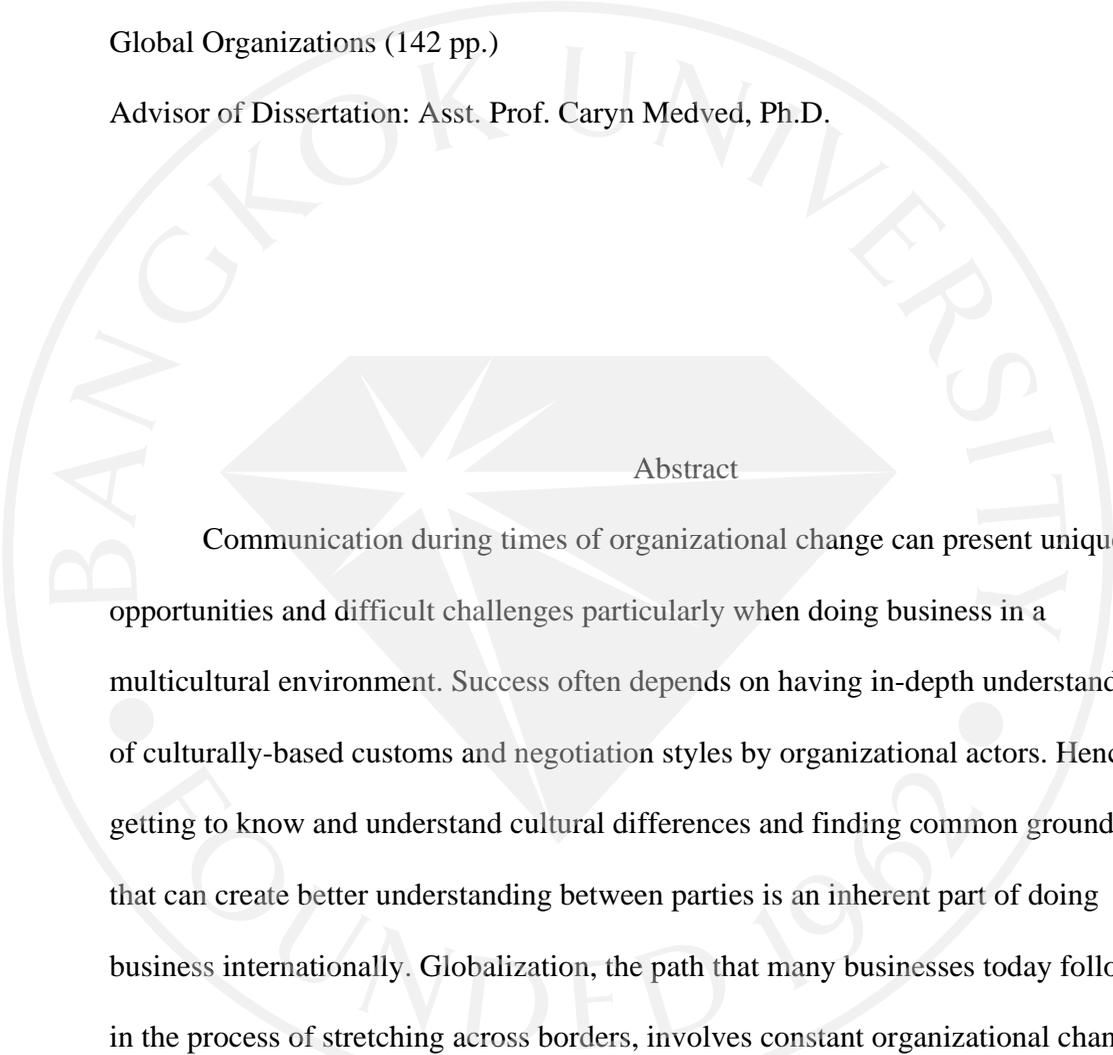
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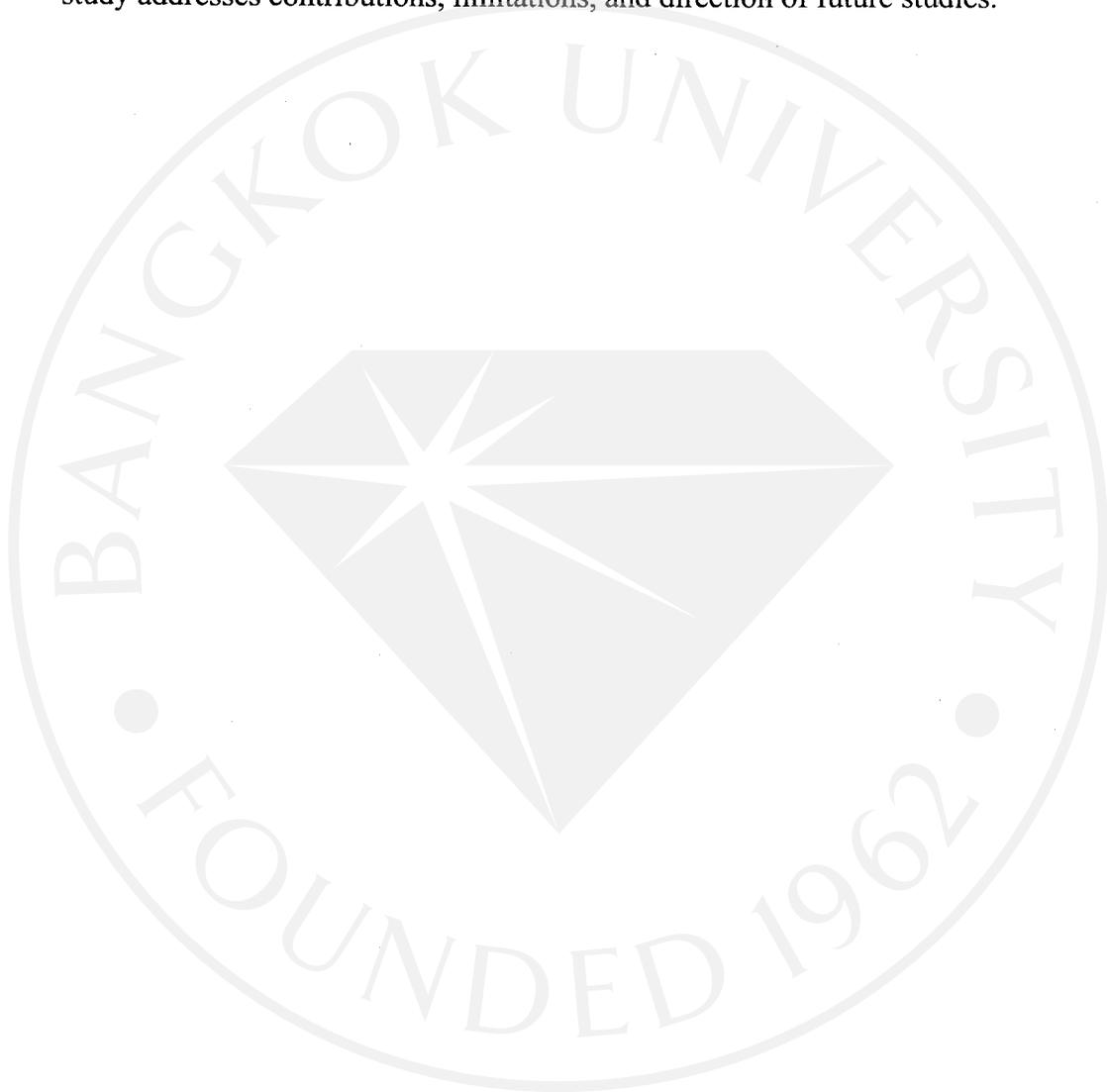
Advisor of Dissertation: Asst. Prof. Caryn Medved, Ph.D.



Abstract

Communication during times of organizational change can present unique opportunities and difficult challenges particularly when doing business in a multicultural environment. Success often depends on having in-depth understanding of culturally-based customs and negotiation styles by organizational actors. Hence, getting to know and understand cultural differences and finding common ground that can create better understanding between parties is an inherent part of doing business internationally. Globalization, the path that many businesses today follow in the process of stretching across borders, involves constant organizational change and cultural adjustment. Cultural influences on organizational change are especially apparent within multinationals (MNOs) headed by expatriates who often assume the role of change agents. The purpose of this study is to explore communication and change implementation by expatriates working in MNOs operating in Thailand. In-depth interviews are used to collect data from expatriates about issues pertaining to their role as change agents, cultural constraints, obstacles/facilitators of

change, and influence tactics. The results of this study suggest that cultural traits Western expatriates possess are fairly contrary to Thai subordinates. This automatically challenges the change agent role of expatriates and unconsciously conditions both parties to wrongly use unique Thai cultural traits *kreng chai*. This study addresses contributions, limitations, and direction of future studies.



Approved: Caryn E. Medwed
Signature of Advisor

Acknowledgement

About 30 odd years ago a lady taught a child the English alphabets. Little did she know that the child would one day pick and choose 3 letters, p-h-d, and attach it to his name forever. The lady I am referring to is my mother and the child is myself. I owe her a BIG thank you for having provided me the foundation to make it through this doctoral degree.

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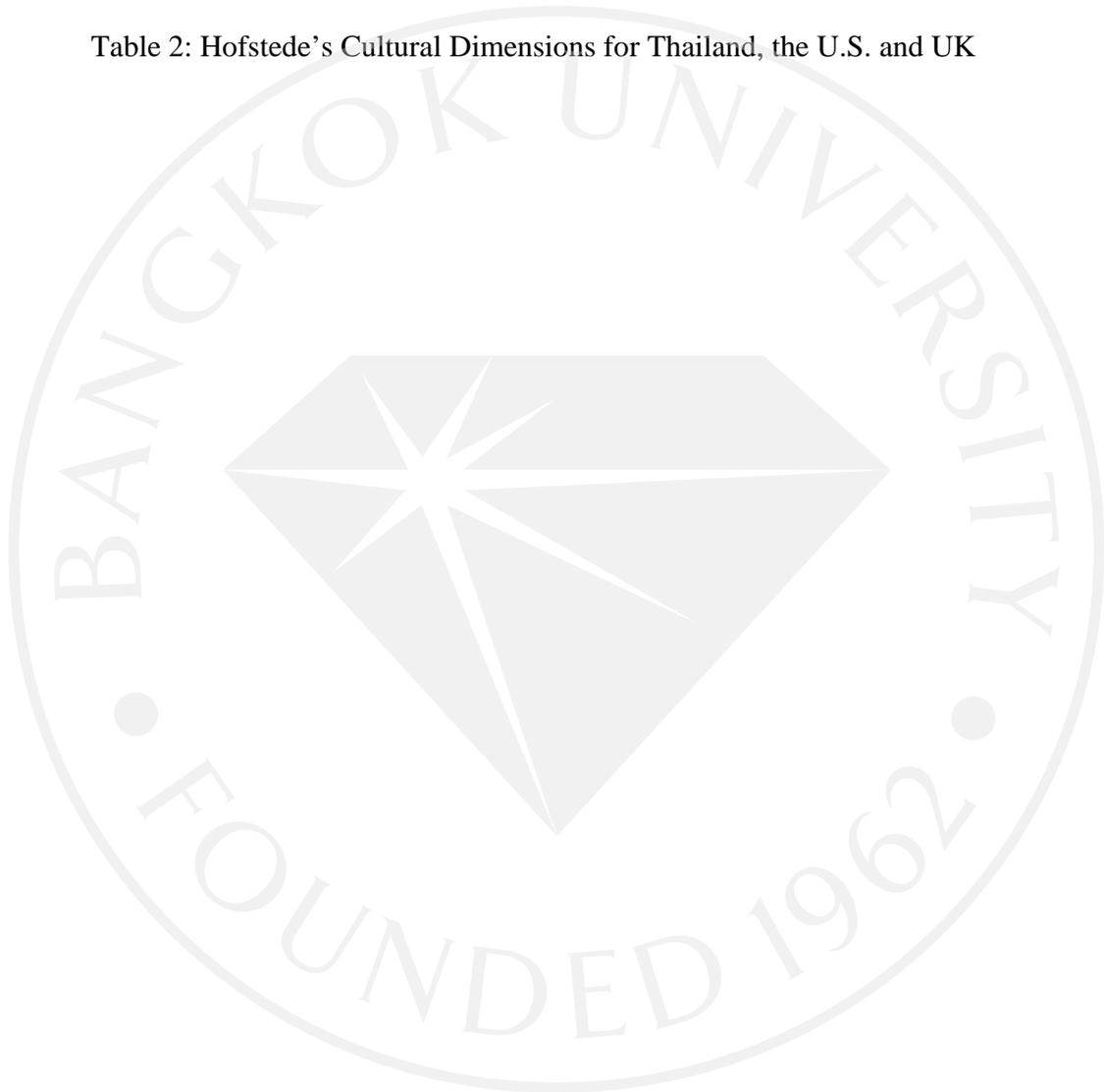
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Chapter 1

Introduction

The decade of the 1990s saw unprecedented growth in practically every industry segment of the global economy. Quickly, globalization is becoming a competitive necessity in a number of markets where decentralized strategies were both dominant and successful in the past. Factors shaping the processes of globalization include (a) the emergence of the global consumer, (b) the diminishing importance of country borders as illustrated by the regional integration in Europe, Latin America, and Southeast Asia, and (c) the increasing demand for fast decision-making in our rapidly changing competitive environment. Adler (2002) argues that “[D]efinitions of success now transcend national boundaries” (p. 3). Thus, the world economy is becoming “borderless” and markets are becoming integrated. The purpose of this dissertation is to investigate the connections between culture, change, and communication. Specifically, this study will explore the unique communicative role that expatriates play in organizational change processes.

Although international businesses have existed for centuries (Adler, 2002), recent rapid growth in firm size has provided a new unique domestic platform from which to expand abroad. This expansion has paved the way for the decisive surge in international business activity that has occurred in the last decades of the nineteenth century (Wilkins, 1970). The world has clearly entered an era of unprecedented global economic activity, including worldwide production and distribution, along with an increasing number of international joint ventures, multinational mergers/acquisitions, and global strategic alliances. Greater economies of scale and better allocation of resources resulting from increased competition and financial diversification are

improving expected rates of returns for all stakeholders. Most notably, the inflow of foreign direct investment into economically developing countries is impressive, increasing sevenfold from \$19 billion to \$148 billion in just the last decade (Economic Outlook, 1998). Over the same period, the proportion of foreign direct investment into developing countries increased from 12 to 41 percent of the total. Foreign direct investment in the world's richest economies increased from \$169 billion to \$234 billion over the same period (World Development Indicators, 1999). Companies such as Motorola, Siemens, Asea Brown Bovari, Honda, British Petroleum, and Eastman Kodak each do business in over 50 countries (Kim, 1983; Adler, 1979).

Briefly, globalization can be traced historically through three events (see Evans, Pucik & Barsoux, 2002). First, after the end of World War II, we saw the relative acceptance of free market systems by world governments. Then, the creation of regional free trade cooperation emerged with the general agreements on tariffs and trade (GATT) and the world trade organization (WTO). Evans et al. (2002) further argued that globalization would not have been possible without technological advancements and powerful economic forces at work. Technological advancements were seen in both transportation and communication, including the introduction of commercial jet travel, the transatlantic telephone link, the development of the telex, and the introduction of computers as an essential business tool in the late 1950s. In addition, political economic forces included the Marshall Plan that helped rebuild the ruins caused by the war that struck Europe. The Bretton Wood Agreement helped stabilize exchange rates which paved way for banks to facilitate international business, and the 1957 Treaty of Rome established the European Community triggering U.S.

firms to invest in the European market. The U.S. investments spurred by Treaty of Rome indirectly encouraged other countries to expand beyond their own borders.

As a result, by the end of the 1980s the traditional distinction between domestic and multinational companies had started to blur. International competition was no longer the preserve of large organizations such as Ford Motor Company or IBM. Statistics from the early 1980s show that only six percent of the U.S. economy was exposed to international competition. By the late 1980s, the corresponding figure was over 70 percent and climbing quickly (Evans, Pucik, & Barsoux, 2002).

Interestingly, free trade was ostensibly intended to create new jobs for U.S. workers; however the outcome may prove different. Thousands of jobs are being exported outside the United States (CNN, 2003) and outsourcing was a key issue of contention in the 2004 U.S. presidential election. Thus, as the economy lives in a constant state of change, so does the process of organizing and communication in multinationals (MNOs).

In conjunction with globalizing forces on organizations, the past decades have also brought a significant increase in the amount of information available to organizational members and fantastic new technologies to deliver it all over the world in seconds. In the next ten years, these technological advances will certainly accelerate and, in the process, increase the urgency and complexity of the decisions that global organizations must make. It means that we can track the progress of a package around the world on the internet. It means the cycle time of new products from idea to customer is constantly shortening. But it also means that small fanatical groups can communicate and organize via the internet and plot to turn a modern airliner into a bomb. For the global organizational environment, it means that organizations will be

facing an increasingly difficult and quickly changing global political, social, and economic situation than ever before (Panyarachun, 2002). While the benefits of globalization are many, its potentially disastrous effects must also be recognized.

To understand how change is implemented in this global environment, it is necessary to understand the primary ways in which cultures around the world converge and diverge in today's workplace. The cultural orientations of different societies reflect complex interactions of language, values, attitudes, and behaviors displayed by its members. Diversity exists both within and among cultures; however, within a single culture certain behaviors are often favored and others repressed. The intersections between national culture, organizational culture, and change are complex and difficult for both employees of multinational organizations (MNO's) and researchers to try to understand. This study will focus at the nexus of culture and communication in Asia; one of the most diverse regions of the world.

Major and minor cultures, religions, and ideologies co-exist in Asia and represent over a third of humanity spread across ten percent of the earth's geography. Economically and technologically advanced Japan, shadowed by newly industrializing countries, is being challenged by developing China, India, Thailand, Malaysia, and Indonesia as new sources of global investment. Despite its disparities and contrasts, the recent general economic performance of Asian countries has been second to none. This success has been driven mainly by the export-oriented expansions of the Asian economies which have encouraged the evolution of internationally minded indigenous companies whose foreign operations have attracted attention. This has led inevitably to comparisons with the multinational activities of established firms (Adler, 2001).

Export gains in Thailand, for example, are being helped by multinational companies relocating their production bases to Thailand. The most notable entrants into Thailand's economy include the automotive and electronics industries which are taking advantage of cheaper currencies resulting from the economic crisis that hit the country seven years ago. These foreign direct investments have reshaped Thailand's export pattern in the past few years, gradually shifting from heavy dependence on traditional markets (the US, European Union, and Japan) to Asian countries and now account for nearly half of the country's total export value. The export gains Thailand is now enjoying solidifies its reputation as the Detroit of Asia (Economic Review, 2003). The current positive economic expansion in Asia has paved way for the 2004 projected growth of 8.4% in China, 7% in Thailand, 6% in Malaysia, 5.4% in Hong Kong, 5% in Indonesia, 4.5% in Singapore, and 4% in Philippines. This makes Thailand the best performer in the region after China (Economic Review, 2003). The National and Social Economic Development Board reports the following economic forecast for Thailand:

Table 1: Thailand Economic Forecast

As of June 7	2000	2001	2002	2003	2004 (Forecast)
GDP (baht billion)	4,916.5	5,123.4	5,451.9	5,931.6	6,473.4
GDP Growth (%)	4.6	1.9	5.4	6.7	6.0-7.0

This study focuses specifically on communication and change implementation by expatriates working in organizations in Thailand, one of the world's fast growing economies and a country with considerable investments by multinational firms. "With

confidence on the rise, led by consumers and now being followed up by investors, Thailand is poised to assert its economic role within Asia and the wider world” (Economic Review, 2003). Moreover, Thailand’s business competitiveness index has steadily improved its ranking from 40 in year 2000 to 31 in 2003 (World Economic Forum). In particular, this investigation explores how expatriates in their roles as change agents communicate to construct and enact organizational change. Studying the role of expatriates provides a unique opportunity to study organizational change in the global context while concomitantly tapping into the challenges of intercultural communication experienced by Western expatriates working for MNOs in Thailand.

For the present study, significant differences between Thai and Western cultural conditions and practices were explored in order to create a deeper understanding of communicating change in this global organizational environment. Developing this knowledge is important for a number of practical reasons: a) Western organizations are not giving enough importance to cross-cultural differences when it comes to making decisions in the globalization process, b) cross-cultural awareness and sensitivity can be potentially very low among executives thus causing them to consider organizational change processes that were pioneered elsewhere as universal, and c) Western organizations can have much less relevance in other cultures to the extent that they can be counterproductive and hinder the development of harmonious relationships (Adler, 2001). This dynamic, global work environment also provides a provocative context for organizational communication scholarship. The multinational organization is a site where language, change, and culture collide in daily workplace interaction. Moreover, the need to globalize organizational communication scholarship is long overdue (Stohl, 2001). Engaging global research efforts is arguably

essential to sustaining our field's relevance to today's complex and interrelated practitioner and academic environment.

This dissertation is organized in the following manner: First, a review of literature synthesizes four key foci of this study: multinational organizations, Thai national culture, organizational change, and expatriation as well as posit two multi-part research questions. Second, the methods of data collection are outlined along with the procedures used for data analysis. Next, the study's results are reported from the analysis of 24 in-depth interviews with both Western Expatriates working in multinational organizations and Thai nationals. Finally, there is a discussion of the contributions it makes to the field of organizational communication and the change literature, along with its limitations and directions for future research.

Definition of Key Terms

(1) Multinational organizations. This study defines multinational organizations (MNOs) as embedded in a single dominant organizational culture with various units in a least three countries (Field & Jordan, 1988); comprised of a multinational workforce, cliental, management, and environment; vested power in local nationals or expatriates holding key positions in subsidiaries or offices overseas but in coordination with headquarters; acknowledging of differences in local cultures but strongly identified with the dominant organizational culture (Stohl, 2001).

(2) Culture. This study will adopt the relatively common perspective on culture in social research developed by Kotter (1990): individually, we are all different, but we also share similar experiences with those who grew up in the same surroundings and in the same type of society as us. In this way, there are broad cultural differences between, for example, nations, regions, social classes, generations, men and women,

religious, ethnic, and linguistic groups, minorities, professions, and organizations which shape us as individuals. The key roles communication plays with regards to culture are providing and obtaining information, creating understanding, and building ownership.

(3) Organizational change. Change, in the multinational context, is a communication-based and communication-driven phenomenon (Ford & Ford, 1995). Communication is the process through which change is conceived, constructed, delivered, implemented, and at times denied.

(4) Expatriates. Expatriates are the workers, typically executives or specialized technicians that are sent from places where an organization is firmly established to other locations where they are performing development operations. Specifically, this study focuses on a comparison of expatriates whose home country is either the United States of America or Great Britain.

(5) Communication. Communication is seen as a tool for announcing and explaining change, preparing people for the positive and negative effects of change, increasing others' understanding of and commitment to change, and reducing confusion about resistance to change (Kotter, 1990). Communication is also seen as a tool for sustaining the change (Kirkpatrick, 1995) and enabling people to change their attitudes and behaviors (Beckhard & Pritchard, 1992). The key roles communication plays are providing and obtaining information, creating understanding, and building ownership (Kotter, 1990).

Chapter 2

Literature Review

To best situate this research within the literature, a review and critique of four areas of research is undertaken below: (a) multinational organizational communication, (b) culture and organizational change, (c) change implementation, and (d) the expatriate's role as change agent.

Multinational Organizations

As organizations extend their horizons across national borders and individuals from different cultures more frequently need to work together, effective intercultural communication practices are increasing in importance. Globalization refers to the interconnected nature of the world economy, the intersection of global and domestic organizations, and communication technologies that blur temporal and spatial boundaries. Cultural variability refers to the attitudes, values, beliefs, and ways of knowing and doing that are associated with different cultural identities that may influence organizational and communicative systems. This study defines multinational corporations (MNOs) as embedded in a single dominant organizational culture with various units in a least three countries (Field & Jordan, 1988); comprised of a multinational workforce, cliental, management, and environment; vested power in local nationals or expatriates holding key positions in subsidiaries or offices overseas but in coordination with headquarters; acknowledging of differences in local cultures but strongly identified with the dominant organizational culture (Stohl, 2001).

There are over 10,000 MNOs with 90,000 affiliates worldwide (Field & Jordan, 1988). As organizations move across national boundaries, MNOs are formed and organizational communication becomes more complex. Cultural struggles for MNOs

involve not only communication to a variety of customer bases, but also the management of “cultural issues” in these interactions (Wiseman & Shuter, 1994). The increasing power of MNOs together with international experiences raises questions of how to successfully manage in a multicultural workplace. It is apparent that communication scholars have directed little attention to communication issues in MNOs. Stohl (2001) argues that while empirical research is scant, there is “growing recognition that organizational communication process can no longer be viewed as bounded within unicultural framework” (p. 327). Adler (2000) richly illustrates the important and complex connection between culture and communication:

The role culture variability and communication plays in globalization process and multinational organizations are immense. All business activity involves communication. Typically within multinational organizations, activities such as leading, motivating, negotiating, decision making, problem solving, and exchanging information and ideas are all based on the ability of managers and employees from one culture to communicate successfully with colleagues, clients, and suppliers from other cultures. Communicating effectively challenges managers even when working domestically with a culturally homogeneous workforce. When colleagues speak a variety of languages and come from “an array” of cultural backgrounds, communicating effectively becomes considerably more difficult. (p. 67)

Social science research on MNOs has revolved around issues of managing across culture (Adler, 1993, 2001; Hofstede, 1980, 2001), negotiating culture (Sullivan, 1981), training procedures in MNOs (Tung, 1987), leadership style in business settings (Smith & Petersen, 1988), career development (Black & Mendenhall,

1990), and culture shock (Furnham & Bockner, 1986). Main themes of this work have included organizational universals or operational characteristics found among organizations regardless of culture (Bird & Dunbar, 1991; Doktor, Lie, & Pillon, 1991; Donaldson, 1986; Garfein, 1989; Hickson, Hinings, McMillian, & Schwitter, 1974; Howe, 1991; Seror, 1988; Zeira & Shenkar, 1990; Thornton, 1990) or national culture (Adler, 1983, 1991, 2001; Hall, 1976; Hofstede, 1980, 1983, 2001; Smith, 1992; Smith & Tayeb, 1988; Stage, 1999; Stewart, 1985).

Studies on national culture in MNOs, for example, have been divided into two major approaches areas: etic and emic. Wiseman and Shuter (1984) define these approaches in the following:

The etic approach assumes that certain national cultures share common values and can be grouped into value classifications. In contrast, the emic approach does not attempt to classify cultures on the basis of values; rather, it draws conclusions about organizational dynamics within a specific country. (p. 5)

The etic approach uses value classifications to group together national cultures. The emic approach reaches conclusions on “organizational dynamics” based on specific countries (Wiseman and Shuter, 1984). The popularity of emic research has increased lately and tends to provide guidelines of how to do business in certain countries. Management behaviors rather than communicative activities have been the main foci of such studies (Axtell, 1989, 1991; Barsoux & Lawrence, 1991; Copeland & Griggs, 1985; Eze, 1984). Shuter’s (1992) review of research published in prominent business journals found that most internally-focused scholarship on organizational behavior and communication done outside the U.S. has been conducted in Japan and China. A prominent example of etic research would be Hofstede’s (1980)

longitudinal study on IBM in which he classified societies based on four cultural dimensions: (a) individualism-collectivism, (b) power distance, (c) uncertainty avoidance, and (d) masculinity-femininity. Hofstede's cultural dimensions are used below to further explore the organizational communication practices in MNOs in Thailand that are the focus of this study.

Thailand is a country in Southeast Asia that has achieving high gross domestic product (GDP) for the past several decades. The export driven economy of Thailand has enjoyed handsome foreign direct investment even during times of economic downturn. Swierczak (1991) further supports the fact that little research has been done on Thailand by pointing out that country-and region-specific research is abundant on East Asian organizations, Japan and China in particular, with very little attention being given to other countries. Wiseman and Shuter (1984) argue:

Because the bulk of research on MNOs has been conducted by business scholars and social psychologists, it is not surprising that the literature on both organizational universals and national cultural influences infrequently focuses on communication issues. (p. 7)

Wiseman and Shuter explain further that it is extremely difficult to find studies done on organizational culture across multiple national cultures. The outcome of this is that we know very little about communication in MNOs worldwide and extremely little about MNOs in a specific country like Thailand with a population of approximately 60 million people.

One exception is Stage's (1999) research that explores organizational communication in the Thai culture. This work argues that research on MNOs in relation to organization communication and culture is essential yet tremendously

under-developed. Clearly, managing multinational operations is definitely not a simple process, as goals, motivations, and desired outcomes may be different across geographic locations. Managers within multinational are generally aware developing workplaces are sensitive and responsive to the large cultural differences that lie across various sites crucial to succeed in the global marketplace (Deetz, Tracy, & Simpson, 2000). These scholars argue that “managing the hearts, minds, and souls of employees is a key element of building a successful business today. For the past 20 years this need has been loosely defined as managing the corporate culture” (p. 1). Deetz et al. (2000) specifically illustrate the importance of studying multinational organizations, culture’s impact on organizational change, and change implementation. Thus, the work of Stage (1999) and Deetz et al. (2000), along with Stohl (2001) identifies a key gap in the organizational communication research concerning issues of communication in MNOs during times of organizational change. These issues are shape the key concerns and contributions of the present study.

Fieg (1989) explains the challenges Thais face when working for MNOs. He denotes the cultural dimensions identified by Hofstede (1980, 2001): Thais themselves are not likely to initiate change in a work situation. They are taught by their culture and their educational training, which emphasizes rote learning and deference to seniors, not to challenge the system that is in place. But there are ways to get them to participate in organizational development, or the change process. As an experiment, one American executive organized a brainstorming day for all staff and was amazed at the number of sound, creative ideas that came out of it. He had always thought that his Thai staff members, being quiet and reserved, did not think much about the company’s operations.

He was delighted to find out that when encouraged to speak up in a non-threatening setting, they were full of ideas. (p. 63)

U.S. Americans and Thais have different approaches to change in the workplace. The major reason for this difference is that Thais prefer to avoid conflict which is an inevitable part of change. Another reason for this difference is that Thais generally prefer to avoid unnecessarily disturbing others with the change. Thais generally have mixed feelings when working for MNOs. Some Thais feel that multinational organizations do not offer them a sense of job security as such organizations are capable of laying off a lot of people for economic reasons. While others believe that MNOs offer them a good career opportunity (Fieg, 1989).

Next, the following section will review the current literature on national culture and communication. It will further explore the role of culture and how it impacts MNOs. Specifically, it will discuss organizational cultural differences between Thais and Westerners.

Culture

This study investigates how intercultural differences, which exist within and across countries, will impact communicative practices during times of organizational change in MNOs. This study compares Western expatriates (American and British) and Thai subordinates and uses Geert Hofstede's (1980) cultural dimensions – power distance, uncertainty avoidance, individualism-collectivism, masculinity-femininity. This study omits using Hofstede's latest dimension long versus short-term orientation which is based on the teachings of Confucius. It is believed that (a) unique Thai cultural traits are more appropriate for this study since its roots are linked to the Buddhist teachings, and (b) Hofstede explains the fifth dimension which was added

later is independent of the four identified earlier. In addition, unique Thai cultural traits such as *kreng chai*, *mai pen rai* or *sabai sabai* are also incorporated into this study's understanding of communication during times of organizational change. Hofstede's dimensions as well as these three cultural traits will be described further below. Though this study does use Hall's (1976) high and low context societies and Komin's (1988, 1990) value systems as frameworks with the data collected, an explanation of both frameworks are provided in the later part of this section. This study believes the numerous insights to culture differences provided by earlier scholars facilitate a better understanding to the importance of this study.

While comprehensively reviewing the voluminous literature on culture is beyond the scope of this study, a brief introduction to the concept is necessary (for extensive reviews, see Adler, 2001 and Williams, 1976). Raymond Williams explained in his book *Keywords* (1976) that culture is one of the two or three most complicated words in the English language. The earlier meaning was one of "cultivating" of knowledge and skills. Current meanings include: "a general process of intellectual, spiritual, and aesthetic development"; "a particular way of life, whether of a people, a period, a group, or humanity in general"; and "the works and practices of intellectual and especially artistic activity" (Lindlof, 1994, p. 34).

As early as 1952, researchers identified more than 160 definitions of culture; and today, it is estimated that culture has been defined in approximately 400 ways (Adler, 2001). This study will adopt the relatively common perspective on culture in social research developed by Kotter (1990): individually, we are all different, but we also share similar experiences with those who grew up in the same surroundings and in the same type of society as us. In this way, there are broad cultural differences

between, for example, nations, regions, social classes, generations, men and women, religious, ethnic, and linguistic groups, minorities, professions, and organizations which shape us as individuals. The key roles communication plays with regards to culture are providing and obtaining information, creating understanding, and building ownership.

To clarify, the role culture and communication play in the organizations can be described as (Stohl, 2001):

Communication is the essence of culture, inextricability and reciprocally bound together, and effectiveness is rooted in the ability of people from different cultures to work together. Communication is simultaneously a tool, a resource, a relational selection mode that facilitates or inhabits organizational survival and an interpretive symbolic process that plays a constitutive role in shaping organizational reality. Within the global work place, communication embodies the dynamic unfolding of relations between actors and organizations in a set of social and cultural constraints and opportunities that transform individual group into organizational consequences. (p. 326)

Condon and Yousef (1975) points out that we cannot separate culture from communication, for as soon as we start to talk about one we are almost inevitably implicating the other. As noted above, this study focuses on the national culture of Thailand to further investigate organizational communication in MNOs. Since organizational culture is shaped by national culture, this study will analyze communication based on assumptions about national cultures. Wiseman and Shuter (1984) explain that “for an organization to be effective multinationally, it must develop internal and external communication. As organizational communication

becomes intercultural, another dimension is added to the analysis necessary to understand MNOs” (p. 7).

Intercultural organizational communication (IOC) is the link between national culture and organizational culture (Shutter, 1989). Specifically, IOC explains national culture in an organizational setting. From an intercultural organizational communication perspective, this study determines the intercultural differences during organizational change as well as carefully examines the relationship between Western expatriates and Thai subordinates in an organizational setting. It is assumed that national culture and organizational culture are interrelated but distinct concepts. This study further recognizes the multiple challenges MNOs are facing in the Asian region and, specifically in Thailand. Thus, in studying expatriates’ role as change agents, two other issues will be addressed – culture variability and change management. Doing so is an attempt to understand what are the major obstacles/facilitators of organizational change experienced by expatriates in Thailand?

In studying IOC, Shutter (1989) identifies specific communicative factors affected by national culture: “(a) organizational structure and communication (e.g., departmental communication), (b) role performance in an organizational culture (e.g., expatriate and repatriate communication), (d) communication between corporate head quarters and foreign subsidiaries, and (e) marketing communication” (p. 8). Further, Wiseman and Shuter (1984) suggest that researchers who are interested in MNOs to “focus their attention on organizational questions that deal fundamentally with the transfer and reception of information within and between organizations in the same or different nationality” (p. 8). In an attempt to follow these suggestions of Wiseman and

Shuter (1984), this study explores which of Hofstede's cultural dimensions plays an important role during times of organizational change in MNOs in Thailand.

National culture difference. When people are unable to communicate new messages, then organizational change effectiveness is hindered for it is estimated that a typical manager spends as much as 80 percent of his day in communication activities (Francesco & Gold, 1998). This makes understanding a culture's basic assumptions important for understanding the culture itself as well as making sense of interactions in a MNO. While a number of frameworks for classifying and explaining cultures exist (Kluckhohn & Strodtbeck, 1961; Hofstede, 1980, 1991, 2001; The Chinese Value Survey, Trompenaars, 1998; Hall, 1976, 1981), this study primarily relies on Hofstede's dimensions of cultural values. It should be noted that these frameworks are averages or norms of the value systems that make up a culture rather than exact descriptions. In other words, they represent approximate expected behaviors of individuals within a given culture as not everyone in a culture behaves in the same way. In fact, Hofstede notes that there is often greater variation within single cultures than across cultures.

Hofstede's (1980, 2001) line of research focuses on dimensions of cultural values specifically in relation to work-related values. In his original large-scale research program of 40 countries, Hofstede collected data from IBM employees on work-related values and attitudes. In analyzing the data from more than 116,000 employees, he extracted four value dimensions to explain the differences among cultures: individualism-collectivism, power distance, uncertainty avoidance, and masculinity-femininity. Using the average scores for each country, Hofstede developed national profiles that explain differences in work behaviors.

Through use of Hofstede's (1980, 2001) cultural dimensions, this study explores differences in communication practices during times of organizational change between Thai Western employees in a MNO. First, power distance is the extent to which members of a culture accept unequal distribution of power in organizations and institutions. High power distance cultures are comfortable with considerable inequality. The measure of power distance, Hofstede's power distance index (PDI), is an indicator of a culture's value orientation about status difference and societal hierarchies. Thus, Thailand with a score of 64 versus U.S. America with a score of 40 means status differences and societal differences is more noticeable in Thailand. Typically, this translates into Thais refraining from expressing their feelings to their superiors.

A second cultural dimension of Hofstede is individualism and collectivism. In individualistic cultures people look out for themselves and their immediate family members, while collectivist people belong to in-groups or collectivities look after them in exchange for loyalty. The difference is between encouraging people to be unique or independent, or conforming or dependent and this tendency is measured through Hofstede's individual-collectivism index (IDV). U.S. America like Australia and Great Britain has a score of approximately 90 while Thailand has a score of just 20. This means U.S. America rank number 1 and U.K. number 3 means they place high level of emphasis upon individualism while Asian countries like Thailand, which is ranked approximately number 40, are far more collective. A distinct characteristic of collective cultures is that they tend to be more group oriented.

Stage (1999) explains how cultural differences will impact the nature of organizational communication studies conducted in Thailand:

The Thais are gentle in how they handle documents to each other. The expats just toss or throw them; that's not good. The expats mean nothing by it, but the Thais would never do something like that. Also, the head is high and the feet are low, so don't pat people on the head or put your feet on the desk. Thais stay calm and speak softly all the time. I can be assertive but you learn how to do it without being assertive. (p. 265)

In addition, Stage notes that many aspects of the Thai culture influence business conduct, such as politeness, controlled or guarded expressions of emotions, the importance of developing workplace relationships, gift giving, and awareness of the social stature of those with whom a person interacts.

Third, uncertainty avoidance refers to the degree to which individuals feel threatened by ambiguous or uncertain situations. A culture with a high uncertainty avoidance index (UAI) has a low tolerance for ambiguity. Its members prefer to establish formal rules and strong institutions and to adopt technologies in order to reduce the uncertainty in their environment. Thailand with a score of 64 versus U.S. with a score of 46 and U.K. with a score of 43 means Thais are highly uncomfortable towards the ambiguity that often comes with organizational change. Feelings of uncertainty express themselves in higher anxiety than in people from low UAI cultures. In contrast, members of low UAI cultures are comfortable with ambiguity, are more willing to take risks, tolerate deviant behavior, and reflect a more laidback approach to life in general. This study compares Westerners and Thais issues of uncertainty avoidance during times of organizational change. Thais are sensitive to the concept of change because it often brings out the underlying conflict that they would rather avoid. This is why they tend to make contact with other people on a superficial

level. Therefore, Thais working for multinationals are likely to communicate and interact in ways that indicate their resistance to change while US and UK expatriates may do otherwise.

Finally, masculinity/femininity indicates the degree to which a culture reflects what Hofstede refers to as “masculine” or “feminine” values. Masculine values include assertiveness, ambition, achievement, acquisition of wealth, and flamboyance. Feminine values include caring for others, especially the less fortunate and greater equality between the sexes. Thailand is rated as a moderately feminine culture.

Feminine cultures emphasize a slow and smooth flow of communication; people from such cultures are considered to be modest and to care about others.

They believe that conflicts can be resolved by compromise. For instance, Thai people do not feel that it is necessary to pressure them in their daily activities.

Table 2: Hofstede’s Cultural Dimensions for Thailand, the U.S. and UK

Dimension	Thailand score	Thailand rank	Thailand	US, UK score	US, UK rank	US, UK
Individualism	20	39-41	Low individualism	91 89	1 3	High individualism
Power distance	64	21-23	High power distance	40 35	38 42-44	Low power distance
Uncertainty avoidance	64	30	High uncertainty avoidance	46 35	43 47-48	Low uncertainty avoidance
Masculinity	34	44	Low masculinity	62 66	15 9-10	High masculinity
Long-term orientation	56	8	High long term-orientation	29 25	17 18-19	Low long term-orientation

For another view of culture, we can also look to Hall's (1976) ideas on high and low context societies to explain differences in communication styles among cultures. "Context is the information that surrounds an event; it is inextricably bound up with the meaning of that event" (Hall and Hall 1995, p. 64). Cultures can be categorized on a scale from high to low context. "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; for instance, the mass of the information is vested in the explicit code" (Hall, 1976, p. 17).

Thailand is said to be a high context culture. Thais do not require or expect much in-depth background information when communicating in their daily lives. This is believed to be the case because they keep those who are close to them informed about what is going on in their lives and so there is implicit shared knowledge among them. However, it is explained that Westerners who are low-context people tend to separate themselves and do not share information with others about their personal relationships, their work, and many aspects of their day-to-day life. This may result in time spent explaining background information during interactions.

Thailand, like elsewhere, is facing overwhelming forces shaping the topography of business landscape. Everyone is keenly aware that radical changes have been taking place in the business environment and industries need to adjust to such changes. But in order to introduce such changes to MNOs in Thailand, it must be recognized that MNOs in Thailand have a different underlying culture as identified by Komin (1990) as the Thai value systems.

“These are the major value orientations registered in the cognitive world of the Thai, and serve as criteria for guiding behavior, or as the blueprint that helps to make decisions at the behavioral levels” (Komin, 1988, p. 96). She contends that these value orientations have to be taken seriously as they often prove to be ‘stumbling blocks’ to social change. Modernization and Westernization have strengthened traditional values rather than weakened them. Unemployment, economic and political crises have made daily life for the majority of the Thai even more difficult, so the need for worldly and spiritual ‘protection saints’ has increased proportionally, just as the struggle for status and prestige under the growing Westernized middle classes has increased.

Komin (1990) explains that the Western cultures top values tend to focus on self-actualization, ambition and achievement. Thai values include self-control and politeness, after giving importance to “ego” and “grateful relationship,” and place high value on numerous ‘other-directed’ social interaction values—all added up to project a picture of smooth, kind, pleasant, no conflict interpersonal interactions. This orientation is characterized by the preference for a non-assertive, polite, and humble type of personality (expressed through appearance, manners, and interpersonal communication), as well as the preference for a relaxed, and pleasant interaction which accounts for the “smiling” and “friendly” aspects of the Thai people, which helps attract foreign direct investment or multinational organizations to choose Thailand opposed to other countries in this region (Komin, 1990).

Specifically, Komin’s (1990) lists the following eight Thai interpersonal values according to their rank order of importance: (1) caring and considerate, (2) kind and helpful, (3) responsive to situations and opportunities, (4) self-controlled, tolerant and restrained, (5) polite and humble, (6) calm and cautious, (7) contented, (8)

oriented to social relations. Komin explains that these Thai values are significant for three reasons. First, five out of eight interpersonal relationship values are distinct from the American value list including: caring and considerate, responsive to situations and opportunities, calm and cautious, contented, and social relation. Second, it is interesting to note that based on Komin's research, almost no significant differences were found based on demographic characteristics, such as sex, educational level, occupation, class, political affiliation, and, religiosity. It is deemed that the consistency across groups and over time is due to the uniform perception of Thais from all walks of life. These values are deeply internalized, observed, and practiced as part of the everyday life of Thais. Third, traditionally it was believed that such uniformity in the Thai value system could be accounted for in relation to its Buddhist influences. But Komin's study proved otherwise. The Thai characteristics such as *jai yen* (calm, easy going, not easily excited), *mai pen rai* (contented, nothing really matters), and *arom dii* (ever-smiling, even-tempered, no extreme emotional expression) which fall under three value categories – calm and courteous, contented, and self-controlled, tolerant-restrained – are present across Thai people, be them Thai-Buddhists, Thai-Muslims, Thai-Hindus, or Thai-Christians. Though this study does not focus on one organization's culture, it acknowledges that organizational culture is a key influence on members within organizations. Thus, the following sections will distinguish between organizational culture and national culture.

Organizational culture. The importance of organizational culture has been underscored by early works of Jaques (1951). The 1960s saw culture as the route to tackle organizational development. Bennis (1969) argues that the only way to change organizations is to change their 'culture,' that is, to change the system within which

people work and live. Katz and Kahn (1978) went a step further and determined that culture was present in both work groups and organizations. French and Bell (1973) placed great emphasis on “culture of formal work teams” in relation to improving organization’s problem solving processes. While this study recognizes that organizational culture has a big influence on the performance of MNOs, its emphasis will be on exploring interactions across a number of different MNQ in Thailand and thus, focus more so on the influence of national culture rather than organizational culture. The interconnected nature, however, of national and organizational culture warrant a brief discussion before moving on to issues of organizational change.

Eisenberg and Riley (2001) characterizes organizational culture research in the following categorical frameworks: culture as symbolism and performance, culture as test, culture as critique, culture as identity, culture as cognition, and culture as climate and effectiveness. Culture as effectiveness approach focuses on values or practices that account for an organization’s success and that can be managed to produce better business results. This approach is divided into three subcategories, namely, the initiatives of founders and leaders on the creation, maintenance, and transformation of cultures (see Eisenberg, 1987; McDonald, 1991; Pettigrew, 1979; Schein, 1985; Siehl, 1995), strong cultures and their values (see Chatman & Jehn, 1994; Kotter & Heskett, 1992; Saffold, 1988), and organizational change and managing cultures (see Alvesson & Willmott, 1992; Dyer, 1988; Howard & Geist, 1995; Pacanowsky, 1988; Schein, 1985).

The organizational change and managing culture literature acknowledges the role culture plays in facilitating organizational change. This study will fall under culture as effectiveness category as it will attempt to study expatriates as change

agents and their roles during organizational change processes with the inevitable presence of cultural constraints. As Eisenberg and Riley (2001) explain, the purpose of this approach is to determine if managers or change agents are able to successfully lead organizations through transitions. Thus, this study will attempt to determine the route to successfully managing change that has been used by expatriates in the past.

When viewed as a system, culture allows us to understand the material and organizing efforts of people as a larger whole. Whether it is in terms of agriculture, economics, arts, personal, or family relationships, cultural studies uses cultural-situated communication as a central focus. This includes diverse approaches as semiotics, sociology, cultural anthropology, ethnography, literacy criticism, feminism, poststructuralism, psychoanalysis, Marxism, and other theories of ideology and society. Though cultural studies have often been associated with ambiguity and received much criticism, the major contribution of the study can be seen in areas of work settings or organizational culture studies (Lindlof, 1994).

The following section will review the current literature on organizational change and communication. It will identify how organizational change is an inevitable part of MNOs and how cultural differences can actually be a major obstacle in the change process. The section will also distinguish the differences in the notion of “change” between a Thai and Westerner.

Organizational Change

Scholars in the communication field have highlighted the importance of studying organizational change processes (Albrecth & Ropp, 1984; Fairhurst & Wendt, 1993; Fulk, Schmitz, & Steinfield, 1990; Lewis & Seibold, 1993, 1996; Rogers, 1995; Van de Van; Angle, & Poole, 1989 as cited in Lewis & Seibold, 1998).

This body of work, however, has concentrated mainly on invention, design, adoption, and response to planned change. Communication scholars Lewis and Seibold (1998) note that research has neglected to fully explore “the means by which change programs are installed and by which users come to learn of such programs” (p. 95).

We do know that implementation of change is a rather complex matter and the success rate is often low (Tornatzky & Johnson, 1982). Being able to perceive how implementation of change programs is put to task, and how communication plays a role in the process, appears crucial to better understand outcomes of globalization.

The importance of understanding change in today’s MNOs must be established first. In light of current work force, market, economic, global, and technological changes there is increasing need to look at organizational change from a different perspective (Davis & Davidson, 1991). The theoretical work of Eisenberg, Andrews, Murphy and Timmerman (1996) presents the beginning of a model of organizational communication and change. They turn the traditional view of change in a new direction and question whether we should be working to explain how change occurs, or explain how stability over time occurs. Describing the difficulties of organizational change in general, and the specific difficulties of change today, they argue there is a need for “transformation” in organizations, second-order changes rather than first-order improvements in existing structure (Eisenberg et al., 1996). Based on the need for holistic approaches to complex systems in dynamics environments, Eisenberg et al. (1996) explains that, if we believe that communication is fundamentally the process of creating meaning, it follows that perception of change that is tightly bound to communication. These authors assert that communication forms the implied but neglected foundation of the change literature.

Whether a change is intentional or unintentional, it can be defined as the differences between two (or more) successive conditions, states, or moments of time. The differences between successive moments are established by determining the basis for saying that something is not something else; that is, finding what is in the new condition that is not in the original condition (Smith, 1992). There is no window into change or difference in states when one looks at only a single state as in a snapshot (Weisbord, 1988). Only when two or more states are juxtaposed and compared over some time interval, as in moviemaking (Weisbord, 1988), can a difference between states be noticed. This difference demonstrates a change. When the difference is intentional produced, as in an accident, there is an unintentional change (Levy & Merry, 1986).

Intentional change occurs when a change agent deliberately and consciously sets out to establish conditions and circumstances that are different from what they are now and then accomplishes that through some set or series of actions and interventions either singularly or in collaboration with other people. The change is produced with intent, and the change agent is at cause in the matter of making the change. Unintentional change, in contrast, is not deliberately or consciously produced but is manifested as side effects, accidents, secondary effects, or unanticipated consequences of action. Indeed, one of the benefits of evaluation research is to identify some of these unidentified effects (Rossi, 1979).

To produce an intentional change, therefore, requires that some intended result, state, or condition that does not already exist must be brought into existence. Planned organizational change involves taking intentional action with a commitment to producing an a priori specified outcome (Porras & Silvers, 1991) by directing

attention to the specifics of the intended conditions or state that will be different from the prior condition or state. The accomplishment of the intended change will be demonstrated by some objective evidence or measure of the final outcomes, showing in what way they are different from what was present before the change process.

Lewis and Seibold (1998) suggest a specific agenda for future research in organizational change that focuses on: (1) interaction surrounding implementation, (2) communication-related structures regarding implementation, (3) these foci should be investigated within formal implementation activities, (4) these foci should be investigated within informal implementation activities. This study attempts to contribute to the research agenda through exploring interactions recalled by Western expatriates and Thai nationals surrounding change implementation.

Change, in the multinational context, is a communication-based and communication-driven phenomenon (Ford & Ford, 1995). Communication is the process through which change is conceived, constructed, delivered, implemented, and at times denied. The insight that communication plays an important role in the production of change is not a new idea. Numerous writers have stressed the role of communication in the change process (Beckhard & Pritchard, 1992; Kotter, 1990), even to the point of suggesting that change may be seen as a communication problem that can be resolved by having people understand the change and the role they play in its implementation (Kotter, 1990). Communication is seen as a tool for announcing and explaining change, preparing people for the positive and negative effects of change, increasing others' understanding of and commitment to change, and reducing confusion about resistance to change (Kotter, 1990). Communication is also seen as a

tool for sustaining the change (Kirkpatrick, 1995) and enabling people to change their attitudes and behaviors (Beckhard & Pritchard, 1992).

The key roles communication plays are providing and obtaining information, creating understanding, and building ownership (Kotter, 1990). Change is a phenomenon that can be said to occur within communication. As an organizational phenomenon, change necessarily occurs in a context of human social interactions, while constituted through language and interaction. These interactions produce and reproduce the social structures and actions people know as the organizational reality (Giddens, 1984). From this perspective, change is a recursive process of social construction in which new realities are created, sustained, and modified in the process of communication. Producing intentional change is then a matter of deliberately bringing into existence, through communication, new realities or a set of social structure (Kirkpatrick, 1995).

Even though this study identifies various communication scholars who have contributed to the organizational change literature, there still seems to be a common belief among such researchers that few empirical research have been done. The objective of conducting this empirical research which is highly exploratory in nature was to help fill the gap of what scholars feel is missing. Major theories of change (Frohman, Sashkin, & Kavanagh, 1976; Greiner, 1967) explain the various stages in the change process, but essentially ignore the role of communication. In addition to the various models, there are several other notable models of change which have received attention in the change literature. Rogers' (1995) diffusion of innovation theory detailed the stages of the change process. Rogers also focused attention specifically on communication when he identified "communicability" as one of the

five characteristics of an innovation which influence acceptance, the other four characteristics being relative advantage, compatibility, complexity, and trialability. Rogers maintained that if the proposed change is not easily communicated to the opinion leaders and to those who must implement the change, the chances for successful adoption are slim (Rogers, 1976, 1995; Lewis & Seibold, 1998).

In an earlier work, *Communication in Organizations* (1976), Rogers affirmed his position on the important interface between the communication and innovation process.

Communication is the key to the innovation process. Innovation is the result of an active process of sharing information about performance gap, about alternative innovations, about external accountability, and about available resources among the members of an organization. Thus, it is only in terms of an understanding of the process of communication in organizations that understanding of innovation is possible. (p. 5)

Other change theorists have identified the importance of communication in the change process (Argyris, 1970; Zaltman, Duncan, & Holbeck, 1973). All of these theories implicitly acknowledge the relationship between communication and change but yet do not analyze the nature of that relationship. Several studies, however, do examine the relationship between isolated elements of communication process (source, message, channel, receiver, context) and change.

Moreover, change is an inevitable process within all organizations, but successfully implementing and sustaining it has become more challenging for today's MNOs. Whether the change consists of a massive reorganization, a merger with another enterprise or installing a new computer network, communication is one

important element that must be considered and incorporated into the plan. Lack of a genuine communication strategy can undermine any major change initiative. Without it, employees are left to fill the gaps themselves, usually with rumors and speculations. The oversight may be unintentional but the results can be devastating. Even when certain aspects of the transformation must remain confidential, there are ways to convey reassurance and a solid sense of direction.

Significant organizational changes often begin slowly, are incrementally implemented and subjected to ongoing modification as information is gathered concerning the effectiveness of the process. Such change processes may be non-inclusive at the start in that only a small fraction of the workforce is involved. Many organizational participants are only vaguely aware that changes are taking place and the ambiguity surrounding these changes provides a fertile ground for rumors, anxiety and ultimately resistance (Johnson, 1993). This is true even though management has communicated its intent through specifically designed messages or even a carefully crafted communication strategy. Nonetheless, by the time the change is dispersed throughout the organization, many organizational participants develop attitudes different from those intended by management. When employees' attitudes are negative, the success of the change may be affected adversely.

Western and Thai assumptions about change. Change in the Western and Asian context is rather different. "Americans feel comfortable with change, thrive on change, and almost feel that it is a civic, if not moral, duty to bring change about more or less continuously" (Fieg, 1989, p. 59). Interestingly, as explained by Fieg (1989), Americans have long felt a sense of mission not only to renew and perfect their own society but also to serve as a model for all mankind. Thais do believe change is

necessary but have never felt that same need for it as Americans do. For Thai people, the very concept of change and their sense of agency in the process are fundamentally different from the American view. Looking at things from the Buddhist perspective, change is the most certain thing of all; it is basically what life is all about. It consists of constant cycles known as “*ubat*” (birth, beginning, growing up) and “*wibat*” (death, ending, passing away). With such underlying beliefs, it would be presumptuous, foolish, and certainly futile for Thais to actively get involved with the change process. Further, Thai people’s need for uncertainty avoidance, as identified above, also provides an explanation for this perspective.

Whether it is government, for-profit organizations, non-profit organizations, or multinational organizations, it is deemed among Thais that problems are going to come and go. Rather than constantly worrying about how and when these changes are going to occur, Thais focus on controlling their emotions in relation to change. As Fieg explains Thai attempt to, “refrain one’s concern over life’s vicissitudes, and to try and develop a wisdom to see how transitory all things really are” (p. 60).

Conversely, Americans are more focused on today than on the future when it comes to change. Americans feel that by introducing change, they can improve the human coordination. This mentality among Americans has to do with their past successes of discovering medical cure for deadly diseases, advanced sanitary and technological treatment, and spearheaded numerous consumer innovations. (Fieg, 1989). Fieg (1989) concludes that Americans view Thais as being defeatist or fatalistic and Thais view Americans as rash and futile. This does not mean that change does not occur in Thailand. In fact, history tells us that Thais have been receptive to change and

they have borrowed elements from other societies but have modified them to fit the Thai culture.

U.S. Americans and Thais have different approaches to change in the workplace. The major reason for this difference is that Thais prefer to avoid conflict which is an inevitable part of change. Another reason for this difference is that Thais generally prefer to avoid inconveniencing others with the change. In relation to working for a multinational organization, Thais share two distinct feelings. This is also apparent in Hofstede's cultural dimensions in which Thais are higher on the uncertainty avoidance scale. Some Thais feel that multinational organizations do not offer them a job security as such organizations are capable of laying off a lot of people during difficult economic times. Moreover, other Thais believe that MNOs offer them a good opportunity to experience and achieve new things (Fieg, 1989). Fieg (1989) argues that:

Thais themselves are not likely to initiate change in a work situation. They are taught by their culture and their educational training, which emphasizes rote learning and deference to seniors, not to challenge the system that is in place. But there are ways to get them to participate in organizational development, or the change process. As an experiment, one American executive organized a brainstorming day for all staff and was amazed at the number of sound, creative ideas that came out of it. He had always thought that his Thai staff members, being quiet and reserved, did not think much about the company's operations. He was delighted to find out that when encouraged to speak up in a non-threatening setting, they were full of ideas. (p. 63)

In an attempt to further understand the underlying differences in the notion of change between Westerners and a Thais, this study will explore the differences between how expatriate managers and Thai managers' articulate effective organizational change.

The following section will review the current literature on expatriation and the role expatriates play within MNOs. The section also discusses how expatriates function as change agent during times of organizational change.

Expatriates

In this study, expatriates will serve as key informants regarding issues of organizational communication and change. Expatriates, for our purposes, are the workers, typically executives or specialized technicians that are sent from places where an organization is firmly established to other locations where they are performing development operations. Specifically, this study will focus on a comparison of expatriates whose home country is either the United States of America or Great Britain. This choice was made for two main reasons: (1) most of the foreign direct investments in Thailand are initiated through the West, (2) the different cultural dimensions scholars have offered through the years shows distinct difference between Western and Eastern countries. In particular, this study uses U.S. and European expatriates to represent a Western countries and Thai subordinates to represent an Eastern country. This study will deploy a comparative approach as it is deemed significant cultural differences will not be apparent among Western or Eastern countries and analysis of similar cultural values could be misleading. The Thai subordinates working in close contact with expatriates will also be participants of this

study. Information derived from the locals will help reconfirm the information disclosed by Western expatriates.

For expatriates sent to Thailand, the environment can be difficult given language barriers, vastly different cultures, as well as time and distance barriers that make it especially difficult to communicate between the branch office in Thailand and headquarters. These barriers could be overwhelming for U.S. Americans. Nonetheless, there are differences in working styles of Thais and Western expatriates that poses a potential cultural clash. In general, Western expatriates stress directness and time-consciousness, whereas Thai subordinates tend to engage in more prolonged discussion and team-building. This study's key informants are Western expatriates and Thai subordinates.

Further, expatriates are most normally playing the role of managerial staff, new business prospectors, consultants or technical specialists and usually represent the interest of the headquarter in other countries. As identified by Hsieh, Lavoie and Samek (1999) multinational corporations employ expatriates to exploit overseas opportunities and they are among the scarcest and most dear resource. They are important for sustaining international growth and they continue to be the most effective means to that end, despite the fact that they represent a very significant investment – five times as much as home-based managers.

The Alien Occupational Control Division of the Department of Employment latest figures show that there were 44,692 expatriates with work permits in Bangkok, excluding diplomatic staff. The average length of stay in Bangkok for an expatriate is about 2 years, according to the residential leasing department (CB Richard Ellis, 2003). The Statistical Information Service and Dissemination Group through data

derived from the Department of Employment reported the number of aliens or expatriates that received work permits in Thailand for the year 2003 from U.K. and U.S. totaled 11,040, 6,213 U.K. citizens and 4,827 U.S. citizens. (National Statistical Office).

History reveals that the 1960s was a period in which MNOs grew enormously. It is explained that the largest 180 U.S. MNOs opened an average of six foreign subsidiaries each year (Evans, Pucik, & Barsoux, 2002). This inevitably expanded new job opportunities and created a strong need for expatriates. Though the U.S. was going through a postwar period and was flooded with war veteran returnees, the U.S. MNOs were really in need of more managers. It got to a crucial point where people had to be persuaded to move abroad to help control subsidiaries in foreign land. This is perhaps the start of a generous compensation package which expatriates are still benefiting from.

In reviewing literature on expatriation and cultural constraints, obstacles expatriates generally encounter in transferring from one country to another will be discussed. As globalization calls for heavy reliance on expatriates their organizational roles today are far more varied than in the past. Expatriates are sent overseas on special assignments and generally receive very generous salaries and benefits. The MNOs that send them have specific objectives and are willing to pay a premium for their services. This is essentially because expertise is not available locally, the organizations opt to bring in someone familiar with headquarters' culture and procedures to build an operating platform and ultimately transfer the expertise to local executives.

One of the biggest challenges facing multinational organization is managing expatriation. MNOs heavily rely on expatriates and their initiatives. It is interesting to note that expatriation is not a new concept but has been a tool for organizational control since the early stages of civilization. This is particularly true at the early stages in the internationalization of firms. Expatriates are important for multinational organizations for the following reason. First, expatriation allows the firm to avoid the pathologies of excessive centralization. Business decisions can be made locally but with the global perspective in mind. Second, the standards of the parent firm are transferred abroad via expatriates. Third, mobility promotes the diffusion of shared values – a key element in global integration (Evans, Pucik, & Barsoux, 2002).

In the late 1970s, stories about expatriate failure were widely discussed. Many MNOs were forced to prematurely call back expatriates that were once carefully selected based on their technical expertise. Tung (1992) explains that the major problems had to do with expatriates' failures which in turn caused many expatriates to suffer personal emotional and physical stress. This resulted in major drawbacks for planned international growth among large organizations and further complicated the multinational equation. It also made it clear that the high cost associated with expatriation was no longer the only barrier for firms seeking globalization. Findings of controversial studies with focused on the expatriate failure, family constraints, and the mismanagement of repatriation needed carefully consideration by MNOs. Thus, the challenges facing international growth and MNOs are beyond expatriation.

Much of the literature on expatriation focuses on international assignments of parent employees (Edstrom & Galbraith, 1977; Hays, 1974; Tung, 1981; Derr & Oddou, 1991; Puick, 1992). Edstrom & Galbraith (1977) proposed three reasons

expatriates are dispatched abroad – to fill positions, to support management development, and organizational development. Puick (1992) differentiated between demand-driven and learning-driven international assignments.

Expatriates differ in the time they spend in an assignment abroad. Many assignments are long term, lasting two or four years or more. Others are short term, less than one year, linked to a specific task or need. The length and purpose of the assignment can be divided into four expatriate roles: corporate agency (long term), problem solving (varies depend on task), competence development (long term), career enhancement (short term) (Evans, Pucik, & Barsoux, 2002). While employees take up expatriate positions for different reasons and length of time, most companies have dealt with expatriates from a policy point of view as if they were homogenous group placed abroad for agency reasons. Distinctions can generally be made based on family situation or hierarchic level.

The voluminous research on expatriation is heavily oriented toward the issue of selecting managers for international assignments. This has led to a list of competencies and characteristics that an expatriate manager should have, as well as personality and psychometric tests that can be used to measure them. Research has also focused on analyzing the causes of failure in oversea assignments, recommending human resources practices that would help organizations to select, develop, and retain competent expatriates (Tung, 1981; Mendenhall & Oddou, 1995; Ronen, 1990; Oddou, 1991; Arthur and Bennett, 1995). In contrast, practitioner work emphasizes compensation issues, an area in which there is little academic research.

Until recently, a typical study on any topic linked to expatriation was usually framed by introduction to the high cost of expatriates and the high frequency of failure

on such assignments, especially in the case of U.S. MNOs (Baker & Ivancevich, 1971; Misa & Fabricatore, 1979; Tung, 1981; Black, Gregersen, & Mendenhall, 1992). The extent of expatriate failure and the question of defining what “failure” means are controversial issues (Evans, Pucik, & Barsoux, 2002). There is no shortage of references to high expatriate failure rate, with claims that as much as 40 percent of expatriation are aborted (Brewster & Scullion, 1997; Schullion, 1995; Bjorkman & Gersten, 1993). Research drawing to the conclusions of expatriate failure is believed to be exaggerated (Evans, Pucik, & Barsoux, 2002). “The literature tells us that most expatriates fail because they cannot adjust. Cultural training can go a long way in aiding the adjustment process” (Sypher, Shwom, Boje, Rosile, & Miller, 1998, p. 465). This study recognizes the struggle expatriates encounter in light of a new culture and offers recommendations transformation period in the discussion section. (not sure if it should be in the discussion or contribution section)

The exaggeration of expatriate “failure” may actually slow down some useful recommendations. When companies compare the failure rates with the alarming “average” presented in some textbooks, their situation does not look so bad. Another area that has received much attention is the retention of the expatriates after completion of the assignment. This seems to be more of a problem than failure or recall during the assignment. Most relocation surveys put the turnover among repatriates in American and European multinational at 20-30 percent in the first two years after re-entry in comparison to 5-10 percent turnover during the assignment itself (Evans, Pucik, & Barsoux, 2002).

Nonetheless, the literature on the predictors of expatriate failure provides a rich source of ideas on the effective management of expatriation, leading to some

understanding of required personal attributes that may guide selection decisions. The inability to cope with stressful situations and the lack of skills in communicating with people from a different culture are among the frequent reasons why an expatriate returns prematurely (Mendenhall et al., 1987; Black, Gregersen, & Mendenhall, 1992; Scullion, 1994). The studies of why expatriates fail have also highlighted the role of the family in expatriation. The inability of the spouse and the family to adjust to the new country was found in many empirical studies to drive premature return (Tung, 1981; Black & Stephens, 1989; Dowling, 1990). Dual career couples are also likely to experience stress in international assignments because of the expected negative effects of a career interruption.

The focus of expatriate researcher shifted during the 90s from explaining failure to understanding intercultural adjustment or how expatriates adjust to the work and the living circumstances in a foreign environment. Waxin, Roger, and Chandon (1997) studied time-to-proficiency or the time it takes to adjust to the new job. Moreover, Black and Gregersen (1999) did an American survey which showed that nearly a third of expatriates who stayed in their position did not perform up to the expectation of their superiors.

This study of communication and change in MNOs will be conducted through the lens of expatriates to further understand how they interact as change agents to influence organizational change. Ottaway (1983) and Maidique (1980) provide historical reviews of the term change agents, related concepts, and various contexts in which change agents can play a significant role. The significance of change agents has also been addressed by numerous other authors (Curley & Gremillion, 1983; Kanter, 1983; Maidique, 1980; Ottaway, 1983; Rogers & Shoemaker, 1971). Kanter (1983)

argues, “any new strategy, no matter how brilliant or responsive, no matter how much agreement the formulators have about it, will stand a good chance of not being implemented fully – or sometimes, at all – without someone with power or pushing it” (p. 296).

Zaltman and Duncan (1977) go a step further and include technical qualifications, administrative ability, interpersonal relations, job orientation, and leadership as part of what is deemed as the good characteristics of a change agent. Howell and Higgins concentrate on the definition of “project champions” who “distill creative ideas from information resources and then enthusiastically promote them within the organization”. Other authors have a list of other valuable characteristics of change agents which include trustworthiness, sincerity, expertise (Armenakis et al., 1993) and homophily (Rogers & Shoemaker, 1971; Zaltman & Duncan, 1977).

Factors that enable change agents to succeed or fail during change implementation is another area that has dominated the literature. One key debate in this literature is whether an internal or external change agent is better positioned in implementing change. Internal change agents are part of the organizations undergoing change and external change agents are consultants who are not part of the organization but are in close contact with the changing organization during change implementation (Vandenberg & Meredith, 1990). Such studies have come to the conclusion that there are advantages and disadvantages associated with both internal and external change agents (Hunsaker, 1985; Case et al., 1990; Gluckstern & Packard, 1977). External change agents are more independent and tend to be more objective; at the same time, however, they are strangers to the organization and may lack of adequate information to solve particular problems. Internal change agents generally are very familiar to the

organization and its opinion leaders. Because of such familiarity, internal change agents have the motivational skill to bring about success to organizational change programs. But at the same time, internal change agents are believed to lack objectivity, possess inadequate technical knowledge in relation to change or may be downplayed because of past failures (Hunsaker, 1985).

Other areas of change literature include the potential danger to career health of individuals' functioning as change agents (Brimm, 1988), criteria for change agent selection (Lippitt, Langseth & Mossop, 1985; Zaltman & Duncan, 1977), managing task forces (Lippitt et al., 1985), factors that affect abilities of change agents (Rogers & Shoemaker, 1971; Roger, 1995), and advantages of individual versus team implementation (Zaltman & Duncan, 1977).

One way of studying how expatriates communicate during times of organizational change is through exploring implementation or influence tactics. Thus, this study explores the influence tactics used by Western expatriate managers during interactions regarding organizational change with their Thai subordinates. Lewis and Seibold (1998) explain that in organizational change studies "very little has been written at the tactical level" (p. 104). Most of what has been studied falls into the implementation strategy category, in which many have wrongly termed as "tactics." (Bourgeois & Brodwin, 1984; Kotter and Schlesinger, 1979; Nutt, 1986, 1987; Zaltman and Duncan, 1977). Keys and Case (1990) explain influence tactics as "the process by which people successfully persuade others to follow their advice, suggestions, or order" (p. 38). Many scholars have concluded that influence acts as an agent of change within organizations (Bennis & Nanus, 1985; Keys & Case, 1990). Kipnis et al. (1984)

identified seven influence tactics, namely, reason, friendliness, coalition, bargaining, assertiveness, higher authority, and sanctions.

Key and Case (1990) provides an overview of influence tactics. They report that no individual tactic is more effective than others in organizational influence and pointed out that some tactics are rather ineffective. They recommend that tactics must be chosen on the basis of the influence target and objective sought, and that a combination of influence tactics is likely to be most effective.

To explain: reason is described as the most sought after tactic which involves a systematic presentation of facts and details into a 'logical argument' supportive of a particular goal. Logical argument is said to be the key to this tactic. The gist behind this strategy is that "reasoning enhances an influencee's self-esteem when they feel they are being treated as thinking human beings who have a need to understand what they are doing" (Huczynski, 1996). Second, friendliness involves initially building a good relationship and then further making use of the interpersonal connection to achieve a future objective. Third, coalition, often termed as a 'back up' tactic, involves looking for those with "similar interest and power." It is important to keep communication positive at all times while using this tactic and to stress on what you plan to do rather than what you do not intend to do. Fourth, bargaining is a tactic in which interests and positions are clearly distinguished and people generally adopt positions and draw upon them in the enactment of conflict. It is interesting to note that we commonly assume that because another's position is different from ours, their interest must also be different. Closer understanding often reveals underlying "shared and compatible interests" (Huczynski, 1996). The remaining tactics – assertiveness, higher authority, sanctions – all involve a degree of power to influence and are more

'back up' tactics. However, Fieg (1989) interestingly points out that the Thai organization pattern involves more authoritarian than the American when it comes to time of decision making or organizational changes.

Thais clearly fit well with the strong vertical orientation of Thai society and the belief that a leader derives power at least in part from past moral excellence. The leader then is the logical one to have the authority to make decisions and bear the responsibility for their consequences. If a supervisor does call a meeting, it is often to issue orders or to have subordinates substantiate the supervisor's predetermined point of view, decisions, or policies. Thai and American leaders tend to be authoritarian but that the participatory American system, rooted in egalitarianism and distrust of power, forces the American executives to listen to their subordinates. No cultural constraint of this kind generally operates on Thai managers. (p. 97)

Niratpattanasai (2003) uses a classic example to illustrate how logical reasoning works well in Thai organizations. He expands on the scenario in which an expatriate manager is scheduled to attend a leadership workshop at the head office for a week and needs to delegate chairmanship of the management committee to a Thai manager in his absence. A typical response of Thais who are approached about such a task as this, they say they are busy and ask that another person be found or that the meeting be postponed. The duty of the expatriate is to explain to the Thai subordinate why he or she should take the assignment. The old-style leader would simply command, but the accountable leader will use persuasion instead. Suppose the expatriate knows from discussions that his Thai subordinate would like to be a Managing Director in that next three to five years. The expatriate could advise the

Thai subordinate that this is a good opportunity toward achieving that goal. Such reasoning may change a person's outlook.

Yukl and Falbe's (1990) modified Kipnis and Schmidt (1985) "hard" and "soft" influence tactics and offer additional tactics, namely, rational persuasion, inspirational appeals, consultation, ingratiation, exchange, coalition tactics, pressure, and upward appeals. These influence tactics have been used by numerous scholars in their works through the years (Lamude & Scudder, 1995; Noypayak & Speece, 1998). Lamude and Scudder demonstrated that work roles are differentially related to influence tactic use. Influence strategies' are an important component of communicating during times of organizational change in MNOs. A stagnant organization that cannot innovate to meet evolving environmental conditions eventually will find itself no longer competitive in an increasingly complex and technologically sophisticated economy.

In sum, the above literature review explains the integrality of the globalization process of multinationals, highlights cultures presence in MNOs, reaffirms the inevitability of changes in organizational settings, and connects expatriates working in MNOs with the tactics they tend to deploy as identified by earlier studies.

Research Questions

RQ1: How do Western expatriates working in Thailand's MNOs function as change agents?

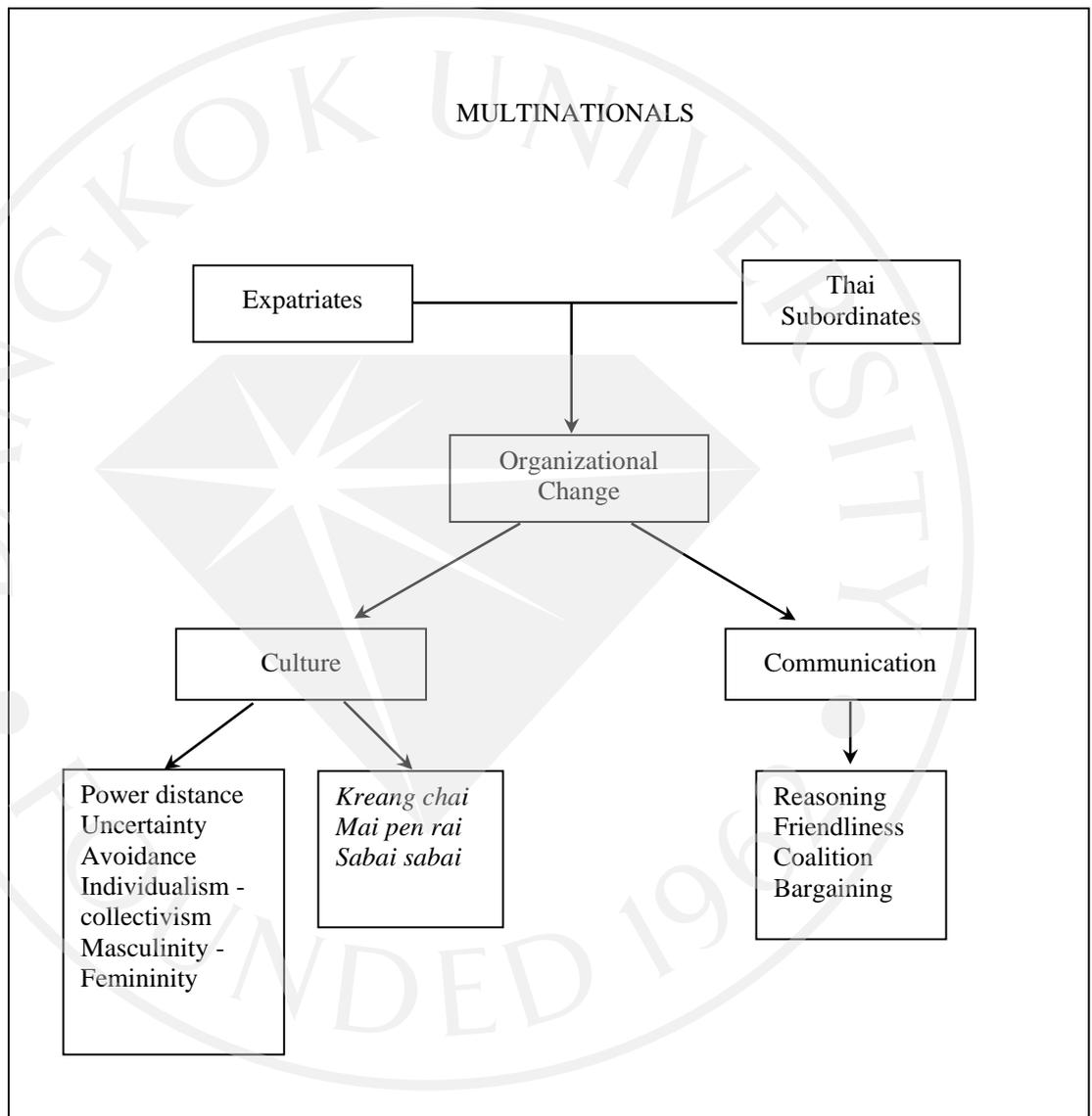
RQ1.1: What are the major communication obstacles/facilitators of organizational change experienced by Western expatriates in Thailand?

RQ1.2: Which of Hofstede's cultural dimensions – power distance, uncertainty avoidance, individualism-collectivism, or masculinity-femininity – are reported to play an important role during times of organizational change by Western expatriates in Thai MNOs?

RQ1.3: What are some of the most commonly used communication influence tactics – reason, friendliness, coalition, bargaining, assertiveness, higher authority, and sanctions – by Western expatriate managers during interactions with their Thai subordinates on organizational change issues?

RQ2: What are the perceptions Thai subordinates have of Western expatriate's use of influence tactics during times when the expatriate is acting as a change agent?

Figure 1: Conceptual Model



Chapter 3

Methods

This chapter elaborates on the qualitative methods used by the study, participants of the study, and methods of collecting data from participants. The study is essentially exploratory as very little research has been conducted on expatriate's role as change agents in multinational settings. The research questions of this study are answered through the use of qualitative methods. The nature of this study as exploratory enables it to solely focus on in-depth interviews of Western expatriates and Thai subordinates in an attempt to disclose preliminary issues pertaining to communication and culture. As argued by Hakim (1987), when qualitative research is theoretically informed, it is the most open-ended, flexible, exploratory means of formulating hypothesis for further structured analysis. Qualitative research are ways of finding out what people do, know, think, and feel by observing, interviewing, and analyzing documents (Patton, 2001). Kvale defines qualitative research interviews as "attempts to understand the world from the subjects' point of view, to unfold the meanings of peoples' experiences, to uncover their lived world prior to scientific explanation" (p.10).

Shepherd (1993) explains that applying qualitative instruments to the cross cultural context poses a major challenge since the goal of such studies would be to locate phenomena in a dynamic societal context and show how endogenous and exogenous variables may interact. "Qualitative research is not simply non-numerical. Its central defense lies in the ability to penetrate the experimental social worlds of intentional, self-directing actors, whether through the spoken or written word"

(Shepherd, 1993, p. 87). In sum, the strengths of qualitative research methods lie in attempts to reconcile complexity, detail, and context.

Cheney (2000) writes that “the process of interpretation may be applied to various parts of experience we call research” (p. 19). For the interpretive researcher, the organization is a “social community” that shares important types of characteristics with other communities. The emphasis is placed on the “social” rather than the economic view of organizational activities. The goal of most interpretive works is to present how particular realities are socially produced and maintained through our daily activities (Deetz, 2001).

An interpretive approach was the most appropriate qualitative method of data collection for three reasons. First, the nature of the data needed to answer the proposed research question lends itself to a few levels of interpretation during field work. Second, this study uses qualitative method to better understand Western expatriates’. Third, this study used qualitative method because it needed to interpret back to the Thai culture in order for it to make sense to Thais working in Thailand. Thus, rich qualitative data was collected through use of interviews.

Participants

The majority of this study’s participants, Western expatriates and Thai participants, are from the highly competitive industries as identified by the Thai government: (1) automotive, (2) agro industries, (3) the fashion industry, (4) information and communication technology (ICT), and (5) services (supporting foreign direct investment facts and figures are provided in Appendix B). A total of 12 Western expatriates were interviewed (details of participants’ ages and industries in Appendix C). The Western expatriates of this study were required to have at least 6

months full-time work experience in Thailand in order for he or she to have qualify as a participant for this study.

A total of 12 Thai subordinates working closely with Western expatriates were interviewed (details of participants' ages and industries in Appendix C). The Thai subordinate were required to have at least 6 months full-time work experience under the supervision of a Western expatriate in order to qualify as a participant for this study. The participants of this study, Western expatriates and Thai subordinates were not paired or did not come from the same MNO.

Data Collection Methods

Interviews. Interviews are among the most challenging and rewarding forms of measurement. They require a personal sensitivity and adaptability as well as the ability to stay within the bounds of the designed protocol (Patton, 2001). This study conducted in-depth open ended interviews on with 12 expatriate managers from a variety of industries (see Appendix B). The variety of participants from different industries gave this study a broader scope. Each expatriate manager was asked to recall a recent organizational change implementation project in which he or she was directly involved. The researcher then took each interviewee through the same questions in the same sequence. This allowed the study to do a cross-interview analysis to determine common themes and issues. Most of the discussions were focused on the change process and how culture differences may or may not have played a part. The open-ended nature of the questions allowed the interviewer to ask follow-up and clarifying questions during the interview. According to Patton (1990) open-ended questions minimize predetermined responses.

Since the interviews were conducted on a one-to-one basis, it was deemed the interviews need not take place in an actual work setting. Thus, the interviews were conducted after office hours, in an informal setting, as it is believed to have helped the interviewees to open up more.

Analysis Procedure

Patton (2001) clearly explains that interpretation, by definition, involves going beyond the descriptive data. Interpretation means attaching significance to what was found, making sense of findings, offering explanations, drawing conclusions, extrapolating lessons, making inferences, considering meaning, and otherwise imposing order on an unruly but surely patterned world. The rigor of interpretation and bringing data to bear on expectations include dealing with rival explanations, and accounting for disconfirming cases and data irregularities as part of testing the viability of an interpretation. All of this is expected, and appropriate, as long as the researcher owns the interpretation and makes clear the difference between description and interpretation. This study relied mainly on personal interviews but also resorted to telephone interviews due to time constraints of interviewees. The personal interviews were taped and then transcribed manually by the researcher, while short hand notes were taken during the telephone interviews and typed out immediately to retain as much information as possible.

Hansen et al. (1998) illustrate that the principal data produced by interviews and focus groups will be the verbal responses, statements, opinions, arguments, and interactions of the participants. Additional data may include observable accounts of verbal expressions, gestures, and body language. The interviews were tape recorded and additional observational notes that was jotted down by the interviewer. The audio

recording was first transcribed before it was analyzed by the researcher. One dilemma generally facing researchers is between reading through the interview transcripts to select 'striking' or 'typical' quotes which illustrate, confirm, and enhance the researcher's pre-conceived ideas of the process and phenomena which are being interpreted, and, on the other hand, to remain open to new ideas, unanticipated responses, unexpected conflicts in the statements of participants, and so on.

Schlesinger et al. (1992) caution against the subjective selections of quotes often seen in qualitative data:

Qualitative results arising from interpretive methods, such as participant observation, in-depth interviews and group discussions, present researchers with a series of dilemmas regarding analysis and presentation. Various strategies, such as case study and the presentation of verbatim accounts are often employed. These have the benefit of 'fleshing out' and illustrating the significant themes and patterns identified by the researcher(s). Often, however, it is difficult for readers to understand how certain materials are chosen over others and why certain quotes take precedence over those which never appear.

(p. 31)

As a precaution for the findings to be representative of the actual facts and not to mislead, this study used a systematic approach to the development of significant themes and illustrative quotes arising from interviews. Interviews generated some topics, frames, references, and argumentative angles which were fairly new and unanticipated, but yet centered around the topics and phenomena of the study. The types of responses generated in relation to the headings and specific foci of the study was examined, categorized, and analyzed. As part of analyzing, a scheme was

developed for categorizing and labeling the responses, statements, arguments, and exchanges recoded in the interview transcripts.



Chapter 4

Results

This chapter reports the results of the analysis conducted to answer the research questions posited at the close of chapter two. To begin, research question one explores how Western expatriates working in Thailand's MNOs function as change agents. In addition to the broad discussion of expatriate roles during times of organizational change, three more specific components will be addressed: communication obstacles/facilitators, Hofstede's cultural dimensions, and commonly used communication influence tactics by Western expatriates.

Functions of Change Agents

RQ1: How do Western expatriates working in Thailand's MNOs function as change agents?

Though Thailand has never been colonized by the West, unlike numerous other Asian countries, expatriates have played an important role in the changes and development in the business sector of this nation. Through analysis of in-depth interviews of expatriates working in various industries in Thailand, a picture of their roles as change agents begins to emerge:

Manuel, a 37 year-old financial executive, explains that expatriates need to find a middle ground in order to succeed as a change agent. He believes the assumption that Thais should be able to work like a foreigner is wrong. "There needs to be a compromise. You can't make a Thai work like a foreigner. But you have to show them the best of both worlds." In other words, Manuel expresses his belief that there are good and bad, strong and weak points of each culture. To achieve a perfect balance, Manuel believes that one must mix and choose the best of different cultures

in an attempt to achieve the right formula. This is a form of compromise for a better organization. But when asked if he thought Thai subordinates could do what he does, his answers “I don’t think so, no.” Essentially Manuel believes both the Western and Eastern cultures have their own pros and cons, and mixing the two cultures does well for MNOs. But no matter how well cultural traits are mixed together, a Thai subordinate will not be able to replace a Western expatriate. His other cultural views are further discussed in the latter part of this section and will help clarify how he reaches such conclusions.

Frank, a 45 year-old logistics expert believes the key for a successful change agents here in Thailand is being concentrated on “building the correct relationship.” He says, “Thailand is also a unique market because you need the right connections or relationships with people who have influence.” He convincingly explains that Thais are relationship oriented and without the right interpersonal connections it is difficult for a foreigner to find success in Thailand. His explanations position relationships as a prerequisite for doing business in this country. The right product knowledge is almost secondary to the right connections.

Benjamin, a 40 year-old general manager of a medium-sized manufacturing unit, is convinced that expatriates in the role of change agents must try and understand the local culture and manage organizations based on it. “The management of my company have understood the peculiarities of Thai culture and have adapted their management style accordingly.” His words remind us of the old proverb that states, “when you are in Rome, do as the Romans do.” He thinks it is key to adapt and try to learn the culture that already exists rather than creating new and unfamiliar rules from the start.

Cannes, a 39 year-old architect designer, agrees with Benjamin's position on what is important for a newcomer or new MNO in Thailand. He shares the hardships his company encountered as they tried to come in rather aggressively and change the existing rules and regulations. He explains that his firm failed by trying to alter what had existed; and, as a result, was forced to adapt their methods of working around the Thai ways. Benjamin explained, "In the end the multinational had to change its process and expectations based on the local culture and marketplace." His reflections also support those of Manuel regarding the importance of mixing and matching rules and regulations in a process to establish a culturally balanced work place.

George, a 43 year-old trade service consultant, illustrates his approach to being a change agent. He believes in educating people via training to meet the goals of MNOs. He expressed the importance of "using professional coaching techniques as a means to improve managers' abilities and efficiencies." His approach is that people from all walks of life have the same ability. It is the lack of knowledge which MNOs must try and gain. Training not only allows Thai subordinates to be more competitive but also reduces the pressures that are attached to MNOs.

John, a 30 year-old financial executive, further confirms that the first and foremost task of expatriates is to learn and adapt to the local culture. He admits that it is often difficult and Westerners have trouble trying to understand the culture. "MNOs, when entering the country, find the culture very different." He elaborates that understanding a culture is one thing but actually being able to put it into use is another thing. He confirms that being able to correctly understand and use a culture requires a lot of practice. Most of the other participants of this study also agreed that understanding culture is crucial.

Obstacles and Facilitators of Organizational Change

RQ1.1: What are the major communication obstacles/facilitators of organizational change experienced by Western expatriates in Thailand?

There are unique communication obstacles/facilitators to organizational change in Thai MNOs. Participants in this study discussed three key dimensions: (a) time perceptions of Thai subordinates, (b) Thais' different criteria in decision making, and (c) Thais lack of a sense of openness. These issues are interrelated but will be explained separately for clarity. This study will first present some obstacles as discussed by participants followed by some facilitators. It is to be noted that not too many facilitators were discussed by participants and few emerged from analyzing the results. The reason for this will be discussed in the limitations section.

Time. The perceptions of Thai subordinates regarding time are different from Western expatriates. Expatriates participating in this study often perceived Thais as being comparatively slow with work matters and lacking a sense of urgency to get work done. As a way to tackle this obstacle, expatriates urge their local counterparts to increase their pace of work.

John expresses frustrations with Thai's understandings of time and bureaucracy. John believes that Thais are not competent due to their bureaucratic way of thinking. "Thai people tend to have a very bureaucratic way of thinking. Some people operate as if it were the 1960s and are anything but results oriented."

Manuel shares views similar to John's:

So it has been an interesting learning process to teach them how and why things must be done so quickly, why you can't wait till tomorrow. The reason for that is my department deals exclusively with foreign investors. This means

we have had to adapt the team to deal with them. So in a sense, it has been a tough process. To conclude, to approach work more aggressively and to do things in a timely fashion.

In the discussion, Manuel is explaining that work needs to be done in a specified timeframe. Having foreigners as his customers makes the delivery of work outputs at a timely fashion even more crucial. His example begins to illustrate the bureaucratic way in which things are done in this country.

Steve, a 38 year-old information technology consultant, underscores John's bureaucratic perception of the Thai ways of working by talking about his experiences with governmental regulations and procedures. He points out that there is slowness of work due to the existing bureaucratic rules. John explains, "probably government related issues such as company registration and infrastructure set-up (offices, phone lines etc) that are much more complicated [in Thailand] than elsewhere. The amount of paperwork that is required is also unimaginable."

Manuel also gives an example of how frustrated he was with the paperwork needed in order to bring a business into Thailand. He makes it clear that despite assisting Thais in growing the business, they did not spare him or ease their bureaucratic ways of doing things:

But my job was to teach them that we were actually doing them a favor by bringing them additional business they would normally not get and by breaking down the barriers from these people who treated us as an outcast. Trying to conform us to their systems of doing things which was not practical from what we were doing. So it was through exhibiting to them the volume of business we could bring them. That is when they started to relax these things.

Cannes further stresses the time issue as an obstacle but also discusses the laid back outlook and other money matters. He explains, “The main adjustments I needed to make at an office level was that I needed to tolerate lack of adherence to timeframes far greater; speak with greater sensitivity relative to understanding the ‘*sabai sabai*’ way of life.” *Sabai sabai* is a laid back feeling that everything will work out.

Decision making. Another obstacle revealed by Western expatriates in this study is the criteria for decision making used by their Thai subordinates. Cannes, for example, talks about work proposals in the West as opposed to Thailand. He observes that there is a big difference in the criteria employed in the decision making process in Thailand; he feels work contracts are awarded primarily based on negotiating the fee charged:

At a business level, I needed to adjust my thinking in that, previously in America, when you put in a proposal it was based on clear evaluation criteria, however over here, winning projects only seem to be based on cost only and bargaining of fees is almost always the case as well.

Frank also explains that decisions revolve around money issues and the importance of the right connections to ease the process:

I realized that in this country most business dealings depend solely on relations. If you don’t know your customer then it’s quite hard to get in the door of potential customers. Even if you can get into the door, without connections, you may never get the money. Payment is better in Europe.

George says, “Thais are just not creative when it comes to decision making. They are taught to stick to rules. This is distinct from US in which brainstorming or coming up with new or creative ideas is part of everyday life.” He shares a different

perspective towards the difference in decision making between the West and Thailand. He explains that this difference stems from the education system with which Thais are acquainted. He believes this is the backbone of problems he encountered with decision making. Instead of teach people to 'think out of the box' which will bring about confidence in decision making, Thais are taught to follow protocols. His interactions with Thai subordinates made him aware that the Thai school system does not encourage creativity. "Thai education system has stymied creative thinking and other important things."

Peter, a 45 year-old consultant and lecturer, brings up his frustrations as a foreigner trying to influence the decision making surrounding organizational change. He admits that as an expatriate, his opinions may not be totally accepted due to the difference in cultural values. But he consoles himself by rationalizing that at least he is open to share opinions unlike his local subordinates who shy away. Peter explains, "They [my opinions] may be discounted due to my cultural oversights, but an insider in the same position would be such a subordinate in Thailand that they would probably not be heard. Actually, they would probably not make the suggestion."

Openness. Finally, expatriates talk about the lack of openness among Thais as an obstacle to their functioning as change agents. Alice, a 38 year-old financial controller for a telecommunication firm, makes note of Thais subordinates and their inferiority when it comes to openness. She believes expatriates are superior when it comes to making decisions and have clearer understandings of overall work processes. "People abroad are more straightforward in thinking and making decision. Also they are more individualistic than Thai people. That's why it is quite difficult for me to adapt the Thai cultures." She goes on and distinguishes key differences:

I think there are two main differences if you will. Westerners are more open minded in their decision making process. It is also apparent that within companies, the leaders or managers and employees have some basic understanding of the overall “system”. This is well reflected in their common traits, dimensions, “personalities” and life cycles.

Peter agrees with Alice’s perceptions of the lack of openness among Thais. He explains the challenges encountered when trying to discern non-verbal cues when his Thai subordinates disagreed on a certain matters but refused to share their opinions. Peter expresses difficulty in “understanding [Thais] reluctance to have conflict between the employee and the superiors” and how supportive non verbal communication “does not always mean acceptance or embracing of the ideals simply because disagreement is not raised/voiced.” Steve notes the main obstacle he encounters in trying to understand his Thai subordinates also relates to the issue of openness. He explains, “I had trouble trying to understand my Thai colleagues since they are not very expressive. I guess all Thais are far less expressive than an American or Europeans.”

George talks about Thais not being aggressive and committed as a result of a very different education system than the West. To a large degree, he thinks this lack of aggressiveness paves the way for expatriates to develop the feeling or sense that Thais are not transparent. He believes this is the key to the issue of change as Thais are not taught to ‘think out of the box’. He genuinely believes if you are not creative then it is very unlikely for you to be open and if a person is not open then it is unlikely the individual will initiate work matters. Based on his insights, he says this is a major variable that makes the ‘change agent’ role in Thailand a tough task:

A lot of cases the Thai education system has stymied creative thinking, etc. The need to be tenacious in following up on matters. For example, if you have an inquiry for something and the person concerned is not sure of the correct response/action then they are likely to hope the problem will go away rather than ask their boss for help.

Ronald, a 36 year-old store operations director, organized his hardships dealing with Thai subordinates into a set of firm distinctions. From his illustrations, it is clear that it is quite a task to adapt and get used to the Thai ways of doing business. His views tell there is a difference from the transparencies with work matters, the relationship one has with subordinates, the need to read between the lines or search for hidden or nonverbal cues, to understand that there is a form of reluctance or fear attached to different hierarchal work levels, and the patience one is expected to possess in order to deal with the likely delays with work matters:

I feel truly frustrated with the inability to openly criticize an employee. This can be very frustrating for expatriate management. Sometimes it is not even criticizing. It is more correcting a Thai so the mistakes do not cause damage to the company. Even more challenging is knowing when employees mean “no” when they say “yes”. This is something you really got to acquaint yourself to if you want to succeed in Thailand. What else, the intimidation factor of being a manager makes it difficult to get to know all employees. I have seen store staff literally run away from an area when they see me, a VP, or general manager coming their way.

Participants of this study also offer facilitators, unique to the Thai culture, that both enable and constrain expatriates to function as change agents. Frank does make a

complimenting trade-off that Thais are “easy going people” which is known in the local language as *sabai sabai*. Alice makes note of the friendliness of Thais compared to people in the West who are said to be more self-centered. “People in Thailand are more friendly than people abroad.”

In sum, Western expatriates articulated that three main obstacles exist to effectively creating organizational change in MNOs when working with Thai nationals: (a) orientations to time, (b) decision making criteria, and (c) lack of openness.

Hofstede’s Cultural Dimensions and Organizational Change

RQ1.2: Which of Hofstede’s cultural dimensions—power distance, uncertainty avoidance, individualism-collectivism, or masculinity-femininity—are reported to play an important role during times of organizational change by Western expatriates in Thai MNOs?

The analysis of interview data distinctly illustrates that Hofstede’s cultural dimensions are reflected in how expatriates and Thais describe interactions occurring during times of organizational change in MNOs. In addition to discussions of Hofstede’s original cultural dimensions, Thai cultural traits such as *kreng chai*, *mai pen rai*, and *sabai sabai* and their impact on interactions will also be discussed in this section. These differences in cultural values between the West and Thailand make working in MNOs a real challenge, according to the expatriates who participated in this study. This analysis relies on the conceptualization of Hofstede’s dimensions offered by Sriussadaporn-Charoenngam and Jablin (1999) because of these authors’ specific adaptation of these ideas in relation to Thai culture.

Power distance. Evidence of how Hofstede's dimension of power distance influenced interactions during times of organizational change was found in three ways: deference to rank, respect of authority, and following protocol. Recall that power distance reflects the different ways societies around the world handle "human inequalities" (Hofstede, 2001). It is explained that inequalities are one of the oldest concerns of human thinking which dates 2,700 odd years back. In an organizational context, countries with lower power distance have a flatter organizational structure while countries with high power distance have a more hierarchical organizational structure. Among Thais, the variety of pronouns used to refer to oneself and others referencing social status is a good indicator of high power distance. Knowing the correct usage of pronouns is something expected of Thais and can often be used to gauge the status of people, family background, level of education, and the nature of relationships between the parties involved. As Sriussadaporn-Charoenngam and Jablin (1999) explain, "Class distinction and social differences in Thai society are broadly defined by such personal characteristics as family background, age, gender, and level of education" (p. 386).

The experiences of the expatriates in this study reflected Hofstede's findings that Thailand is highly power distant when compared to the West. Close analysis of the language used by expatriates reveals underlying assumptions about the enactment of power in interactions between Thais and expatriates. Benjamin, for example, reveals his hardships dealing with hierarchy or the respect Thais give to their superiors and his attempts to replace them with a more informal hierarchy. He explains, "Ranking formal hierarchy compatible with informal hierarchy in Thai culture is yet a problem I encounter very often. You know how Thais address an elder person as

‘*pe*’.” *Pe* is a word Thais use to address an older person as a way of offering respect. This is similar to the way Westerners address others with Mr. or Ms., but *pe* has a higher degree of positive connotation attached to it. Thais generally attach the word *pe* to anyone they want to express respect to. It can vary from an older sibling, colleagues, or cab drivers, to a total stranger.

Cannes and John offer the following two perspectives of power distance.

Cannes discusses in a comparative manner the differences in cultural perceptions of power between the West and the East. He shares:

Family values are stronger over here [Thailand], and there is a much more diverse ‘status’ system here. Overseas, status is much more muted. I think people accept their place much more over here; and, therefore, feel that if someone gives them a job, they owe them everything.

John feels the high power distance culture in Thailand can actually suppress subordinates ideas and condition them, to a certain extent, not to play an active role in decision making. In the West, job promotions are based on initiative. John has trouble trying to understand how one climbs up the organization ladder if he or she does not freely express ideas and introduce change for the betterment of the organization. He compares Thais in an organization as if they still were in school. He feels Thais would not be able to function if the organization was flat:

People tend to be very respectful of their superiors and come into work early as if they are in school trying to impress the professor. To this, performance is a second priority.

Believe it or not, I do not think Thais would be comfortable to work in a flat organization . . . Even though they were not very certain what results the

change would bring about to their work, they followed instructions and adjusted very well. I actually found that hard to digest. Back home, everyone would pitch in and give their opinions about the change as well as ask a dozen or more questions.

Manuel narrates how he tries to deal with power distance and the obstacles this cultural difference places upon him in a professional capacity. He tries to cope with the hierarchy issue by deploying a flat organizational structure in the hope of eliminating pitfalls this cultural dimension could bring upon the organization. He also believes the presence of high power distance in Thailand indirectly affects his career growth:

Because Thais don't accept authority very well unless it is from their immediate superior. Like my #2, it would be very hard for him to get the staff to adjust. I mean Thais have quite a direct reporting line if you like. In my office, I have actually found the best way to deal with that. It is a very fine structure. It is me and then everyone else. That way there will be no one who is who in the office. So it is me and a deputy and then everyone else. It is difficult when you are younger than the top management. Obviously, the top management in Thailand tend to be in their late 40s or early 50s and then some young guys comes in with some ideas so there will be a natural resistance. I guess this would be true anywhere in the world and not only Thailand. So it is difficult for older people to take commands or even suggestions in Thailand and the only way to get around it to get them alone and explain to the merit of what you are doing and to even let them take credit for it if necessary.

In the same conversation, Manuel also shares how he has found a way to make use of his employees' values for power distance. He uses his cultural knowledge about power distance to achieve objectives. He adds reasoning and authority to power distance and makes it the perfect formula to get work done by his Thai subordinates. Thais in the most part respect authority. Generally you can see how Thai kids are schooled, how they are taught to respect their parents. I think you have to use that. Not exclusively but you need to use that with combined reasoning and showing results to them so that they respect your authority for results as opposed to the title on your card. But that is the difference between Thais that they will respect you just for the position on your card but to get that deep respect, to run the team properly you need to show them why. Then you combine that with authority.

Benjamin, however, sees the presence of high power distance among Thais obstructing the change process. Instead of truly understanding change and getting involved with it, a typical Thai would reason that the change was an inevitable process because it is the decision of his/her boss. Thais are known not to actively participate in meetings and seem reluctant to ask questions. Reasons for this orientation toward power are also noted by Alice in that some say it is a sign of respect to not speak, others blame it on the education system in Thailand, while some think it is best explained as a face issue. Having this underlying feeling that it is their boss who is in charge of making decisions further discourages them to take part in discussions or even to the extent of not asking any question:

Thai people probably look more receptive to change because they are rather passive. Introducing change in the West always brings a lot of positive or

negative reactions. In Thailand, when a change is introduced or takes place, Thai employees feel it is his or her duty to accept the change because the boss decided so. I think it is because I know Thais are generally reluctant to ask any questions so the presentation or discussion needs to be very comprehensive.

Alice says, “this leads to reluctance to ask questions of employees when a request is given to an employee, even if they do not understand what is being asked of them.” Ronald thinks “they also seem to be afraid to lose face and ask a question directly to a manager. This does not make sense as the expat manager is, in fact, even more upset when they see poor or incorrect results.” Peter further illustrates the negative consequences of Thais orientation to power during times of organizational change when he holds training seminars and is frustrated with the lack of participation. “When I teach in class students will not disagree with me in public. No matter how outlandish the statements I might make are.” Peter believes the key in trying to understand Thais is to realize that while they are not likely to confront you with a disagreement, this does not mean they agree with you. “Understanding the reluctance to have conflict between the employee and the superiors and how this does not always mean acceptance or embracing of the ideals simply because disagreement is not raised/voiced.”

Although George noted the Thai orientation to power, he also believes this behavior can be modified through training. He explains that giving them the assurances they can actually solve a problem is a first step in reversing this style of interaction. George comments, “one improvement was to ensure that managers no longer just present me with a problem seeking quick answers but rather with the problem, their research, and recommendations.”

Uncertainty avoidance. Thais' preference for high uncertainty avoidance is characterized by tactfulness, politeness, correct forms of address, and levels of intimacy. "Uncertainty is reduced in communication relationships through the internalization of context-related rules and norms about 'appropriate' communication" (Sriussadaporn-Charoenngam & Jablin, 1999, p. 385). Easily noticeable characteristics about Thais is that they will try and use the correct pronouns, deference, posture of respect, and intimacy to reduce uncertainty when they meet people for the first time. On the contrary, Westerners are known to have low levels of uncertainty avoidance. Three expatriates linked the issue of uncertainty avoidance to issues of bureaucracy. John, Steve, and Bill, a 50 year-old automotive finance director, all explicitly make this connection. John, for example, talks about his bureaucratic struggles and goes into how Thais are uncomfortable when they sense uncertainty is eminent. "They feared once the system was put into use, the next step would be to remove them from the organization since they believed they would no longer be needed."

Steve further highlights the bureaucracy in relation to governmental regulations, "probably government related issues such as company registration and infrastructure set-up (offices, phone lines etc) that are much more complicated than elsewhere. The amount of paperwork that is required is also unimaginable."

Bill says:

Stop screaming at people. It just does not work here. Also bureaucracy, as Thailand is quite a bureaucratic society. Everything needs to have forms filled in. The longer you work here the more you realize that you cannot change that as the authorities want to see that and all you can do is to adjust to it.

The real life experiences of George have probably caused him to wonder if Thais are really truthful. This is an outcome of Thais being overly polite. He believes the politeness of Thais within organizational settings can be harmful and can lead to devastating results. “Probably the biggest was finding out that Thai’s would tell you what you want to hear rather than what they really think even to the point of saying they understand something when in fact they didn’t. Sad but true!”

Individualism and collectivism. Thais’ preferences for low individualism can be seen in the characteristics of social harmony, deference, conflict avoidance, control over expression, and experience of emotion. Most Thais retain close ties with their families and this is probably the main reason why the Thai society is classified as a low individualistic society versus the Western world which is known as high individualistic societies. Hofstede (2001) illustrates that this cultural dimension “is reflected in the way people live together and has many implications for values and behavior.” Apart from family, education, religion, politics, and utilitarian all play a role in shaping one’s “self-concept.”

Manuel unknowingly talks about the individualism of MNOs:

Because multinational are multinationals and Thailand on a relative scale is a small market for them. If you take a bank for example, say H Bank, it is an enormous organization globally but they are not going to waste time trying to integrate with a country. They are going to force their employees to adopt with what they want because they have various regulations, codes of conduct, computer systems, and methods of doing things which are formulated in an enormous handbook from London. That’s it – you toe the line or you don’t work there.

Manuel explains that the goal for multinationals here in Thailand is to make money. “Obviously, a major challenge is to make people to adapt to it because multinationals are here to make money.” He makes it clear that money is what multinationals are looking for and it is the Thai subordinate who must adjust to the organization. He stresses MNOs are not here in Thailand to adjust to the local. This explicitly means that it is not only Westerners who are individualistic, but MNOs that are headed by expatriates also carry the same cultural background.

During talks, Manuel refers to his driver. He discusses the characteristics of his driver based on his individualistic traits. A Thai driver will generally be low individualistic and have control over expressions as well as experience of emotions. This makes it difficult for Manuel to understand his driver and thus causes him to draw on the pros and cons of his driver. He concludes that people from the West have to be tolerant:

You have to keep watching the balance right. He is honest, he is reliable, no I take back the reliable part, he is sometimes reliable, he is efficient, knows all your friend, knows where to go, and things like that to balance it off. Actually, this is not a good example as it is me being tolerant.

John supports Manuel’s views by confirming there is a difference Western and Thai ways of working. As explained by Hofstede, Thais, being low individualistic by nature, have a tendency to avoid conflict by controlling expressions or experiences of emotions. This underlying cultural aspect of Thais makes them less expressive when compared to Westerners:

The local employees on the other hand definitely find the direct working styles of Westerners rather strange. I had trouble trying to understand my Thai

colleagues since they are not very expressive. I guess all Thais are far less expressive than an American or Europeans.

If one does not understand that Thais are collective beings on a constant mission to seek social harmony one could easily perceive things the way Frank does which is Thais are believed not to be as aggressive as Westerners. “The main cultural difference with a change here in Thailand is that the local staff are not as aggressive as overseas.”

Moreover, the socializing choice of Westerns and Thais are further determinants of how individualistic and collectivist people behave. “Probably more ‘after hours’ in that farangs would prefer to go and have a few drinks to socialize where as the Thai staff would generally prefer to have a meal together”

Benjamin admires the friendliness of Thais but has trouble with their indirectness. Ronald and Peter have trouble with the social harmony and deference attached to the collectivist Thai society. Benjamin said:

People in Thailand are more friendly than people abroad. People abroad are more straightforward in thinking and making decisions. Also they are more individualistic than Thai people. That’s why it was quite difficult for me to adapt to the Thai cultures.

“First is the inability to openly criticize an employee. This can be very frustrating for expat management,” said Ronald. Peter also noted, “it took several years and I still am learning. I have tried to learn to think of how I can deliver bad news in a positive way.”

Peter seems aware of the difference between his collectivist Thai subordinates and the individualist nature of Westerners. He believes that the best solution is to try

and balance both perspectives. He talks about his experiences trying to retain his collectivist subordinates:

You can't make a Thai work like a foreigner. But you have to show them the best of both worlds. But it is quite tough. Some people leave and some people stay and love it. It just depends. I had half my staff quit on me within two weeks of my taking over. About five people just jumped off and left. It was a slight set back then we bought new people in.

Masculinity and femininity. This cultural dimension is conceptualized based on Thais' low masculinity characteristics of relationship building, non-assertive, and noncompetitive. Westerners are characterized by high masculinity while Thais are characterized by low masculinity. The interpersonal behaviors of Westerners are rather dominant, assertive, and highly competitive. Thais on the contrary are non-dominant, non-assertive, and non-competitive by nature (Sriussadaporn-Charoenngam & Jablin, 1999).

Manuel portrays his high masculinity traits by discussing sales increase, correct decisions made, organizational goals, competitive edge, and talks about his non-Thai behaviors:

It is interesting to see that this company has grown very very aggressively market wise. So from 2% all the way up to 8% and that has been on the back of trying to make Thais understand how a brokerage business is conducted by foreigners. So far I have retained them all. Mainly, because I was able to pick and choose who I wanted rather than dealing with the existing ones. Obviously, a major challenge is to make people to adapt to it because multinational are here to make money.... Because that is how you give yourself an edge in the

market if you do something better than others do then people will naturally gravitate you. By me getting into a room and explaining what was going to happen and how it was going to happen. The fact that it was going to happen whether people liked it or not.

Relationship building is a characteristic of highly feminine culture and fits with the Thai way of doing business. Bill talks about relationship building. "It is very important for the employees to have a very good relationship and reputation with management. You've got to understand that relationship building is key to earning trust and getting work done in Thailand." He knows if you do not have the right relationship in Thailand, then it will be extremely difficult to get anything done.

Manuel talks about relationships and how it impacts on his work:

There are huge differences between doing business the Thai ways and the Western ways. Well, for example to do business with a Western company you do not need to have the relationship. In the West, you can meet someone for the first time and be doing business with them the next day. But in Thailand, you need an introduction to the company or person from somebody else who knows them. Then you need to meet them in a formal setting and an informal setting and you generally need to become acquainted and get to know the person because they do not do business just on the back of what you can do. It is very relationship oriented.

Cannes supports Manuel's discussions on the importance of relationship in Thailand. "The company change did not affect the staff. The personal change was eased through the good working relationship and trust that I had built up over the

previous two and a half.” Frank goes a step further and talks about the presence of relationship at the governmental level:

Import tax is one of the major challenges that we need to deal with. Thailand is also a unique market because you need the right connections or relationships with people who have influence. This country is ruled by 20 big families and on top of the list sits Mr. Thaksin, the prime minister. I realized that in this country most business dealings depend solely on relations. If you don't know your customer then it's quite hard to get in the door of potential customer.

Even if you can get into the door, without connections, you may never get the money. Payment is better in Europe.

Ronald adds his experiences to the notion of business “relationship” in Thailand and feels that e-mails are impersonal so may not be a good relationship building tool in Thailand. This insight, that Thais do not value the use of e-mails, signals that the selection of an appropriate channel of communication may be important for expatriates. This study further elaborates on this in the discussion section. :

Relationship is another thing that drives me crazy. Relationship building seems key to earning trust and dedicated work. Thai culture is heavily influenced on relationship building. Email is very impersonal, therefore it is logical to assume any information, important or not, is easily ignored or glossed over.

Jeremy, a 47 year-old legal consultant, explains his ways of keeping up to his Thai subordinates when it has to do with relationship building. He understands the Thai society's unique sense of caring for each other as if everyone was related:

I try and keep on top of not only work matters in Thailand but how everyone or at least my direct subordinates are doing. I make sure that my Thai subordinates receive a fair support from the company if they were to fall ill or if a loved one is sick. I include this as part of the job description of the company's HR Manager. He is directly responsible to take care of our employees' well being and keep me well informed. For Thais this is a genuine way of expressing empathy.

John and other expatriates we discussed earlier find Thais and their non-expressive style rather awkward:

Culture is what dictates this difference in perception. It is just like a merry-go-round. It revolves around culture. My suggestion to Thais would be if you don't understand something, then ask questions. Speak up when you do not agree with something and be able to back your opinions with facts. That would help to bridge the gap and allow Thais and expats to have a smoother working relationship.

There are numerous other cultural traits that unfold in this study which are unique from Hofstede's cultural dimensions. Cultural traits such as *kreng chai*, *mai pen rai* or *sabai sabai* which have a direct impact on time are often talked about by Westerners without the actual realization that cultural aspect dictates such behaviors. Such traits at times overlap with Hofstede's cultural dimensions and may have been already been covered earlier in the results section but under a different cultural dimension.

Kreng chai. This unique Thai culture, which has no direct translation in the English language, is conceptualized by this study as being aware of another person's

feeling, helping other's save face, and showing respect and consideration. If understood and applied correctly, it can bring "success in daily life, business relationships, and management (Niratpattanasai, 2004). It is common for expatriates not to understand this cultural trait and have problems relating to the behavior of their Thai subordinates.

Ronald talks about how to deal with the yes/no reply from Thai subordinates when *kreng chai* is at play. He says this is something that does not exist in the Western world. It requires practice to recognize *kreng chai* and the reliance on verbal answers alone is not quite adequate in Thailand. He thinks it is a mix between trying to show respect with a twist of conformity. "Knowing when employees mean 'no' when they say 'yes'. This is something you've really got to acquaint yourself to if you want to succeed in Thailand."

John talks about his troubles relating to the Thai behaviors. He talks about how different it is at home where everyone is bound to share opinions: Even though they were not very certain what results the change would bring about to their work, they followed instructions and adjusted very well. I actually found that hard to digest. Back home, everyone would pitch in and give their opinions about the change as well as ask a dozen or more questions.

Manuel narrates how unproductive Thais are with their work manners. The tendency of Thais not talking directly of their mistakes, which probably has to do with the notion of *kreng chai*, can bring devastating results:

Limit damage rather than keeping quiet until someone finds out. Well, that happened to me on my recent trip around the world. The research they sent me had errors and we spotted the errors and three times it took to get it fixed. That

kind of a thing could be a problem so making them recognize that if you made a mistake, then just say so. It is more of a disaster to make things progress than to come up with it immediately.

According to Bill, feels there are just too many things Thais are concerned about which restrains them from sharing their ideas:

I repeatedly mention to my Thai subordinates during meetings that there is no such thing as a stupid question. I explain to them that life is a two-way traffic and we must learn from each other. I give some input and you give some input and that is how we learn. There is no reason to be afraid.

Mai pen rai or sabai sabai. The Thai cultural traits of *mai pen rai* or *sabai sabai* has a direct link to time. Sriussadaporn-Charoenngam and Jablin (1999) explain that the notion of *mai pen rai* “springs from the belief that one must gracefully submit to external forces beyond one’s control.” The literal translation in English would be “never mind, it doesn’t matter, it’s all right, don’t get upset, or everything will work out” (Sriussadaporn-Charoenngam & Jablin, 1999).

Ronald jumps to the problem of *mai pen rai*, and discusses the cause and effects of it. “The root cause seems to be the Thai laid back culture. Everything is ‘*mai pen rai*’; as if it’s okay to not understand something because everything will work out in the end anyway.” Alice goes on and compares Westerners and Thais based on the hours of work they put in. “Expats tend to work harder than Thai people maybe because of their cultural behaviors. Lots of them come back home at 9-10 pm everyday. Different than in Thai, some of them finish work around 7-8 pm. and overtime is hardly heard off.”

Bill, Manuel, Frank, George, and Benjamin add a pessimistic approach to the notion of *mai pen rai, sabai sabai, time*. Bill shares his opinion to what dictates Thai's non-aggressive ways of doing things. Jeremy talks about the Thai work environment and the sabai sabai cues he has noticed:

But the Thai way also helps because it is a fairly high progressive environment and if you have a relaxed attitude with the staff then they can deal with the pressure much better. In other words, it is fine to laugh, it is fine to take everyone out for lunch, it is fine if it is a dull day at 4 o'clock and you tell everyone to go home.

He gives an example to better explain his point that Thais do not have a sense of time or urgency:

I mean, for example, to say I want a computer and I want it on my desk within one day. They have their forms to fill out and what have to do is to remind them that we are a shareholder and your mandate is not to try and simulate us but to try and accommodate us.

Frank said, "however, the good part is that Thai are easy going people."

George feels, "Thais are generally happy with life and refrain from any changes that could alter things around them." Benjamin adds on to this positive twist of *sabai sabai*.

"I would think Thai people like to sit down and discuss things causally. The concept of adding some 'sanuk' in a 'sabai sabai' atmosphere generally helps. The concept of being able to work with Thai subordinates but still find ways to add some humor to work is what Thais enjoy."

Nonetheless, Frank discusses the relaxed nature of Thais at work, "Thais are constantly eating or snacking. This used to drive me crazy. You do not want to speak

to someone who is constantly eating. I guess I just got used to it. Slippers is another one. Thais generally change from their shoes to slippers once they arrive at the office.”

Bill believes that the only way to deal with this problem is to change the outlook of Thai subordinates:

I think the changes were to eliminate the relaxed ways Thais in general will approach that and that is to be immediate, to be aggressive, and to get on the phone and call your clients and get business out from them. That is one thing and the second thing is to follow up. If somebody asks you a question then don't get back to them a week later. Find out the answer now and answer them now.

Thais often sacrifice the importance of work matters in the presence of *mai pen rai* or *sabai sabai* and it is talked about by expatriates as a major issue:

Manuel shares a list of instances during work where time was neglected by Thais. He talks about how the fast moving industry he is in and his Thai subordinates are not very compatible. “It is quick and everything in this industry has to be fast, as I am sure you know that Thais are not normally fast.” He goes on and talks about giving his Thai subordinates deadlines as a means for them to recognize the importance of time. “That also helps to breed efficiency and self-sufficiency with them because they know that time is limited and gradually they learn.” He concludes by saying, “changes are gradually filtering down.”

Ronald tells of his views about the importance of time which is neglected among his Thai subordinates and how it is affecting the Thai work environment. He tries to keep a watch over time: “I try to keep things in full control and changes made at a timely manner is what drives customers to shop at ‘ABC store’. It is not unusual

[very common] to see a meeting start 30 or 45 minutes late even though high ranking officials are attending.”

He ends by differentiating what change means back home and here in Thailand. “I think it takes more time for a change to register here in this country. You still would explain or reason about things back home, but the level is far more intense here and you need to repeat things over many times here.”

Benjamin exemplifies the time issue by saying you ought to come to terms with reality and understand that time for Thais is different than for foreigners. He also had difficulties coping with the lag time between when work was given out and when the results were submitted. “Be patient with results. Expect or sort of understand that most things in Thailand take more time than abroad.”

Jeremy explains his perception of time back home versus what he encountered when he got to Thailand:

I moved to live in Thailand from London. There I was used to working 8 hours a day for a minimum of 5 days, sometimes even 6 days a week. If there was work, you were expected to get it done by all means. It did not matter if you had to stay at work till midnight or even come in on Sundays. Everyone knew that if you did not get the work done by the specified deadline, you were likely to run into trouble. But that is not the same here. In Thailand, you can give a Thai a timeframe to work on a project, but there is no guarantee your subordinate will get it completed on time. The sense of urgency in Thailand is just missing.

Communication Influence Tactics

RQ1.3: What are some of the most commonly used communication influence tactics—reason, friendliness, coalition, bargaining, assertiveness, higher authority, and sanctions—by Western expatriate managers during interactions with their Thai subordinates on organizational change issues?

The primary influence tactic reported by Western expatriates is reasoning. This signals that Westerners who function as change agents in Thailand's MNO deploy "reasoning" as a means to facilitate the desired change. A few, however, resort to authority when reasoning does not work:

Steve tells of his constant use of reasoning as an effective way to approach change. "Staff were informed of the change before it occurred and then kept abreast as the process was in motion. Once the change had been completed the new processes were explained." He also believes that "explaining the cost and benefits of the change works well no matter where it may be." Benjamin talks about not really using any tactic but is essentially using reasoning, "I did not use any real tactics, just discussing the matter and explaining them the necessity of hiring more people." Ronald shares his perspective of tactics when comes times of change and stresses he does not believe in authority. "I believe in walking people through the change which involves explaining to them at best what to expect and why things are done in a certain way. I do not believe in forcing change on people."

Frank talks about using reasoning to justify change with his shareholders. "To explain how to set the new brochure and sales channels were needed to justify the change to the company's shareholders." George uses the Thai culture and reasoning to facilitate change, "I believe it is a long process of creating an ethos of learning via selling a subject/goal and following it up with teaching, showing, watching and

rehash.” John explains how reasoning helps increase the comfort level of Thais. He uses the example of stopping a child from playing with fire versus reasoning with the child why playing with fire is dangerous. “From experience, reasoning or going over things with Thais is key. Like the example of the child and playing with fire I explained to you.” He then compares reasoning with authority and says he prefers reasoning to authority. At the same time, he admits he rarely uses authority:

I believe in explaining things to others and I think that is the best way for something to be logically accepted. I do not believe in using authority with my subordinates. I rarely use authority and I think that is one of the major reasons I am in such a position today.

George tells why reasoning is so important and shares his views concerning the advantages of using reasoning. “Compromise and understanding, getting people to understand why you do things the way you do and why it works. It will be faster to show the benefits of how things are done.” He suggests that an organization is a unique setting in which reasoning simply is the only way to bring about change. “Whereas in the office environment or some other kind of settings, it will only work through compromise, you can’t get someone to change without giving them understanding or reason.”

Thai Subordinates’ Perceptions of Western Influence Tactics

RQ2: What are the perceptions Thai subordinates have of Western expatriates’ use of influence tactics during times when the expatriate is acting as a change agent?

Thai subordinates openly admit there are both advantages and disadvantage working for a MNO; but, the advantages seem to outnumber the disadvantages. The advantages, most talked about in comparison to Thai organizations, are better pay,

opportunities to advance, international exposure, freedom to make decisions, and the issue of seniority or power distance is not highlighted. They also talk about things that can be learned on the job and taught in MNOs. These include the compulsory learning of English and other languages, introduction of innovative skills to remain competitive in the international arena, and making employees remain abreast of technological advancements.

The disadvantages include limitations of career advancements for MNOs that only use expatriates to fill in the management positions. Language could also be a barrier in climbing the organizational ladder. The negligence of understanding Thai cultural notions such as *kreng chai* and *hen chai* is viewed as a problem to some. Others think that they have to deal with expatriates intentionally taking advantage of Thai cultural traits. Moreover, there is a feeling that the level of tolerance is much lower in an MNO; thus, lifetime employment is rarely heard of. Inevitably, cultural conflicts and misunderstandings are bound to happen.

As Thai subordinates talked about influence tactics deployed by expatriates during times of organizational change, Hofstede's cultural dimensions and other Thai cultural traits unique to Thailand unfold. This study sees the importance of identifying the cultural traits that emerge as a way of understanding Thai perspectives in relation to the tactics used by expatriates. As a way of discussing the tactics used by expatriates, this study attempts to categorize the discussions of Thai subordinates into Hofstede's cultural dimensions and Thai cultural traits.

Thai subordinates seem to agree that "reasoning" is the most deployed tactic by expatriates in MNOs. Somchai, a 37 year-old engineer and consultant, talks from his 12 years of experience working closely with expatriates. "What I see is that there is a

high degree of explanation given by expats as the reason and benefits of the change, whereas, in the local environment or organization, it would just be an order to change.” Somboon, a 45 year-old consumer food production controller, supports Somchai’s views by saying, “some of the tactics expats tend to use are spending time with the subordinates and having conversations with them.” Somchai’s hands-on perception allows him to compare MNOs with Thai organizations. “Thais tend to use authority more than reasoning.”

Vithawat, a 42 year-old executive of an international branded hotel, talks about how expatriates are willing to lavishly spend on developing their staff by training them. He believes this is a good influence tactic as Thai subordinates whose MNOs invest in them and train them to develop a sense of security. He says this is something you rarely see in offered by a Thai organization:

Expatriates or multinationals spend a lot of their resources to train their employees. They believe that a talented or skillful work force will bring about good results for the company. This will be reflected in the company’s profits. So they do not mind spending time and money putting people through training courses or personally train their employees. This training that employees are exposed to helps the organization smoothly go through times of change.

Power distance. As noted at the beginning of this study these data demonstrate that, Suthichai, a 40 year-old polymer science graduate who is currently working in the automotive industry explains, “now if it were a Thai, then we are going to think about seniority first, we are going to think about who could influence to get the thing done rather than assign to the junior person to responsible for the high scope of work, the job that got the high responsibility.”

Somchai agrees there is a high level of power distance among Thai organizations. He believes expatriates often stumble and fall in this country because they lack understanding of this important underlying Thai cultural characteristic that is almost inborn to Thais. "I recall being told by my expatriate boss to convey to an elderly company executive a mistake he made. I chose not to do as my expatriate boss had asked me to and reasoned to him why it would be culturally inappropriate. He explained his expatriate boss did not understand him and was not very happy about it."

Anuphong, a 35 year-old freight forwarder, thinks that no matter what one does in Thailand, age must be carefully accounted for. He says you cannot step on an elder person and say sorry later:

Expats are use to the American way of working. That is no matter how old you are if you are able to perform then you will be rewarded. But in Thailand you have to consider age and seniority. You cannot just make a 25 year-old fresh graduate who happened to strike a big account start heading the sales department. Expats don't realize that it just does not work that way here.

Nopawan, a 43 year-old senior merchandiser for a clothing store famous in the West, talks about her perception that Westerners are extremely insensitive to cultural norms. She explains that it is a very common thing for a junior Thai to fold his or her hands as a sign of respect when receiving things from a senior Thai or even an expatriate. But with an explicit sense of disgust, she openly reveals that Thais are wasting their time showing respect to Westerners:

Thais are prone to *Wai* [an act of folding ones hands together] senior people as a way of showing respect, a form of greeting, or when an individual is about to leave. Thais are actually taught by their parents since childhood that they are to

wai elders when they receive a valuable thing from them; for instance money, a gift, or something along those lines. As a senior Thai receiving *wai* from a junior, he or she will automatically return it as a way of acknowledging the respect given. The Western expatriates do not return the *wai*, which I feel is still understandable as they are not familiar to it. But the sad part about it is that they intentionally ignore the *wai*.

Decha, a 37 year-old consultant, does not think expatriates understand the importance of age and seniority of this country. He believes expatriates are focused on the change without considering anything else. He thinks understanding the cultural differences will help expatriates to delegate the work without major problems. “Most of the expats lead by head without thinking about prioritizing seniority or relationship. They’d like to see quick and immediate outcome without concentrating on people.”

Uncertainty avoidance. High uncertainty avoidance is another element of Thai culture that is very noticeable in everyday work interactions of Thai subordinates. Somsri, a 40 year-old hypermarket manager, shares her views that usually expatriates do not understand the different levels of intimacy and tactfulness which Thais possess. She thinks expatriates are not acquainted with this. She strongly believes expatriates are not familiar with the Thai ways of doing business. Thais having high uncertainty means they are readily able to change in accordance to the requirements of different situations. She sees Thai managers more capable to use the appropriate pronouns, tactics, and politeness as deemed necessary with Thais or expatriates:

Expatriates are not refined. Working with a multinational allows me to make comparisons between how expatriates manage versus how Thais manage.

Expats just do things for the sake of doing. They do not spend time carefully

thinking about the consequences of what they do. Thais on the other hand are good at wearing “two hats” or pleasing everybody around them.

Suthichai talks about Thais high uncertainty avoidance as an important success factor for organizational changes in Thailand. Thais’ tactfulness with a twist of politeness enables them to achieve things easier than expatriates. He says Thais are taught to be tactful and to avoid causing any unnecessary conflicts from childhood. He believes you cannot learn this overnight and that is the main differentiation between expatriates and Thais:

The local people do things is more conservative and the way foreigners do things is more aggressive. The local people might make the change smoother but the expat has more potential to get the changes done, even though it may not be as smooth as a Thai.

Somchai shares an example in which he tactfully and gradually laid-off Thai subordinates. He compares this with the West in which employees are laid-off without much consideration. He believes in the West laying-off employees is done like a gunman pulling the trigger, fast and without careful thinking through of things. He says if people are able to tactfully handle different situations depending upon what is appropriate, then there is a higher likelihood for success:

One time, there was an expectation for us lay off some employees. The expectation was that the lay off would happen very quickly. But that was not the case as we really had to think it through. We had to consider the impacts on morale and lay offs in Thailand are not viewed that nicely. Plus it would impact the morale of other team members.

Individualism and collectivism. Low individualism is another character of Thais that places emphasis on group contributions rather than individual contributions. Somchai helps explain this cultural diversity between Thais and Westerners by spelling out the difference. He says Thais like doing things in a group while Westerners are more used to doing things alone. "It probably has to do with the US being individual whereas here it is more group oriented."

Decha talks about an example he sees almost every day. He has trouble trying to understand why expatriates like to do things by themselves to the extent that they like to eat lunch by themselves. "In the beginning, I used to invite my expatriate managers for lunch with us Thais. Most of the time they would say they already had plans to meet someone else for lunch which was obviously not the case as I usually spot them having lunch alone." Suthichai shares his experiences working with Western individualisms. He recognizes that expatriates are not bad at heart and neither do they want to intentionally hurt others. He believes it is just their individualistic nature or self-centered approach that causes them to execute things without much considerations of the outcome. He feels its easy for Western expatriates to hurt others and act like nothing happened:

Once we work together, or the expat hurt the local people feeling and when you have to continue working with them it is quite hard to capture their mind. I mean it will take quite a while to motivate someone after that. Yes, so the difference in culture, the individualism of expats and the different background of people all contribute to this difference in perception.

Somboon further supports other Thai subordinates and their views regarding expatriates. He focuses on the way they work and think in relation to change. In many

ways, he feels expatriates are over-confident in what they do. “My experience tells me a foreigner always thinks his way of doing things is correct and wants all Thais to change as well.”

Somboon explains some of his frustrations by revealing experiences dealing with individualistic Westerners. He says they should spend more time analyzing things especially knowing that they are operating on foreign grounds. He strongly believes that gaining more knowledge of the local culture can actually help expatriates drive up the profits of MNOs.

I think foreigners or expats who come and work in this country are not so open. They are very narrow minded and always want things to be their way. They should pause and take a minute out and think if they were put under a similar situation, will they be willing to change.

Anchalee, a 32 year-old financial researcher and investment planner, is in disagreement on Thais tendency to refrain from confrontation which is atypical.

Anchalee goes on and shares her negative feelings on expatriate’s work manners. She feels expatriates try to convince others they are right when they are actually wrong. “I think expats are just stubborn and assume they know everything when they actually do not. So when something is said, it has to be right when sometimes it is not. This tends to turn into conflicts with this.”

Masculinity and femininity. Westerners’ high masculinity cultural dimension was greatly discussed by Thai subordinates. Thais, having different cultural characteristics from Westerners, makes them put a lot more importance on relationship. Suthichai illustrates by referring to the nature of expatriates he has dealt with in contrast to Thais. “They try to do more business rather than making friends or getting

connections or relationships with their colleagues. But for us Thais we start with making friends and then business.” Suthichai keeps stressing the importance of building relationship if one wants to be successful in Thailand. He criticizes Westerners’ “straight forward and aggressive” behaviors:

Straight forward or aggressive would help explain an expat and how they are different from Thais.” Like I have said a few times, Americans are more concerned about business not relationship. They can simply bang the table and say what they want to. They are very direct.

Ladaporn, a 42 year-old telecommunications director, supports Suthichai’s views by affirming that Westerners are truly more aggressive than Thais. “Aggressive. I think expats are much more aggressive than Thais. Anchalee adds to this phenomena by saying, “expats or foreign bosses tend to appear very aggressive and too in-your-face.” She feels that the likelihood for expatriates being aggressive makes them assume Thai subordinates are capable of doing everything. “Assumption. Expats that I have worked with tend to assume I can do everything and they also assume everything else.”

Withawat talks about how Thais go out of their way to create relationships with other people while Western expatriates do not seem to put any effort in relationship building. He feels though Thais may speak English with an accent, which is not always easy to understand, at least Thais are trying to accommodate expatriates in a foreign land. He feels if Thais lacked the relationship building efforts which expatriates take for granted, life would not be easy for Westerners:

Just imagine if Thais were not concerned about relationship building, what would life be for expatriates in this country. I remember when I was sent to the

U.S. about 15 years ago to train, it was horrible. No one cared about me. Now that I am back in Thailand, I sometimes wished my expatriate boss could wear my shoes or experience what life is when you are in a foreign country and no one bothers to talk to you or even share a smile with you.

Chainarong, a 38 year-old manager of a courier company, thinks relationship is probably the only way the MNO he is working for is doing business in Thailand. He expresses his frustrations that his expatriate managers do not see the importance of relationship. He says it is unfortunate for MNOs that are run by culturally insensitive expatriates:

For a Thai, good relationship within and outside the organization is very important. Without the right connections, I would not be able to maintain my job. It is sad that my expatriate boss does not make establishing connections a priority.

Suthichai offers Westerners a solution to this problem. He believes that Westerners must try and understand the importance of relationship as perceived by Thais and use that to their benefit. "The cross cultural management, the psychological approach to get the things done without sacrificing the relationship and make it work or happen smoother than it is presently." Specifically during the change process, he feels expatriates try to keep away from Thais without any concerns over relationship: During times of organizational change, the small expats hide and the bigger ones avoid confrontation with the equally powerful Thais. Expats make sure the changes they want are achieved. They try their best to be in a win-win situation all the time without much consideration of their subordinates.

In sum, Thais agree with the influence tactics expatriates deploy during times of organizational change. Thais agree that reasoning is the dominant tactic used and even though a minority of expatriates resort to authority at times, the presence of authority in Thailand's MNOs is still far less than the extent to which it is used in Thai organizations. Though, there is a mixed feeling when asked if they could do a better job being a change agent than their Thai subordinate. Many Thai subordinates believe they will be better positioned as a change agent based on their familiarity with the local culture. Others, who think expatriates should resume the change agent role believe a better understanding of the local culture could better enable them in their interactions with Thai subordinates.

In addition, to illustrate how Hofstede's cultural dimensions are reflected in MNOs, the issues of *Kreng chai*, *mai pen rai*, or *sabai sabai*, as well as the issue of time which are cultural aspects unique to Thais emerge from participants discussions.

Kreng chai. *Kreng chai* means "being aware of another person's feeling, helping others save face, and showing consideration" (Niratpattanasai, 2004). Somchai talks a lot about *kreng chai*. He explains the significance of *kreng chai* in Thailand. "The word '*kreng jai*' is apparent in the Thai society and people are more careful not to hurt others. They think through the change and the impact of the change much more than an expat would." He then talks about the frequently of Western management in Thailand firing a group of their local subordinates without much consideration: You always hear about these CEOs that come in one fine day and fire a whole bunch of employees just to satisfy the stock market without thinking through the consequences. You rarely see such mass firing and mass lay offs in

Thailand. So I think expats have seen it more so it is a common thing for them, whereas in Thailand change is much slower.

Decha discusses a real life example in which he was pressured to lay off some Thai employees. He compares what he ended up doing versus what a typical expatriate manager would have done. He explicitly makes a point that relationships built among Thais means a lot more than relationships made with Westerners:

My expatriate boss asked me to cut cost by laying off a few assistant managers. For me, that was an extremely difficult thing to do as everyone on the team helped build our department. I opted to discuss the move with the expatriate to find a better solution. I explained to my boss that in Thailand when we work together we become like brothers and sisters and unless there is really no other way out, we do not fire employees. We spend the following weeks search for other ways to reduce energy. In the end, we saved on energy as well as cut budgets or expenses that were unnecessary.

Somchai wraps up his discussions regarding *kreng chai* by offering some suggestions for Westerners, “allow people to actually understand the change and also consider the fact that the Thai culture is a lot of face saving.”

Somboon, through his professional contacts with Westerners, shares his rather direct views on how expatriates refuse to adapt to the Thai culture. He feels they do not want to put any effort in learning and understanding the Thai culture. “They do not understand Thai cultural patterns of behavior nor are they sympathetic to what they cannot appreciate or understand.”

Suthichai elaborates that there is a lack of *kreng chainess* among Westerners spearheading operations of MNOs in Thailand. He feels that a Thai considers so many

different things before terminating an employee. The Thai manager will find a better solution that will prevent him from firing a Thai. In contrast, Western expatriates can easily replace a Thai subordinate:

So for an American company like the one I am working for, once they find someone has low performance, they will terminate the person and the way to terminate according to American people. That is the American way of doing things or maybe they are able to freely terminate people because they are used to the social security which is in place in the US, not here. But in Thailand or for Thai people, there is a lot of things to consider.

Ratana, a 41 year-old investment banker, and Anchalee discuss their hardships dealing with expatriates' inability to cope with the cultural differences in Thailand with regards to the notion of *kreng chai*. Ratana condemns expatriates for their lack of cultural sensitivity, "I mean being rather aggressive to Thai subordinates for no reason!" Anchalee supports Ratana's opinion by sharing her beliefs, "during times of change, if an expat has to communicate directly with Thai subordinates, the expat tends to be very aggressive because they have a feeling or idea that Thais will not stand up for themselves." She offers examples apparent in her organization. "Expats tend to think that brainstorming, speaking up, confrontations helps. Some of them insist to work the way they work in their countries or to use the same style of work they use back home. Some of them treat Thais badly because they believe Thais would never dare to say anything back."

She strongly believes this abuse must be stopped, if not for the good of the mental health of Thai subordinate's, then at least for MNOs to prosper in Thailand. In

other words, she says expatriates are intentionally taking advantage of Thais. “Expats need to stop using these weaknesses to abuse them.”

Mai pen rai or Sabai Sabai. The notion of time is inseparable from the Thai unique cultural characteristics of *mai pen rai* or *sabai sabai*. *Mai pen rai* or *sabai sabai* means never mind; it doesn't matter; it's all right; don't get upset, everything will work out. The notions are discussed on a few occasions during in-depth interviews that were conducted with Thai subordinates. Somboon offers an example that walks us through the roots of the *mai pen rai* manner of Thais which is often annoying for Westerners. He compares what Westerners do versus what Thais do and says there is nothing peculiar about either party. He refers to the teaching of the King of Thailand as an example:

Thais are easy going. I remember once I had an American boss who refused to understand why Thais can eat rice for breakfast, lunch, and dinner. I was diplomatic when I responded and told him that it is passed down by our great grand ancestors. Coming to think of it, what is wrong? A farang has bread during all 3 meals. I have never questioned them why do they choose to do that. I think Thais are more open minded than Westerners. As the King of Thailand has been telling the public all along, Thailand is a country filled with different religions living together peacefully. Most Thais are Buddhist and they respect their fellow citizens who are Muslims or Hindus.

Ladaporn exemplifies the word “culture” in the organizational context by discussing the flexibility attached to rules in Thailand when compared to the expatriates' strict and stern rules. She explains how Thais are more carefree. “Culture.

The culture of multinationals is to stick to the rule no matter what happens. But Thais are different. They are easy going (*sabai sabai*) and Thai culture is more flexible.”

Anchalee, an atypical participant of this study, admits the unproductive outcome brought upon organizations by the *mai pen rai* culture and believes something must be done to change it. She strongly feels if this country want to grow and prosper, the laid-back attitude enjoyed by Thais must change. “Thais should stop being so intimidated and so lazy or passing the buck.”

Somsri says there is a difference in the sense of urgency between Thais and expatriates. She explains how there is a difference in the sense of urgency between Thais and Westerners. “Many foreign supervisors want every thing to be done ‘immediately’ and they cannot understand that their Thai staff cannot understand the urgency of their request.” She restates her views, “a possible example would be the expatriate manager wanting changes to be made immediately, which upsets Thai staff who are used to something else.” She reasons that culture is behind this significant difference in the time. Without expatriates understanding this difference, she believes there will always be problems. She tries to point out that the pace of work between an expatriate and Thai is not the same. “Expatriates, mostly Western, do not fully understand Thai culture nor are they sympathetic to Thai way. This creates a number of problems, particularly when it comes to organizational change, while Western expatriates expect everything to happen right away.”

Somchai contributes to Somsri’s “speed” issue and the challenges it may have for the majority of Thais. He compares the accelerated speed of MNOs with the slow pace of Thai organizations. He thinks there is a misperception among Westerners that

Thai subordinates can work at a fast pace. He wants Westerners to try and understand that there is an underlying difference in culture shared by Thais:

I think speed. Speed of change. The changes made within a foreign company are much much faster than a local, Thai company. The only thing I would imagine if I was a sensitive person is that a lot of times the changes are made very fast versus in an organization where changes are more slow to happen. So for a typical Thai the pace is so fast and dynamic that they may not be able to accept that.

Somchai further adds to time with reference to laying-off employees. He explains that in the West everything is done for the sake of doing it. Things are executed in such a pace that it does not leave time for the expatriate manager or the Thai subordinate to prepare anything. “It was done a little slower by myself opposed to if it was done by an expat manager.”

Suthichai positively talks about expatriates’ time management, “the expat will give the reason, give a timeframe, give a conceptual framework, and tell what is supposed to be done. The expat will also keep giving support to make sure the change is successful.”

Withawat emphasizes how Thais like their expatriate managers to also show a sense of *sabai sabai* once in a while. He feels Westerners are far too rigid and must learn how to take off their tie and hang up their jacket once in a while. He feels that is the only way they can get to know each other better:

Once a year we have a new year’s party in which we drink and enjoy together, both Thais and our Western expatriate executives. As Thais, we look forward to it as we have a great time. Thais drink, eat, sing, and dance together. The

expatriates just sit or stand there as if they want to go home. Again, this is just once a year and if you cannot have fun with your staff once a year, then you can imagine what it is going to be like all year.

In sum, the results section provides evidence that cultural obstacles are present in MNOs headed by Western expatriates assuming the roles of change agents. The challenges can be categorized into Hofstede's cultural dimensions and unique Thai cultural traits. Reasoning is a highly uniform tactic used by expatriates during times of change. Thais appreciate expatriates use of reasoning but oppose authority which is used at times. Expatriates are said to be highly assertive and aggressive while Thais are viewed as laid back. The following chapter discusses how cultural traits unique to Thais, *kreng chai*, is being abused by Western expatriates and misused by Thais.

Chapter 5

Discussion

Thailand is a country in which people have always enjoyed the luxury of an agriculturally rich environment. This, together with the relaxed state of mind Thais, is the backbone behind Thai values which has brought about the country's slogan, "the land of smiles." Because Thais brought up in a collectivist society it allows them the opportunity to do things in a group with harmony and compromise as the common ground. Niratpattanasai (2004) explains that Thais are taught to respect elders, monarchy, and religion. The warm climate of the country along with the availability of natural resources are the main contributions behind Thais *mai pen rai* or *sabai sabai* cultural values.

In contrast, life in the West has been associated with continuous struggle. The history of America, in particular, has revolved around the fight for freedom and land. The individualistic nature of Westerners is believed to have developed as a result of these challenges. Westerners are believed to be acquainted with individual ways of doing things from a young age. As a way of gaining dominance of nature and other life situations, expatriates are usually aggressive, assertive, and expressive in their daily lives.

The culture comparison made in this discussion section has no intentions of distinguishing which culture is good and which culture is bad. Instead, this study is trying to report the differences when they occur and provide possible interpretations of both the negative and positive potential consequences of these differences on interactions during times of organizational change. This study recognizes that it is highly exploratory in nature with a limited number of participants and does not intend

to generalize that all Western expatriates are assertive/aggressive. This work does, however, provide some important insights that will be discussed below and can be used as the basis for future research and organizational practice.

The objective of this research was to determine how Western expatriates function as change agents with the presence of local and foreign cultural characteristics. Accordingly, in-depth interviews were conducted on Western expatriates and Thai subordinates, each covering 12 different multinationals in various industries. First, this chapter discusses four key findings from the data analysis presented in chapter 4: (a) reasoning tactics and organizational change, (b) bureaucracy and uncertainty, (c) misunderstanding or manipulation of *kreng chai*, (d) time and organizational change. Second, contributions to the field of organizational communication are outlined as well as recommendations or guidelines for Western expatriates and Thai subordinates working in MNOs. Finally, limitations of the study are discussed along with directions for future research.

Reasoning Tactics during Organizational Change

The study found that the expatriates participating in this study often reported using reasoning as an influence tactic during times of organizational change. Thai participants also reported that Western expatriates often used reasoning tactics. The Webster's New World Dictionary (1972) explains that reasoning "is an explanation or justification of an act, idea, etc" (p. 622). The analysis indicated that there are two possible explanations for this: (a) reasoning as evidence of low masculinity or a stepping stone to relationship building, and (b) reasoning as indicative of underlying assumptions of change. These findings will be first discussed in relation to expatriates' reasoning tactics and second to Thais' perception of expatriates' use of reasoning.

To interpret this finding, the expatriates in this study are using reason as a means of explaining why the change is (or should be perceived of as) important to their Thai subordinates. They use reasoning because of their underlying assumption that every person who is part of the organization should understand it and be part of it. Essentially, reasoning is perceived of as a positive form of communication between two or more parties in contrast to authority which has a negative connotation attached to it, more one-sided, and along the lines of commanding. The Webster's New World Dictionary (1972) explains that authority is "the power to give commands, enforce obedience, take action, or make final decision; jurisdiction" (p.49). Lewis and Seibold (1998) explain that in organizational change studies, very few scholars have studied specific communicative change tactics such as reasoning. Numerous findings are wrongly termed as "tactics" but are actually implementation strategies. Keys and Case (1990) explain influence tactics as "the process by which people successfully persuade others to follow their advice, suggestions, or order" (p. 38). The expatriates in this study were trying to persuade Thai nationals to accept and implement a particular organizational change initiative through reasoning.

Westerners are used to working where the organizational goals are tilted more towards profit making rather than relationship building. In the West, you can meet someone for the first time and if he/she has a service or product that fits your needs, then a business deal can be struck right away. In Thailand, that would rarely happen. A business deal will generally take time to materialize unless the parties involved have been introduced by a reputable third party. Typically, relationship needs to be built in both formal and informal settings. Thus, knowing information about a business

opportunity (or a particular change initiative) is secondary to the relationship that must be built to allow for the formation of a partnership (or acceptance of change).

Expatriates have said this is time consuming. In a way, relationship building, a core characteristic of low masculine Thais culture, is also attached to the unique traits of *mai pen rai* and *sabai sabai* where less priority is placed upon time. One of Thailand's earlier Prime Ministers once made a statement that, "in Thailand, know-how is not important, but know-who is important" (Panyarachun, 1991). He was referring to the technical "know-how" people generally have of a particular field or product versus the literal meaning of "know-who" or knowing the right or connected person. Even though this statement was made over a decade ago, and there remains much debate today related to this issue and good governance. In the wake of a fairly new constitution, Thailand still sits as a highly corrupted country. Inevitably, corruption is in the presence of "know-who" or the right contacts and strings being pulled.

One illustration of Western expatriates' awareness of the importance of relationship in Thailand can be seen in their doubts of whether e-mail is an appropriate mode for communication with Thai subordinates. They felt that since Thailand's business circle is dominated by relationship building, they are not sure how Thais value e-mails. In the West, meetings have been reduced ever since e-mail has been introduced and widely used. Whether it is an important notice, a monthly sales update, a memo informing of a departmental party, or even a routine maintenance notice, all are generally sent to organizational members via e-mail.

Expatriates think e-mails do not have the same effect in Thailand since information that is not personal is easily ignored. This may be something expatriates

working in Thailand should keep in mind. Things that could easily be put across via e-mail back home may require meetings or personal reminders in Thailand.

Even though expatriate participants in this study discussed the frequent use of reasoning, Thai subordinates revealed a different perception of their Western managers' use of this strategy. Thais reported that expatriates sense of relationship building in organizational settings is poor despite the common use of reasoning. Thais felt that expatriates are more geared towards business which contradicts the Thai value system. As noted above, relationship building is an integral part of the Thai work environment. The Thai subordinates value relationship and, perhaps at times mistakenly, perceive reasoning as form of relationship building when that may not be the goal of the expatriate in the interaction. Moreover, in order for Thai subordinates to be part of a change, a clear understanding of the change is needed. The findings of this study indicate that relationship building which falls under Hofstede's femininity cultural dimension has not been easy to relate or adapt to for Westerners in MNOs in Thailand. The fact that Western expatriates come from cultures characterized by high masculinity and rather low femininity perhaps explains this struggle they face with while working in Thailand.

Bureaucracy and Uncertainty

The results of this study indicate that a major obstacle to successful organizational change as perceived by expatriates is managing the bureaucratic ways of doing business in Thailand. Expatriates reported that in the West there are fewer rules imposed on organizational members. While in Thailand, they feel organizations have numerous, specific rules that must be complied with regardless of whether you are a Thai subordinate or Western expatriate. It is expected that all members follow

the rules without any exceptions. This finding can be explained in relation to the Thai high uncertainty avoidance.

Hofstede (2001) stated that human beings have found ways to cope with living with an uncertain future. Technology, law, and religion all serve similarly to protect human beings from the anxiety caused by uncertainty. Therefore, cultural knowledge for coping with uncertainty differs from society to society and is passed down through family values. As a means to reduce uncertainty, it is believed that Thais use bureaucracy to systematize work matters. Though the word “bureaucracy” often has a negative connotation attached to it in the West, it is part of the Thai way of life. It is noted that bureaucratic rules make people more predictable and if obeyed, are likely to lead to desired outcomes; however, Western expatriates in this study are extremely uncomfortable with the Thai bureaucratic ways of doing things. Expatriates compare Thai bureaucratic mannerisms to those of school children following rules and taking direction from the teacher. The way Thais function within organizations is still seen by expatriates as highly bureaucratic and distinct from the West.

Hofstede (2001), however, argues that “good rules can set energies free for other things” and are “not necessarily constraining” (p. 147). Numerous scholars have confirmed that organizations that are more structured by rules are more productive and highly intellectual in comparison to less bureaucratic organizations. Authority of rules has to do with uncertainty avoidance while authority of person has to do with power distance. Perrow (1972) argues that “rules stem from past adjustments and seek to stabilize the present and future” (p. 29).

Expatriate participants in this study reported often that the bureaucratic rules of Thai organizations actually serve to reduce uncertainty or inequality within

organizational settings. Based on the high power distance cultural characteristic of Thais and the unique cultural trait of *kreng chai*, Thais may not feel at ease to check or verify work matters with a high level executive, whether the executive be an expatriate or Thai. To interpret this finding, Thai subordinate participants of this study believes that work procedures that are uniform for all organizational members allows work to flow smoothly in the presence of other cultural constraints and are not a hindrance or obstacle to efficiency during times of workplace change.

As a way to further illustrate, one expatriate participant discussed trying to order a computer with an MNO in Thailand. For organizations in today's globalizing economy, computers are categorized as a basic necessity. Based on the need for computers in organizations, the participant thought it should be approved and purchased without him having to go through much hassle before he finally gets it. As an interpretation of such findings not only allows organizations in Thailand to reduce general uncertainty, but also serves as a way to reduce unnecessary expenses as approvals must be granted before any purchases are made. In turn, Western expatriates may have overlooked the importance and the need to adopt some bureaucratic rules and the potential positive consequences of bureaucracy in a Thai MNO.

After reference of Hofstede's latest dimension it was noticed that the underlying assumptions of long-term (LTO) versus short-term orientation were attached to Confucius's teachings. It is deemed that the latest dimension of Hofstede, LTO, could have also emerged from the in-depth interviews had this study been designed around it. But since the LTO dimension focuses on Confucius's teachings of lessons in practical ethics without any religious content (Hofstede, 2001), this study used unique Thai cultural traits that are shaped by the religious world views of

Buddhist teaching to facilitate a better understand of Thais in the organizational change context. Thus, the results of this study omits LTO but covers Thai cultural traits such as *kreng chai*, *mai pen rai*, the notion of time or *sabai sabai* and their impact on organizational change.

Kreng Chai

Western expatriate participants of this study describe *kreng chai* as an extreme way of being considerate, respecting others at all times, not hurting others, and caring about how others will feel. Western expatriates, however, report that while Thais are polite and deferential, they do not have a sense of openness or directness as a result of *kreng chai*. On the other hand, the Thai subordinate participants in this study find Western expatriates insensitive to Thai cultural traits and not aware of the reciprocal nature of *kreng chai*.

The analysis of these data indicated that oftentimes expatriates working in Thailand felt they were aware of and comprehended the idea of *kreng chai*. But in reality, they did not truly understand or chose not to embrace the core of this unique cultural trait that has no real cultural translation. The majority of the Thai participants, however, perceived that expatriates were merely manipulating *kreng chai*.

Niratpattanasai (2004) explains *kreng chai* as “an unwritten value that depends very much on *individual interpretation*. More than a behavior, it is a core Thai value” [emphasis added]. Indeed, varying individual interpretations of this value appear to lead to many confusing and frustrating interactions between Western expatriates and Thai nationals reported by participants of this study.

For example, Western participants of this study expressed frustration with the “yes meaning no” and the “no meaning yes” that are heard in the presence of *kreng*

chai and perceived that this approach to interaction can be of great danger to MNO organizations. Expatriates further viewed the absence of opinions among Thai subordinates in organizational settings as a negative consequence of *kreng chai*. Others expatriates talked about Thais shying away from problems instead of alerting expatriates to them in order to limit the damage it could have on organizations. All these frustrations expatriates encounter can be interpreted in relation to misunderstandings or misuses of *kreng chai*.

In contrast, Thai subordinates share a common belief that Western expatriates generally take advantage of their unique cultural trait of *kreng chai*. They explain that once an expatriate is acquainted to the Thai ways of working, they often manipulate this cultural difference to their own benefits without much consideration of the Thais they are working with. It was frequently discussed by Thai participants that the high assertiveness or high masculinity cultural trait of Westerners becomes even more prominent when dealing with locals whom they may take for granted. Thai subordinates have difficulties relating to Western expatriates and do not see a reason for such aggressiveness in these interactions. They feel expatriates behave in such a way because they know Thais will avoid confrontation. In essence, this study interprets the behavior of expatriates as described by the Thai participants as a combination of Thai's *kreng chai* which has social harmony as core, low individualism which conditions Thais to avoid confrontation, and high power distance which confines Thais to respect authority and rank.

The core value behind *kreng chai* is "reciprocity" in which Thais expect a two-way, give-and-take interaction. Thais, being well aware of the rules for *kreng chai*, know if someone appears to be *kreng chai*, then they are to return it as a form of

respect for the relationship. If *kreng chai* is not returned, then it will not be considered appropriate and may be looked down upon by others. Westerners are rarely aware of this aspect of the cultural trait. Perhaps informing Westerners of the mutuality of *kreng chai* may help facilitate smoother organizational change (Chaidaroon, 2004).

Adler (2000) reinforces the need of full cultural knowledge in an MNO:

Typically within multinational organizations, activities such as leading, motivating, negotiating, decision making, problem solving, and exchanging information and ideas are all based on the ability of managers and employees from one culture to communicate successfully with colleagues, clients, and suppliers from other cultures. (p. 67)

Time and Organizational Change

Mai pen rai and *sabai sabai* are cultural traits unique to Thais. These characteristics may cause organizational change in Thailand to take place at a much slower pace when compared to the West. It is at this important intersection between culture and time where we vividly see the complexity of organizational change in a Thai MNO. The idea of time is intimately connected to change. In essence, organizational change is an attempt to “move” from one organizational state to another and inherent in this transformation is the passage of time. Thus, the third key finding from this study is that underlying cultural assumptions of time greatly influence how change is perceived and implemented in Thai MNOs.

Interpretation of these data found that Western expatriates have difficulties dealing with the turnaround time required for change to manifest in Thailand. Thais may rely on the notion of *mai pen rai* indicative of Thais low individualism, high power distance, high uncertainty avoidance, low masculinity and, as a result, there is

an immense absence of urgency with change and other work matters. In addition, the value of *mai pen rai*, also may make a Thai avoid any form of confrontation. While this approach may work toward creating social harmony within organizations, it may serve only to defeat the goal of MNOs which is to spread across borders profitably. Many expatriates in this study noted that Thai notions of time did not facilitate effective (meaning rapid) organizational change.

Thai orientation to time may also be explained in relation to power distance and *mai pen rai*. Power distance is determined by “class distinction and social differences in Thai society are broadly defined by such personal characteristics as family background, age, gender, and level of education” (Sriussadaporn-Charoenngam & Jablin, 1999). Thais high power distance cultural character causes them to rely on heavily on their superiors. Numerous Western and Thai participants of this study shared the opinion that the Thai education system prevents Thais from creative thinking and causing them to rarely solve problems. Fieg (1989) explains how typical Thais functions during times of organizational change by denoting Hofstede’s cultural dimension:

Thais themselves are not likely to initiate change in a work situation. They are taught by their culture and their educational training, which emphasizes rote learning and deference to seniors, not to challenge the system that is in place. But there are ways to get them to participate in organizational development, or the change process. (p. 18)

In addition, Holmes, Tangtongtavy, and Tomizawa (2000) offer an explanation of the Thai educational training:

Few Thai teachers have the habit of asking for volunteers for comments or new ideas. But more importantly, a person's peers often don't look favorably on someone who speaks out; someone who wants to look good—a show-off. Many Thais feel that it's one's peers who most inhibit an individual from expressing himself at meetings—as much as any chairperson. The greater the size of the group and the rank differences among members, the greater the difference of speaking up. (p. 92)

While the Thai educational system may provide a partial explanation for Thais approach to change in the organization, high power distance present in the Thai society was viewed by this study as problematic. Power distance causes Thais to rely on their superiors and leave the decision making tasks to those above them in the hierarchy. This allows Thais to leave responsibilities on the shoulders of their superiors and think “it is all right” without much concern. This “hands off,” “wait and see” approach can often have the effect of slowing organizational change. Further, if Thais are perhaps unconsciously operating under the combined assumptions of the past belief or Karma of Buddhism, *mai pen rai* and other of Hofstede's cultural characters, this may be explain the laid back or non-timely mannerism of Thais. This approach can certainly lead to some unintended negative consequences in times of organizational change in a MNO.

As noted above, Western expatriate participants often expressed frustration with the effects of these unique Thai cultural traits *mai pen rai* or *sabai sabai* in their organizations. By extension, this finding can also be interpreted more broadly in that such cultural traits may affect the overall growth of Thailand. This *sabai sabai* approach to work in general may lead to a lack of competitiveness in the rapid global

environment described in the literature review of this dissertation. Despite the influence of these cultural traits on attitude towards work, Thailand is currently enjoying a bullish economy which is second to only China in growth percentage (2004 Mid-Year Economic Review, Bangkok Post). If Thailand were able to find the right balance with their unique cultural traits such as *mai pen rai* or *sabai sabai* and *kreng chai*, the growth potential of this country will be second to no other country.

Of course, many different explanations of today's economic growth can be offered including shifting sites of production in global manufacturing or profitable exchange rates for exportation. As volatile as the global economy is, however, these other economic drivers may cease to exist at some point and leave the Thai workforce responsible to rapidly innovate and adjust to new economic circumstances. Then would these cultural values enable or constrain necessary organizational change?

To summarize: Thailand is a country blessed by a geographic location shielding it from natural disasters, providing rich natural resources reducing the need for food imports, and sustaining the moderate cost of living and cost of labor. The growth potential for this country is unimaginable. Growth is inextricably linked to change and Thailand's multi-national organizations can play a role in this development. As a result, it is important that the cultural challenges inherent in organizational change be studied extensively. This study offers four key findings about communication, organizational change, and culture in Thailand's MNOs related to issues of influence tactics, bureaucracy, *kreng chai*, and time. These findings extend communication research in a number of ways. In addition, when this knowledge is translated for the practitioner, it can be used by Western and Thai employees for the betterment of the organization and the society.

Scholarly Contributions

This study makes a contribution to the communication literature on (a) organizational change, (b) globalization, and (c) cultural dimensions of organizations. First, the role of expatriates in *implementing* change in organizations has not been the subject of much research in organizational communication (Lewis & Seibold, 1999) and, as argued above, the dynamic nature of global organizations today demands greater understanding of how change is communicated, the barriers to successful implementation as well as the cultural enablements and constraints to this process. This study offers a glimpse at multi-national communication and change processes in one Southeastern Asian country. It reveals some important ways that culture shapes the understanding (and misunderstandings) of interactions during times of organizational change. And, while recognizing its exploratory nature, it provides the point of departure for future research in this area that will be discussed in the final section of this dissertation.

Second, this study contributes to the study of globalization in the field of Communication Studies. Some argue that the future of organizational communication studies lies in discussions of self and community, globalization, and technology (Eisenberg & Riley, 2001). There is no denying that we exist in a global environment today. Neglecting this reality in our studies of communication only serves to distance research from the world that we are attempting to understand better and, hopefully, play a part in improving. As argued by Stohl (2001), “organizational convergence and divergence may help people to live in more fruitful, peaceful, and satisfying ways or result in forms of cultural/organizational imperialism that dwarf the powers of the state” (p. 327). Thus, this study not only provides empirical findings that contribute to

our understandings of communication and change in Thailand's MNOs but also represents an effort to engage in our global environment through research and offer practical suggestions based on these findings that will be outlined below.

Finally, earlier studies of national culture and organizational culture have often adopted and adapted Hofstede's work on the dimensions of culture. Much of this work uses the scales developed by Hofstede and colleagues to explore the relationships between cultural dimensions and particular employee perceptions and organizational outcomes (Noypayak & Speece, 1998; Sriussadaporn-Chareonngam & Jablin, 1999). Limited work, however, has attempted to investigate how Hofstede's dimensions are reflected in the ways organizational members from different cultures make sense out of interactions in their organizations. The analysis conducted in this dissertation relied on recollections of specific interactions in MNOs reported by Western expatriate and Thai subordinate participants. Through their words, we can begin to tease out new understandings of culture and communication, as well as organizational change. This study builds upon Hofstede's cultural dimensions through the analysis of specific examples shared by these participants as well as their interpretations of these interactions. The qualitative data collected for this study, while certainly inclusive of limitations to be addressed below, provides a layer of richness not often seen or analyzed in previous organizational communication research.

Practical Implications

In addition to scholarly contributions, this dissertation also offers a number of practical implications related to organizational training and practice. First, as noted earlier, much effort is put into cultural training of expatriates prior to their departure for international assignments. This training on cultural knowledge is undertaken to

ensure smoother cultural transitions for expatriates and their families. However, the findings of this study, in particular in relation to cultural knowledge about *kreng chai*, alert practitioners to one important implication for organizational training. Training Western expatriates only on the basics of cultural knowledge is not sufficient. In fact, as suggested by Thai participants of this study, merely having the knowledge may not make a difference. Expatriates need to be convinced that they not only need to be acquainted with the culture but they ought to embrace it in their every day interactions. In other words, expatriates can know about a culture but choose not to implement their knowledge in their daily interactions, especially when doing so may be difficult and challenge their own cultural assumptions. The findings of this study suggest the majority of expatriates interviewed for this study were often aware of unique cultural values of Thailand but infrequently made the effort to adopt them in their daily routines. Expatriates are comfortable with their own cultural norms; therefore, are reluctant to engage with any new cultures. “Cultural stubbornness” or a tendency to rely on familiar cultural values is certainly not a trait unique to the Western expatriates in this study. Moreover, Thai employees in this study also made sense out of their own and expatriate behaviors through their own cultural lens. We cannot separate ourselves from our culture but we can become more aware of how our culture shapes who we are and how we interact with others. And, perhaps more importantly, when we are aware of differences in cultural values but choose not to adapt, we must ask ourselves why this occurs. MNOs operating in Thailand should take this into consideration. It is one thing to try and teach people a new culture but it is very different to teach executive expatriates to embrace foreign cultures.

Before moving on to some practical guidelines, a few caveats must be noted. First, it is not the position of this researcher that Westerner expatriates share the sole burden of adapting to Thai culture. Certainly both parties must adjust and learn from each other. Second, not all cultural adaptation is necessarily good for the organization and its employees. As noted above, there may be negative consequences to both Western and Thai assumptions about communication and change. What is being argued is that a deep and nuanced awareness of cultural differences is essential. Both parties must recognize when cultural assumptions are shaping interaction, positively or negatively, and be willing at times to discuss these challenges in the Western tradition and be open to stepping back and paying more attention to the context in the Thai tradition. This cultural dance of *sabai sabai* and “just do it” has the potential to make communication in MNOs during times of organizational change, or at any time, more effective. But, such a dance is not possible without both cultural knowledge and the willingness to change personal values and attitudes. Not only can organizations then learn to effectively implement change but individuals can also learn much about themselves and their colleagues.

In addition to the broad practical implications discussed above, this study also generates specific human resources guidelines for Western expatriates in Thailand and their corporate office employers, suggestions for Thai subordinates to facilitate better working relationships with expatriates, as well as recommendations for MNOs seeking globalization in the East that inevitably involves change management.

As explained by Adler (2002), the most successful expatriates are those who recognize that they do not fully understand the norms and situation in foreign lands and seek reliable expertise. The need for expatriates to make immediate decisions,

along with their insufficient knowledge, can cause major disasters for MNOs. In the past, company sponsored cross-cultural communication and management programs gave expatriates adequate knowledge to deal with culture shock and effectively perform their duties. Therefore, the human resources guidelines this study will offer can serve as a valuable resource for expatriation and MNOs. By analyzing the data received from Western expatriates and Thai subordinates, this study has recommendations for culturally different members of MNOs.

Results of this study suggest that Western expatriates have a tendency to do things on a timely basis and give a lot of importance to time. Thai participants of this study find expatriates doing things in a rush, which causes them to often jump to conclusions. Thai subordinates think expatriates have a negative feeling towards the way they perceive them. This study recommends expatriates not judge Thai subordinate based on the culture or the ways of working with which they are familiar.

Expatriates are recommended: (1) be polite and open-minded without rushing to conclusions; (2) do not be afraid to say sorry for mistakes made due to the limited knowledge regarding the Thai culture; (3) learn some basic Thai words which will be useful for the expatriates during their daily activities as well as help send across a message to Thai subordinates that they are trying to fit into a foreign culture; (4), use bilingual communication whenever needed with assistance from a Thai speaking subordinate as this will help increase the comfort level among Thai subordinates; (5) build relationships with local subordinates by noticing what is perceived among Thais as a moment of enjoyment or *sabai sabai*; (6) refrain from expressing stern emotions or facial gestures of dislike; (7) maintain a higher level of composure in Thailand and train yourself to be more tactful when dealing with sensitive issues, (8) in assigning

duties, be sure to take age or seniority into consideration; (9) keep in mind that *kreng chai* is perpetually at play within and beyond the organization, and is expected to be reciprocal; (10) try to acquaint yourself with Thai cultural traits like *kreng chai* or *mai pen rai*; (11) apply *men pen rai* when the opportunity permits and distance things that are not priority or need to be done immediately away from ‘urgency’; (12) encourage participation in formal and informal discussion; (13) keep emphasizing with Thai subordinates that there is no such thing as a dumb question to encourage them to ask questions; and, (14) spend more time listening to Thai subordinates and observe body language or hidden cues.

By analyzing the data received from Western expatriates and Thai subordinates, this study has recommendations for culturally different members of MNOs.

First, Thai subordinates should ask questions if they are not clear about anything. *Kreng chai* and *mai pen rai* should not limit Thais from asking questions. This would not only be helpful for the Thai subordinate, but also allow for the expatriate to better comprehend Thai subordinates and permit both parties to engage in a two-way communication rather than the one-way communication that is typical of most MNOs in Thailand.

Second, Thai subordinates must learn to judge when it is appropriate to shy away from the low individualistic cultural trait though it is believed that group work is generally of greater value than individual work. Thais being low individualistic by nature are less likely to initiate or lead a change. Social harmony and conflict avoidance are the main cultural factors that strain Thais from voicing disagreements or opinions. Thai subordinates must recognize that occasionally disagreement or

assertiveness is not wrong; but, such acts must be supported with concrete facts and figures.

Third, Thais should try and maintain a higher level of confidence with work matters. Word choices used in communicating with Western expatriates are a good indicator for Westerners of the level of confidence one has. The absence of words and gestures of confidence and commitment can do great damage for Thai subordinates. Once Western expatriates are able to gauge the level of confidence a Thai has, then they are open to give Thai subordinates more responsibilities. Generally, more responsibilities translate into higher pay and rewards. Giving proper feedback on a regular basis will allow a Western expatriate to conceptualize how well a local subordinate is doing. Admitting mistakes, though against the low individualism trait of Thais, should be practiced and mastered by Thais.

Fourth, direct communication is a missing cultural characteristic among Thai subordinates. The absence of straightforwardness in interactions with Westerners has been explained to result from Thai's low individualism, high power distance, value for social harmony, and conflict avoidance. Thai subordinates should freely open up to a higher degree and share opinions without much concern of how it will affect the feelings of others in the organization. Beating around the bush without getting directly to the point can be annoying for Western expatriates.

Globalization versus westernization. It seems to be a false assumption held by the Western world that when MNOs stretch across borders following the globalization path, non-Western countries become like the West. Schutte and Ciarlante (1998) explain it is not the case since the non-Western world prior to globalization or modernization had their own cultures that still exist. "One hundred years or less of

modernization cannot erase thousands of years of cultural developments” (p.198). As a similar note, Western expatriates who resume the role of change agents in Thailand’s MNOs must recognize that the Thai culture that has influenced their Thai subordinates for centuries cannot change overnight. This study believes Thai subordinates recognize the change agent roles Western expatriates play and appreciate their foreign initiatives. But what Thai subordinates have trouble digesting is the fact that expatriates want to revamp the organizational culture overnight which is directly related to their national culture.

Huntington (1996) explains that even though societies around the world are greatly influence by the Western culture, a homogeneous society is unlikely. MNOs, especially those marketing products in Thailand have a false assumption to believe that given time consumers in Asia will become like consumers in their home countries. This same assumption is often applied to Thai subordinates working for MNOs with the belief by expatriates that over time they will be able to change their Thai subordinates. This study indicates that Western expatriates have not come to the realization that changing the behavior of Thai subordinates actually involves changing the underlying culture of Thais. This is not likely to occur overnight and, even if changes are to happen, they will be very preliminary. This should be considered by both MNOs and Western expatriates who are running the organizations in Thailand.

Schutte and Ciarlante (1998) explain that even if people in Asia or Thailand develop to look alike, the Thai culture is deep and serves as an assurance that the Thai subordinates will remain distinct from Western expatriates. Kipling’s (1891) 19th century explanation helps this study conceptualize the difference between Western

expatriates and Thai subordinates, “Asia is not going to be civilized after the methods of the West. There is too much of Asia and she is too old” (p. 43).

Limitations

In collecting data and analyzing the results of this study, several limitations and constraints unfolded. Firstly, the researcher set forth with an intention to do a comparative study between U.S. Americans and Japanese expatriates. But due to unanticipated language barriers with the Japanese participants and limited funds, this study was not readily able to hire an interpreter. As a result this limitation, this study informed the advisory committee of the problem and a joint decision to drop Japanese participants was decided upon. However, this study decided to broaden the scope of participants by using American and British expatriates as participants rather than just relying upon U.S. Americans. Even having done that, it is believed only studying Westerners was a major limitation.

Second, because of this the decision to use Western expatriate participants at the executive levels, this study encountered great time constraints, both in terms of difficulties scheduling the meetings as well as limited time given by participants for the actual interview.

Third, the exploratory nature of this study and the particular research questions being asked necessitated a reliance on qualitative research methods to collect data. This enables the collection of rich descriptive data which an exploratory study requires as a means for important themes or categories to emerge. But on the other hand, qualitative research is time consuming and was not the compatible with Western executives who ran busy schedules and were the main population of this study.

Fourth, focus group were intended to be used to collect data by arranging for executives to have a joint gathering. The busy schedule Western expatriates were accustomed to made it next to impossible to make such arrangements. Few attempts were made to arrange focus group but did not succeed. It is believed the nature of Western participants was an unforeseen obstacle. Some ways to overcome these limitations in future studies will be addressed in the future directions section.

Future Directions

The research deems the directions of future studies are unlimited. The researcher of this study has plans to apply for funding and pursue studies involving expatriates from other countries or a comparative study. Attempt will be made to use triangulation of qualitative and quantitative research methods with the objective of offering clearer understandings of expatriates' roles as change agents as well as the expatriation process that inevitably involves cultural challenges.

Future studies need to explore a more diverse group of expatriates. This study limited itself to only four industries as identified by the Thai government as highly competitive with potential of foreign direct investments. This study recognizes that expatriates are not limited to a few industries but exist in all major industries. By collecting data from participants from a larger range of industries, this study anticipates much richer data will emerge.

Second, based on the time constraints this study encountered due to the busy roles of expatriates, this study deems it will be more suitable for future studies to use middle level expatriates as participants. Moreover, middle level participants may be able to engage in focus groups which was another obstacle of this study.

Third, future researchers should do a triangulation. Instead of relying solely on qualitative research methods, future researchers should use the themes that unfolded in this study to develop a quantitative questionnaire, enabling data collection from a larger group of participants. Western expatriates who took part in this study shared that they find questionnaires easier to deal with.

Finally, future studies should look into doing a comparative study. Comparative studies will allow researchers to understand how expatriates from different countries cope with cultural issues which are demanding to their roles as change agents in a foreign land.

Summary

Change is an inevitable part for organizations seeking to expand across borders. Expatriates typically spearhead operations within multinationals worldwide and function as change agents. Through the change process, culture differences can result as a numerous frustrations and challenges for organizational change. More extensive knowledge about communication, culture, and change can rescue organizations from such problems, ease the transitions process as well as reduce uncertainties for employees at all levels. The findings of this study suggest that if the major components of globalization are taken into account and carefully gauged, a communication guideline for expatriates can be developed.

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Appendix A

In-depth Interview Protocol

Thank you for sharing your time with me today. Allow me to start by introducing myself and briefly tell you what this study is about. I am currently pursuing a Ph.D. in a joint program between Bangkok University and Ohio University. In particular, my area of study is organizational communication and my dissertation title is “Expatriate as Change Agents: Communication, National Culture, and Change in Global Organizations.” In other words, I am looking at studying organizational change through the lens of expatriates and the role communication as well as culture play in the process.

Essentially, what I plan to do is ask you a few questions in order for us to engage in a rather informal conversation. I would also like to assure you that your name, job title, and company name will not be disclosed in this study. I will now start with a few introductory questions just for me to get to know you better as well as get a feel about what you are doing here in Thailand.

Warm-up Questions

1. Can you tell me a little about yourself and what brought you to Thailand?
2. Can you tell me about your position here?
3. So in all how many years have you been in Thailand?

RQ1: How do Western expatriates working in Thailand’s MNOs function as change agents?

4. Considering yourself as a change agent, can you tell me more of your role during times of organizational change?

5. Taking into account that culture is a major variable when come times of cross-culture communication, if your local subordinates played the change agent role instead of yourself, do you think it could promote smoother organizational changes? Why?

RQ1.1: What are the major communication obstacles/facilitators of organizational change experienced by Western expatriates in Thailand?

6. When multinationals enter a country like Thailand, who makes the most adjustments – the company or the local employees? Why? What would you describe as a major challenge multinational organizations entering Thailand inevitably encounters?

7. Going back to the issue of helping establish the Thai operations, do you remember of any particular change that you may have implemented or helped out in the implementation process?

8. Can you tell me more about it as well as the nature of the change?

9. What were some of the hardships or barriers, if any, you came across in the transition process?

RQ1.2: Which of Hofstede's cultural dimensions – power distance, uncertainty avoidance, or individualism-collectivism – are perceived to plays an important role during times of organizational change by Western expatriates in Thai MNOs?

10. When you came to work here, were there any cultural adjustments that you needed to make? Any differences between the Thai way(s) and Western way(s) of doing business? Why?

11. How did you adjust to these differences and how long did it take to adjust to the differences?

12. Can you provide me with an example of when differences in cultural background are quite very noticeable?

RQ1.3: What are some of the most commonly used communication influence tactics – reason, friendliness, coalition, bargaining, assertiveness, higher authority, and sanctions – by Western expatriate managers during interactions with their Thai subordinates on organizational change issues?

13. How was the planned change communicated to your subordinates and lower level staff?

14. Did you use any particular tactic to sort of influence your subordinates to accept the planned change? In other words, what did you say to try to persuade them?

15. Can you tell me more about the influence tactics you used during the change process and whether they proved fruitful or not?

16. From your past experience, what tactics(s) are Thais most receptive to? What do you feel is the reason for this and do you feel culture plays a part?

17. Are the tactics used more or less uniform with your headquarters back in the U.S./Japan? Why is that so?

RQ2: What are the perceptions Thai subordinates have of Western expatriate's use of influence tactics during times when the expatriate is acting as a change agent?

18. Can you briefly introduce yourself and tell us why you chose to work for a multinational.

19. From your personal experience, what are some of the pros and cons about working for a multinational?

20. What are some of the tactics expatriates tend to use during times of organizational change?

21. Personally, do you feel the tactics used by expatriates to influence their Thai subordinates are correct or not? Why?

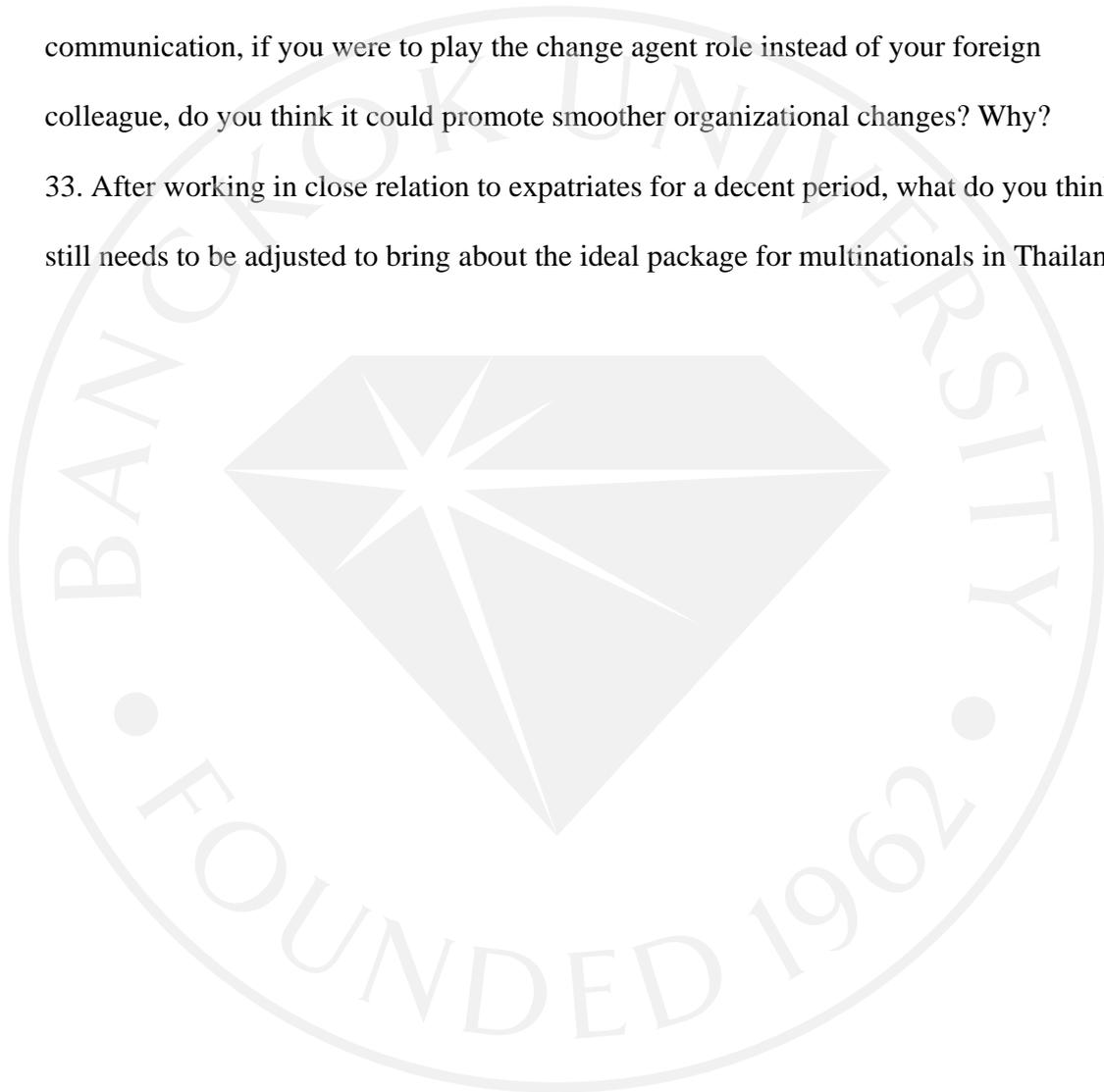
In-depth Questions*Expatriates*

22. After your numerous years of adjusting and fine tuning different strategies to fit Thais, what do you feel is the idea package for multinationals in Thailand? Why?
23. Having worked in close contact with Thai subordinates for numerous years, do you feel there is a difference in the perception of change between a Thai and a Westerner like yourself? Why?
24. Can you provide me with an example or two that could possibly help me better understand this difference in perception?
25. If you were to select one word to describe this difference in the notion of change between yourself and your foreign colleagues, what do you feel would be the most appropriate word?
26. What do you think is the root cause of this difference in perception?

Thai Subordinates

27. Having worked in close contact with expatriate managers for numerous years, do you feel there is a difference in the perception of change between expatriates and a Thai like yourself? Why?
28. Can you provide me with an example or two that could possibly help me better understand this difference in perception?
29. If you were to select one word to describe this difference in the notion of change between yourself and your foreign supervisors, what do you feel would be the most appropriate word?
30. What do you think is the root cause of this difference in perception?

31. Considering expatriates as change agents, can you tell me more of their roles during times of organizational change?
32. Taking into account that culture is a major variable when come times of cross-culture communication, if you were to play the change agent role instead of your foreign colleague, do you think it could promote smoother organizational changes? Why?
33. After working in close relation to expatriates for a decent period, what do you think still needs to be adjusted to bring about the ideal package for multinationals in Thailand?



Appendix B

Foreign Direct Investment

Thailand has been enjoying foreign direct investment (FDI) inflows in the past decade largely from the vehicles and electrical appliance makers. This has made the country realize it can no longer afford to rely on cheap labor and natural resources alone to attract more FDI. Projects that generate high added value and a major push for technology development can position the government to achieve its mission of a knowledge-based economy for sustainable development.

To pave way for this, investment promotion policies that encourage technology transfer and human resources development are key. The government has also facilitated investment by making available telecommunication and information technology infrastructure and efficient logistics structure. “The competition for foreign direct investment, with China a favorite at the moment, has led to a rethinking of Thailand’s strategy, with officials now expecting investors to deliver higher levels of technology transfer and research” (Economic Review, 2004).

Peter van Haven, chairman of Joint Foreign Chamber of Commerce, commended the Thaksin administration for portraying Thailand as a desirable investment destination and invoking inward direct investment, resulting in an increase in FDI from very low levels in 2002 and 2003. Though FDI levels are not drastically high, the investment trend is upward. Global FDI inflow has declined steadily for three consecutive years since 2000 due mainly to the global economic slowdown and a drop in cross-border mergers and acquisitions. The FDI inflow to Thailand in 2001 dropped to 185 billion baht from 355 billion baht in 2000. However, the inflow in 2002 picked up to 264.5 billion baht and climbed to 319 billion baht last year. Earlier this year, the BoI came up with a target of

270 billion baht for the year, with average 8% annual growth projected over the next five years.

Given the country's growth and integration with regional economies, the Kasikorn Research center shares the same view and predicts the FDI inflow would remain on the uptrend over the next couple of years. Recent proof of such optimism is Thailand's improvement in the competitiveness ranking conducted by the International Institute for management and Development (IMD). After sliding from 7th place in Asia in 2001 to 11th in 2002 due to increase competition from China, Thailand moved to 10th in last year's ranking among the 30 countries surveyed, ahead of Japan, China, and South Korea. The agency cited strong economic performances and the government's efficiency as main reasons.

Moreover, Thailand has been moving up in the international competitiveness ranking by the Institute for Management Development. The country stands at 29th this year against 30th, 31st, and 34th in the three previous years. Based on the current world economical climate, the Economic Review (2004) predicts that:

The surging global oil prices and China's move to cool down overheating economy are major external threats. Those factors will probably cause the global economy to shrink. China's slowdown in particular, threatens to dampen Asia's overall growth and eventually drag down worldwide FDI inflow, still in a fledgling stage after three-year slump.

With increasing competition from other countries to attract FDI, it is suggested that the government promote Regional Operating Headquarters (ROH) spearheaded by the Finance Ministry as a means to accommodate FDI. The scheme is intended to ease corporate and personal income tax restrictions to draw MNOs to move their headquarters to Thailand. The Board of Investment has singled out five sectors in which Thailand is

highly competitive, namely, the automotive, agro industries, the fashion industry, information and communication technology (ICT), and services. The majority participants of this study are from the five mentioned industries (Economic Review, 2004).



Appendix C

Western Expatriate Participants

No.	Given Name by this Study	Age (years in Thailand)	Industry
1.	Manuel	37 (15)	Banking and Finance
2.	Frank	45 (5)	Logistics (Service Industry)
3.	Benjamin	40 (8)	Manufacturing Industry
4.	Cannes	39 (3)	Architectural (Service Industry)
5.	George	43 (11)	Consulting (Service Industry)
6.	John	30 (1)	Banking and Finance
7.	Steve	38 (3)	Information and Communication Technology (ICT)
8.	Peter	45 (12)	Consulting (Service Industry)
9.	Alice	38 (5)	Information and Communication Technology (ICT)
10.	Ronald	36 (3)	Retail (service Industry)
11.	Jeremy	47 (7)	Lawyer (Service Industry)
12.	Bill	50 (14)	Automotive Industry

Thai Subordinate Participants

No.	Given Name by this Study	Age	Industry
1.	Somchai	37	Engineer & Consulting (Service Industry)
2.	Somboon	45	Manufacturing Industry
3.	Vithavat	42	Hotel (Service Industry)
4.	Suthichai	40	Automotive Industry
5.	Anuphong	35	Freight Forwarder (Service Industry)
6.	Nopawan	43	Fashion Industry
7.	Decha	37	Consulting (Service Industry)
8.	Anchalee	32	Banking and Finance
9.	Ladaporn	42	Information and Communication Technology (ICT)
10.	Chainarong	38	Logistics (Service Industry)
11.	Ratana	41	Banking and Finance
12.	Somsri	40	Retail (Service Industry)