

**Characteristics to Complement Requisite Managerial and Leadership  
Attributes to Effectively Manage a Multinational Corporation:  
A Study based in the Thai Automotive Industry**

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## ABSTRACT

By virtue of the increasing global competition, many Asian countries have become the favourite target of large enterprises and multinational corporations (MNCs) desiring to invest in them. Thailand in particular, due to its location as a natural gateway for efficient distribution channels through various markets and customers, has attracted foreign direct investments across the world to relocate their manufacturing operations to the country since the mid-1950s. Further, following the low-wage labour market and social stability, Thailand has grown to be one of the top five countries targeted for Japanese investment. More importantly, with the support of both governments establishing the Japan-Thailand Economic Partnership Agreement in 2007, strong economic ties have continued to develop, leading Japan to be a major investor in Thai industry.

However, despite the obvious economic advantages for both countries, the unfamiliar socio-cultural environment in Thailand has presented many challenges for Japanese expatriate managers. Moreover, the relocation of operations not only has led to a rethinking of business strategies, but also the allocation of appropriate personnel to complete critical assignments in different business climates is crucial. More specifically, although the Japanese management style suits firms in their home country of Japan (as do Western management styles in Western countries), difficulties arise when they are applied verbatim in the Thai environment. Thus, the selection, training and dispatch of capable and well-suited expatriate managers to succeed when working in overseas posts are requiring careful consideration. Therefore, this research aims to identify the defining necessary attributes and influencing factors for Japanese expatriate managers' success in Thailand. More specifically, it investigates the characteristics required for Japanese managers who collaborating with a predominately local workforce within the Thai automotive industry.

In order to determine the necessary attributes and influencing factors for Japanese expatriate managers to perform effectively in MNC operations in Thailand, both questionnaires and interviews were used. Quantitative questionnaire survey data was

analysed descriptively to identify the required attributes and influencing factors regarded by Thai indigenous subordinates as necessary for their Japanese expatriate managers to possess. Following this, content analysis of the semi-structured interview data provided a deeper understanding from Thai HR managers and Japanese expatriate managers of the key distinguishing characteristics for Japanese expatriate success in the Thai automotive industry.

Findings of this study led to the conclusions that: cultural differences are a major source of misunderstanding and potential disagreement which may influence co-operation within and between teams; both management and leadership attributes are crucial for expatriate success; communication skills, local language ability, cultural awareness skills and adaptability skills are important in enabling expatriate managers to adjust and integrate with Thai subordinates, and personality characteristics are one of the key indicators of Japanese expatriate manager success.

The research findings provide a specific guide for preparing Japanese managers to successfully manage automotive operations in Thailand. In particular, findings of this research indicate that skills in setting a direction, controlling and problem solving are significantly positively related to the attributes that should be tailored to fit the Thai automotive business environment. Importantly, the results suggest that Japanese expatriate managers learn about Thai culture prior to commencing their role to assist them to easily adjust to the Thai workplace.

## DECLARATION

“I, Duangrat Tandamrong, declare that the DBA thesis entitled “*Characteristics to Complement Requisite Managerial and Leadership Attributes to effectively manage a Multinational Corporation: A Study based in the Thai Automotive Industry*” is no more than 65,000 words in length including quotes and exclusive of tables, figures, appendices, bibliography, references and footnotes. This thesis contains no material that has been submitted previously, in whole or in part, for the award of any other academic degree or diploma. Except where otherwise indicated, this thesis is my own work”.

Signature.....Date.....

## ACKNOWLEDGEMENTS

For me, writing this thesis relates closely to the creation of a travel itinerary that emphasises a particular set of my favourite interests and activities. Completing it has truly been like running a marathon or taking a long trip across countries. Although my journey has faced many dark clouds and was not always enjoyable, looking back behind the darkness I have been inspired by sunshine found through the journey from the kind people around me. Importantly, it would not have been possible to complete this long travel without their help, support and encouragement.

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## **LIST OF ABBREVIATIONS**

<b>ASEAN:</b>	The Association of Southeast Asian Nations
<b>BOI:</b>	The Board of Investment of Thailand
<b>CBUs:</b>	Completely Built Units
<b>FDI:</b>	Foreign Direct Investment
<b>GDP:</b>	Gross Domestic Production
<b>HR:</b>	Human resource
<b>IDV:</b>	Individualism versus Collectivism (Hofstede)
<b>ILO:</b>	The International Labour Organisation
<b>KTS:</b>	The Keirsey Temperament Sorter
<b>LTO:</b>	Long-term versus Short-term orientation (Hofstede)
<b>MAS:</b>	Masculinity versus Femininity (Hofstede)
<b>MBTI:</b>	The Myers Briggs Type Indicator
<b>MNCs:</b>	Multinational corporations
<b>PDI:</b>	Power Distance (Hofstede)
<b>UAI:</b>	Uncertainty Avoidance (Hofstede)
<b>UK:</b>	United Kingdom
<b>U.S.A (or US):</b>	United States of America

# **CHAPTER 1**

## **THE PROBLEM AND ITS SETTING**

### **1.1 INTRODUCTION**

Because of the increases in international business operations since the early 1990s, one significant challenge encountered by the expansion of enterprises has been the appointment of culturally sensitive managers able to take responsibility for transferring and executing the parent company's vision and objectives to overseas subsidiary operations with cultures different to that of the expatriate manager (Basu 2009; Tungli & Peiperl 2009; Stahl, Miller & Tung 2002; Harvey & Novicevic 2001). One major concern in relation to this pressing need has been the inability of expatriate managers to adjust their behaviours to suit the new workplace with respect to the local society and the environment in which they reside, resulting in costly failures that adversely impact on the performance of overseas operations (Harzing & Christensen 2004; Luthans & Farner 2002; Conner 2000).

### **1.2 BACKGROUND OF THE STUDY**

Intensified global competition and the concomitant surge in the extension of international business operations have led to local governments supporting Multinational Corporations (MNCs) to expand to other countries. Determined to develop an industrialised base, the Thai government has specifically promoted tax-related incentive programs to attract investment from a number automotive companies from a range of countries; hence Thailand has been targeted by foreign investors for relocation of manufacturing operations (BOI 2008b; Boonsathorn 2007; Swierczek & Onishi 2003). Automotive manufacturing has flourished in Thailand with it now seen as the Asian equivalent of the vibrant manufacturing centre of Detroit of the 1950s (Intarakumnerd 2011).

### ***1.2.1 Management Style and Culture***

There has been an outstanding record of foreign investment contributing to the Thai automotive industry, particularly Japanese auto companies having invested very vigorously since the 1960s (Onishi & Mondejar 2011). Despite this financial commitment to support the success of the Thai automotive industry, it is apparent that the style of management appropriate in the investor's home country environment is not necessarily compatible with that required in the Thai culture. This often results in conflicts with the local culture sustaining a distinct management style in Thailand, where Thai owned or managed firms are more likely to favour and apply their own Thai management style (Boonsathorn 2007; Adams & Vernon 2004; Harvey & Novicevic 2001; Bennett, Aston & Colquhoun 2000). This means that the Japanese management style applied has the potential to jeopardise the success of MNC operations in Thailand, despite the financial investment made in the industry.

When two cultures meet, a study of Japanese parent companies establishing operations in Thailand by Swierczek and Onishi (2003), connected with Hofstede's cultural framework, found that Thai people place a high emphasis on the hierarchy in organisations. This is completely opposite to that of the Japanese who believe that hierarchy is considered as a relatively unimportant element. Moreover, Japanese behaviours in the workplace often cause problems and make Thai workers feel uncomfortable (Swierczek & Onishi 2003). This means that the Japanese cultural and management style was not what Thai staff having cooperated or been supervised by Japanese expatriates were accustomed to. In this context, the issue that emerges is how Japanese expatriate managers should adjust themselves to suit in with the norms and etiquettes of the Thai culture and effectively manage two culturally distinct workforces, where the larger the cultural distance existed, the larger the difference in the shared norms and values occurred between the parent company and overseas subsidiary (Slangen & van Tulder 2009) in achieving the high levels of productivity. This indicates the need to understand what significant characteristics or attributes are required for MNC expatriate managers to equip themselves to be capable of efficiently resolving possible or potential cultural conflicts on site.

As mentioned earlier, misunderstandings or conflicts may happen related to cultural distance (Selvarajah, Meyer & Donovan 2013; Onishi & Mondejar 2011; Hofstede 2007; Caligiuri 2006; Hofstede, Neuijen, Ohayv & Sanders 1990), consequently causing an ineffective management practice or expatriation failures (Colakoglu & Caligiuri 2008). Besides, local employees' acceptances in terms of differences in culture and management practices were influenced by their backgrounds and experiences (Pattie & Parks 2011; Avril & Magnini 2007; Helms & Stern 2001), and levels of education (Vakola, Tsaousis & Nikolaou 2004). However, some studies have found that the acceptance may not be different even if employees worked across hierarchical levels (Helms & Stern 2001) or from different gender groups (Vakola et al. 2004). The conflict also might not occur due to an everlasting corporation or under supervision of Japanese expatriate managers (Onishi & Mondejar 2011). Thai employees may perceive the Japanese management style as organisational management due to long-time working together, thereby leading to an automated perception (Tenenbaum & Land 2009). For this reason, five main groups, based on employees' gender, backgrounds, educations, hierarchical levels and cooperating experiences, drive evaluation of this study's research questions and related issues. This will be discussed with greater detail in Chapter 2.

To find ways to minimise workplace incompatibilities and especially select the appropriate Japanese expatriates so as to prevent performance failures toward organisational change and thus assuring investors' confidence to invest in Thailand, the relevant literature including that on cultural differences (or cultural distances), the distinctiveness of management styles and documented reasons for expatriate managers' failure or their premature returns to their home countries have been reviewed in this study. This undertaking is valid because many studies found that there are numerous predictive elements which could lead to successful overseas assignments (Avril & Magnini 2007; Lu & Lee 2007; Holopainen & Björkman 2005; Toh & DeNisi 2005; Harzing & Christensen 2004; Luthans & Farner 2002; Caligiuri 2000a). Importantly, culture-linked management style differences and the high rate of use of expatriate managers are of great concern for MNCs (Chew 2004; Harzing & Christensen 2004; Tung 1982) because failed foreign assignments can be a great expense (Luthans & Farner 2002). These failures continue despite concerns with selection decision making

and pre-departure preparation cited as contributing factors (Harzing & Christensen 2004). Similarly, expatriate family adjustment remains a matter of serious concern for international assignments (Pattie & Parks 2011; Insch, McIntyre & Napier 2008; Minter 2008; Avril & Magnini 2007). For cultural reasons, however, the issue of spousal support and family adjustment has surprisingly not been considered part of selection and retention objectives in many Japanese MNCs (Stroh, Black, Mendenhall & Gregersen 2005).

### ***1.2.2 Expatriate Management***

As a consequence of the growth of MNCs, many parent companies were jolted into action of developing their training strategies and managerial styles to be active outside the country's own boundaries (Shen & Darby 2006). However, international knowledge transfer through expatriation was not simply to duplicate one country's success to others (Anderson 2005; Riusala & Suutari 2004). Furthermore, culture has been found by others to influence leadership style (Friedman 2007; Tsai, Miao, Seppala, Fung & Yeung 2007; Javidan, House, Dorfman, Hanges & Sully de Luque 2006; Javidan, Dorfman, Sully de Luque & House 2006). Yukongdi (2010) maintained that culture is one of the crucial factors that influences leadership styles. Particularly, the nature of leadership behaviours is directly influenced by the uniqueness of cultural characteristics, showing through language, religious beliefs, values, and relationships among individuals and groups. Effective chief executive officers were found to use leadership styles which were in harmony with cultural values of their society. In this regard, it is reasonable to infer that expatriates with different cultural characteristics will exhibit unique leadership styles that reflect back on their own cultural values. Difficulties occur, therefore, when two styles, for example those of Japanese and Thai cultures are brought together and could become at odds with each other in relation to the cultural specific perspective.

More concerning is that Japanese and Western parent companies have been found to neglect the need to transform their home management and leadership styles to suit the Thai business culture and environment. This is particularly so in terms of direct supervision by the expatriate managers on location in Thailand when they do not adapt



their management and leadership styles to suit the expectations of Thai employees. Studies by Basu (2009), Oetzel, Ting-Toomey, Masumoto, Yokochi, Pan, Takai and Wilcox (2001), Oetzel, Garcia and Ting-Toomey (2008), Martinsons and Davison (2007), and Rose and Kumar-Subramaniam (2008) confirmed that expatriate Japanese and Western management styles are extensively dissimilar to that appropriate in Thailand across organisational functions including supervision, decision-making, communication, management control systems, and inter-departmental relationships. The ability of expatriate managers to perform their role in a manner suited to the local culture is clearly important in order to engender support and cooperation of local employees (Avey, Avolio & Luthans 2011; Leung, Zhu & Ge 2009; Petison & Johri 2008; Avril & Magnini 2007; Naquin & Holton 2006; Toh & DeNisi 2005; Minbaeva & Michailova 2004; Chen, Choi & Chi 2002). As pointed out by Haslberger (2007), expatriates' adjustment would happen due to communication behaviors. Such an understanding of the local culture and of the language and communication style can influence expatriate managers' perceptions of training when undertaking overseas assignments (Menzies, Chung & Orr 2008). In addition, numerous researches have mentioned that having job-specific expertise, relational skills, and experience in facilitating cross-border work can facilitate expatriate managers to face less difficulty adjusting to their new responsibilities and feeling more comfortable in the new working environments (Benson et al. 2009; Avril & Magnini 2007; Caligiuri 2000b).

Drawing on a range of sources that has been mentioned so far, the expatriate's success is not only the selection and dispatch someone suited to particular overseas assignments, but also is gauged on task completion and on overall performance to reach high-levels by means of the process of relationship building and communication, the adjustment of expatriates and their families as well as parent companies' other potential supports. However, Harzing and Christensen (2004, p. 623) argued that *“some expatriate assignments might be considered failures when interpreted from the home country cultural context, but successes when interpreted from the host country context”*. Therefore, to address this particular challenge, the conceptual framework for this study, with Figure 3.1 providing greater detail, is developed to address this substantive issue and is valid for the evaluation with local employees the factors that they perceive, from

their perspective, to impact on the ability of expatriate managers to effectively lead Thai employees in MNCs. The reason for focusing on to the perception of Thai national workers is because the adaptation to local conditions is necessary (Onishi & Mondejar 2011). Accordingly, the purpose of this research is to first ascertain the key characteristics and personal attributes required of expatriate managers to meet the expectations of local employees. It also focuses on exploring which capabilities expatriate managers need to build on in order to effectively manage local employees. Second, there are numerous factors which can predict the likelihood of the expatriate's success and failure; nonetheless, these are not necessarily compatible with the Thai culture. Therefore, the purpose of this research is to ascertain the factors that local employees identify as influencing expatriate managers' abilities to succeed in MNCs, especially matching the indigenous employees' task readiness and managerial capabilities.

### **1.3 AIM OF THE STUDY**

As mentioned in Section 1.2.1 and 1.2.2, the differences between Japanese and Western management approaches as well as the preferential Thai management style in Thailand lead to the question how it is that both Japanese and U.S. automotive manufacturers are so successful in their adjustment and adaptation to the business environment in Thailand. On the other hand, how Thai national subordinates are able to adjust themselves to meet the objectives and goals of the MNCs without any conflict. This is particularly surprising because the Japanese and Western management approaches are highly different from one another. Furthermore, it has been generally recognised that cultural differences are a major source of misunderstandings and disagreements in multinational teams. Therefore, careful considerations are required when selecting and dispatching workers for specific overseas assignments. This necessitates specific selection criteria, beyond standard qualifications and/or requirements that traditionally focus only on excellent performance in domestic business operations.

Questions can be asked regarding the characteristics which can prescribe the likelihood of the expatriate's success in the selection of appropriate candidates. Also, it remains a

matter of concern that even when an appropriate individual is selected and he/she has been well prepared for any conceivable or anticipated problems, he/she nevertheless often faces unexpected difficulties or obstacles on site in the foreign country. Expatriate managers often fail to adjust to their new work environment and commonly attempt to use the management style of their home country to manage within the culture of the host country. It indicates the need to understand what actual characteristics are needed for Japanese MNC expatriates staff to function effectively, and what specific attributes they require to be equipped with resolving cultural conflicts, building good relationships with local workforce and concurrently directing them to meet a common purpose. Thus, this study will focus on uncovering some of the significant characteristics based on Thai cultural values that may have implications for enhancing the awareness of expatriate managers in managing their Japanese automotive manufacturers successfully. As supported by many studies, if expatriate managers fine-tune their capabilities to fit the Thai context is clearly important to induce the local employees' support and cooperation leading the high level performance.

Another issue in light of the above discussion on the failure of many expatriate managers to adjust to new cultural environments, success of the international operations is predicated on the building of harmonious relations with local employees, the ability to manage or lead them to meet the same objectives or goals which the parent company set for the overseas operation without conflict or contradiction, as well as having family support. Thus this topic has long been a subject of much academic discussion. However, many researchers believed that employees' gender, education, background, experience, their level of appointment and role in the organisation, as well as the length of time cooperating with Japanese expatriates have been addressed in the literature from multiple perspectives as more or less factors contributing to their acceptance toward organisational change. If in that case, different employees will require different characteristics or attributes for Japanese MNC expatriates staff to function effectively. Similarly, critical success and/or failure factors for managing MNCs effectively in Thailand would be different from the one based on the existing research evidence which, in addition, have paid attention to study in Thai automotive businesses. Therefore, the aim of this study is also to explore with local employees the factors that

they perceive from their perspectives to be impacting on expatriate managers to effectively deal with their onsite local challenges in MNCs. All these incongruences have raised questions of how these parent companies/home countries understand and prepare to meet these challenges and deal accordingly with the obstacles encountered in the host countries, and how to equip their expatriate staff suitably to face the challenges abroad.

### ***1.3.1 Specific Aims***

To support the general aim of this study, the specific objectives of the research are to:

1. Explore and identify with expatriate managers and host indigenous subordinates in MNCs what they consider to be the uniquely required characteristics of expatriate managers; both their management knowledge and skills and their personal attributes that equip them to contribute effectively to their organisation's operations in Thailand.
2. Identify the factors which expatriate assignees and host country indigenous subordinates in MNCs believe to influence an expatriate manager's ability to succeed in the MNC's business in Thailand.

Specifically, these objectives will be achieved through the following four actions that help to examine the variations between expatriate assignee beliefs and those of Thai national subordinates in regard to on-site requirements. This will provide guidance to Japanese investors to enable successful management of their MNCs.

- To identify appropriate personal characteristics to assist in developing selection processes to support the selection of appropriate expatriates for overseas work environments, in particular Thailand.
- To explore whether previous successful overseas assignment experience assists the ability of expatriate managers and their families to adapt to the new culture and environment resulting in expatriate success.
- To identify whether gender and marital status are seen to influence international career success, particularly in Thailand.

- To explore whether the development of cross-cultural knowledge, strategic awareness, pre-assignment training and communicative language ability, as well as organisational change skills should be part of a company's pre-assignment development policies to equip expatriate managers with the full range of abilities required prior to their overseas assignments.

Depending on the particular situation, however, there is uncertainty about which unique characteristics or attributes are essential for MNC expatriate managers to operate subsidiaries effectively in the host country, and which factors can reliably predict successful outcomes in international assignment. As the need of Thai subordinates will differ according to different issues mentioned above, data will be analysed according to;

- Gender,
- Their level of education,
- Their backgrounds in working for head offices/assembly plants or dealer partnerships,
- Their experiences from the length of time in their current position, and length of time cooperating with Japanese expatriates, and
- Their level of appointment and role in the organisation (as superiors, peers, and subordinates).

#### **1.4 RESEARCH PURPOSE AND QUESTIONS**

In relation to the objectives of this study, two research questions were generated as follows:

1. What are the key characteristics and personal attributes required for expatriate managers of automotive MNCs operating in Thailand to manage their business effectively?
2. What are the factors that expatriate managers and host national subordinates identify as impacting expatriate managers to succeed in Thai automotive businesses?

## 1.5 CONTRIBUTION TO KNOWLEDGE

This study firstly builds on earlier researches on the expatriate managers and their international assignments to identify what are the roles and responsibilities of an expatriate manager are perceived or expected or assigned to be and then determine or uncover the attributes that would equip him/her to fulfil his/her job overseas (Petison & Johri 2008). Also, the theoretical perspective of leadership principles and management practices from various researchers is examined and included (Lunenburg 2011; Bass 2010; Kotter 2001, 1990). This will be used to uncover some of the significant leadership and management attributes that may have implications for enhancement of the awareness of expatriate managers managing their multinational corporations successfully. Hence the contribution to knowledge of this study will be the development of an understanding of the significant attributes required of expatriate managers to successfully operate multinational businesses overseas.

As many expatriate managers have been effectively running their operations in their own cultural context, it does not necessarily mean that their practices will fit on a new Thai-specific cultural environment (Caligiuri 2006). Moreover, unique cultural values exhibit unique leadership styles (Yukongdi 2010), and the cultural uniqueness, likewise, needs a right fit for the management style (Adams & Vernon 2004; Harvey & Novicevic 2001; Bennett et al. 2000). In an effort to examine and identify the key characteristics and personal attributes which are requisite for MNCs in the Thai context, this raises questions for the host-country local employees at different perspectives, from different gender, education, background, experience, their level of appointment and role in the organisation, as well as the length of time cooperating with Japanese expatriates, about what qualities that are needed by expatriate managers to effectively deal with their onsite local challenges. In this endeavour, this will be the first study that attempt to achieve through showing characteristics and managerial and leadership skills and in Thai automotive MNCs operating in Thailand local nationals in host countries.

The main reason for requesting the Thai national workers to perceive the uniquely required attributes of Japanese managers in MNCs in Thailand is because the adaptation

to local customs is necessary (Onishi & Mondejar 2011). Although many literature reviews provide an overview predominantly based on Western characteristics and criteria for international management success (Harvey & Novicevic 2001), these may not identify the Thai-specific differences that this research was designed to identify. The outcomes of this study, therefore, will provide insights into the cultural attributes that expatriate managers need to develop for successful international assignments in the business environment of Thailand, in particular the automotive industry in Thailand. It will add to the body of knowledge on managing across different cultures.

By reviewing literature, cultural uniqueness and distinctive management leadership styles have both been found to present such heavy obstacles that some expatriates fail and have to return to their home countries prematurely (Harzing & Christensen 2004; Luthans & Farner 2002). These failures continue despite concerns with selection decision making and pre-departure preparation cited as contributing factors. Consequently, by examining the requisite attributes of successful expatriate managers of MNCs in Thailand the results of this research will also provide an understanding of the critical success factors that MNCs in Thailand should focus on to effectively run their business. In sum, this study will help to develop an enhanced human resource (HR) strategy to attract and select appropriate candidates and to fine-tune solutions to the problem of incompatible working styles between Japanese and Thai cultures. Equally important, an understanding of this issue will invigorate parent companies' confidence and attract further new comers to choose Thailand as their preferred investment destination.

## **1.6 STATEMENT OF SIGNIFICANCE**

Firstly, it is hoped that the outcome of this study will contribute to the understanding of attributes needed for expatriate managers to function effectively in their interactions with Thai indigenous employees. It also will lead to an appropriate selection for Japanese expatriate candidates, guided by better designed and more stringent selection criteria beyond those used for the traditional standard qualifications in the parent companies and also incorporates personal attributes as well as other capabilities that

have been deemed or perceived necessary for expatriates' management effectiveness in the Thai cultural environment.

Secondly, the factors required to prevent expatriate manager failures will be addressed in order to help parent companies to acquaint expatriate managers with these requisite attributes before dispatching them to work in the Thai environment.

Thirdly, Thailand's popularity as the preferred place for expatriates to transfer to (Thailand Business News 2011) makes gaining an understanding of this issue important for developing parent companies' confidence and to attract further newcomers to Thailand. The findings will therefore benefit both expatriates and Thai national subordinates through providing the preparation required so they might better cooperate with each other.

Finally, expatriate managers assigned to Thailand can use the outcomes of this study as guidelines to fine-tune expatriate manager capabilities to fit the Thai context. It will provide much needed information to multinational companies in preparing their expatriate managers for effective assignments in Thailand in particular, and will have some relevance for other Southeast Asian countries in general.

## **1.7 METHODOLOGY**

The research begins with a literature review to assist in understanding the context of the study, including past events and issues about factors influencing success and failure of expatriate managers with a focus on the cultural adjustments needed for managing foreign MNCs. From the literature review the gap in current knowledge is identified and the research questions generated. Following the research of secondary data, the research moved to a sequential mixed methods approach to gather data. Two instruments were used: a questionnaire (quantitative) and interviews (qualitative).

Quantitative methods were used to explore the relationship between personal characteristics, management and leadership, and Japanese expatriate success, with



respect to the matching of Thai indigenous employee task requirements. Also, this study aimed to test the proposition that personal characteristics, impacting management and leadership style can be used to select candidates for Japanese MNC operations in Thailand who will succeed. Furthermore, while management and leadership have been determined in the literature to be associated with the successful management of MNCs, this study attempted to explore which management and leadership attributes are required specifically for Japanese expatriates managers to effectively run Thai subsidiaries of MNCs.

In the second phase, using a qualitative approach, a semi-structured interview was conducted to gain a deeper understanding of the distinguishing key characteristics and impacting factors on expatriate success.

## **1.8 SCOPE OF THE STUDY**

The data for this study was collected from car manufacturers in Thailand. This process was undertaken because Thailand's automotive industry is growing in importance and has progressed to be one of the key manufacturers in the automotive manufacturing industry worldwide, according to the annual reports of the Board of Investment (BOI) (e.g. BOI 2012a). This has enhanced Thailand's rate of employment of both Thai local and foreign employees in the industry. In 2006, over 225,000 people were employed in the manufacturing sector of Thailand's automotive industry making it the second largest industry.

### ***1.8.1 Some Definitions Often Used in This Thesis***

***Attribute*** refers to a quality or feature ascribed to inherent part of anything, material object or someone recognised as appropriate characteristic or quality (The Oxford Dictionary Online 2014a). In the same way, a ***characteristic*** may apply to an inanimate object or other items. In this research, the word characteristics is used as it relates to the ***character*** of a person, reflecting interesting individuality, good reputation, mental or moral qualities, distinction, and strength and originality in the nature of that person (The Oxford Dictionary Online 2014d). Therefore, ***characteristic*** describes the typical,

distinctive traits, or qualities indicative of the character of an individual. In this context, it may relate to the interesting character, strength, mental or moral qualities of the individual and thus to their reputation (The Oxford Dictionary Online 2014e). The words characteristic and attribute have, therefore, been used interchangeably within this thesis to relate to the qualities and reputation of a person as they relate to their exhibited managerial and leadership qualities and identified by their subordinates.

**Adaptation** refers to the process of adapting to be better suited to its environment (The Oxford Dictionary Online 2014b). In this research, the word adaptation is the ability of Japanese expatriate managers to adapt their characteristics, management and leadership styles to suit the expectations of Thai employees. Equally important, it also refers to the ability of expatriate managers and their families to adapt to the new culture and environment resulting in expatriate success.

**An expatriate manager** refers to those home-country national employees who are selected to take up assignments as chief executive officer (CEO), senior executive manager, or perhaps middle manager in Japanese MNCs operations in an overseas country, in this study, Thailand. The particular focus of this study is on the Japanese MNCs in the automotive industry.

**Capability** refers to the ability of an individual and the power given to do thing (The Oxford Dictionary Online 2014c). Evidences based on literature reviews show that personal attributes reflecting the capacity to be the key to expatriate success. Transferring the parent company's vision and objectives to overseas subsidiary operations with cultures different to that of the expatriate manager, they also need the power to monitor, distribute power from top-down as well as use information from bottom-up with subordinates. In this research, the word capability for cultural reasons is particular abilities or skills beyond ordinary qualifications that focus only on excellent performance in domestic business operations. For this reason, capability and skill may at times be used interchangeably in this study.

***Expatriate success*** in this study can be defined by task completion and overall performance reaching high-levels, short-term or long-run growth by means of relationship building as well as expatriate and family adjustment. On the other hand, ***expatriate failure*** can be explained by expatriates' low-quality performance, short-term or long-run effects on host country productivity by means of expatriate's or spouse's or family's inability to adjust to new surroundings. This may ultimately lead to the end of a relationship, or the premature return of expatriates.

***Hypercompetition*** refers to a situation in which the pressure of global competition had a pervasive influence on world economic markets. Many countries have opened up to operate internationally in order to enlarge profitability for existing businesses and to expand possibilities of business opportunities globally. This seemed to many large business companies in all parts of the world a great chance to branch into the world market. However, hypercompetition occurs when human capacity has expedited the implementation of innovative technological alternatives which has tended to reduce the need for direct human involvement further. It is the condition of intensified global competition and the concomitant surge in the extension of international business operations, reflecting uncertainty for one company to create as well as sustain a competitive advantage in the long run. Therefore, having talented and competent employees is absolutely necessary for every organisation to achieve a competitive advantage in the current global marketplace which is continuously increasing in response to rapidly changing environments.

The terms ***manager and leader*** are used interchangeably in this study. Firstly, this is because a manager's role may require that leadership be demonstrated; leaders require leadership capabilities and may also need to manage. Secondly, personality tests are used to select suitable managers for overseas assignments. There is a range of personality tests available for selecting staff, including the Keirsey Temperament Sorter (KTS), the Myers Briggs Type Indicator (MBTI) and the Big Five personality test. All of these tests measure similar attributes; attributes that reflect the features of a leader both those described as management and those described as leadership attributes.

## **1.9 STRUCTURE OF THE THESIS**

This thesis contains five chapters. Chapter 1 described the background and setting of the research and briefly discussed the significant increase in international business operations and the attributes that enable personnel to be capable of resolving cultural conflicts. It discussed how the issues to be researched were discovered and also provided the purpose of the research and its contribution to knowledge.

Chapter 2 provides a review of relevant literature including the characteristics required for expatriate success. Chapter 3 presents the conceptual framework developed to gain better understanding of the broad ideas and theories including relevant variables. The conceptual framework attempts to show how the relationships among these variables may be predicted, resulting in determining the overall research methodological approach and research methods to employ to best answer the research questions. Chapter 4 outlines the outcomes of this study, which are presented in two parts. Part one contains the results of the questionnaire survey and the interview results are presented in the second part. Finally, Chapter 5 discusses the key findings of the study as well as the major implications and limitations.

## **1.10 SUMMARY**

This first chapter introduced what this study encompasses and why it is looking at Japanese expatriate managers in Thai automotive operations. It described the research purpose and key components of the study, as well as providing a clear statement of the research questions. The factors contributing to and characteristics required for expatriate success, and thus underlying the major thrust of this study, were identified in this chapter.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 INTRODUCTION**

This chapter provides a review of relevant literature. It commences by providing the background for the research and narrows to review literature on expatriate management and factors identified as contributing to expatriate management success. The literature review concentrates on external factors related to adjustments expatriate managers need to make to effectively manage a multinational corporation. As mentioned in Chapter 1, Thailand has been one of the countries to which foreign investors have relocated their manufacturing operations. Implicit in these facts is how Japanese multinational corporations, with their Japanese managers heading up operations in other countries, are meeting the capability challenges of running a flourishing business across different cultures, managing people from other nationalities, while achieving organisational goals and objectives. In response to this issue, related literature on managing across cultures and literature specifically addressing cultural differences within and across Asian societies are brought together against this background. This review of the literature commences with discussion of how these challenges of managing across cultures have been studied to this point in time and leading to the identification of gaps in the current body of knowledge and thus the research questions of the present thesis.

This chapter is organised into nine major sections: 2.1 introduces the objectives of the chapter and provides an approximate idea what will be covered in the subsequent sections. The chapter then explores in 2.2 the changing face of world business; 2.3 the challenge of the Asian economic situation; 2.4 the structure and current situation of the automotive industry in Thailand; 2.5 management and leadership; 2.6 roles of expatriates and local employees; 2.7 factors predicting expatriate success; 2.8 is an overview of the research gap with regard to questions to be answered; and a chapter summary is presented in Section 2.9.

## **2.2 THE CHANGING FACE OF WORLD BUSINESS**

Because the pressure of global competition has a pervasive influence on world economic markets, many countries have opened up to operate internationally in order to enlarge profitability for existing businesses and to expand possibilities for business opportunities that offer tangible and intangible benefits of involvement (Basu 2009; Tempel & Walgenbach 2007; Yeniyurt, Cavusgil & Hult 2005; Ernst & Kim 2002). Whereas depending solely on national economics, self-contained within a country's own borders, limits competitiveness the alternative of economic globalisation creates extensive opportunities for taking advantage of competition against other countries for international investment. This in turn eliminates government controls in some sectors of the economy and generates tax subsidies that offer positive inducements for the relocation of businesses, with relatively low barriers to entry (Birdsall 2003; Fischer 2003; Kidger 2002; Drezner 2001; Gourevitch, Bohn & McKendrick 2000).

Offering trade and investment opportunities by removing international trade barriers has accelerated new entrants, innovative alternatives, and the development of substitute products and services into many countries. However, these positive results have the downside of a decline in the demand for local products and a concomitant increase in buyers' bargaining power (Inderst & Wey 2007; Yeniyurt et al. 2005; Chae & Heidhues 2004; Rauch 2001). In this process, developing countries' internal economies have tended to weaken due to challenges from the influence of the values of the new entrants when the two economies interact. Likewise in the globalisation of industry, human capacity has expedited the implementation of innovative technological alternatives that have, conversely, reduced the need for direct human involvement. At the same time, the increase of new entrants and technological developments have strengthened the illegal drug trade, drug smuggling, human trafficking, dangerous waste accumulation, exhaustion of resources and environments, and the loss of human labour as a consequence of unprincipled entrepreneurs that do not comply with corporate social responsibility principles (Nsibambi 2001).

Clearly, changes in global demand and unpredictable business environments have greatly affected relationships between countries, humans and the natural environment. As a result, to become better and more effective business leaders both locally and internationally, each organisation now needs to create new prospective business opportunities, find more potential resources, bring in cheaper labour forces, and improve the competencies of employees (Gourevitch et al. 2000).

### ***2.2.1 The Challenging Role of Businesses in the Current Economy***

By knowing with certainty that the increasing focus of global competition will have an effect on the need for businesses to consider developing enduring capabilities, the rethinking of business strategies is called for in the world economy. All parties involved have not only had to become aware of how to maintain a business efficiently for survival within their own broader market, but they have also been compelled to critically review whether their strategic plans should follow the increasing world economic demand to shift from domestic firms to MNCs to meet the challenges (Malik & Aminu 2011; Morone & Testa 2008; Oum & Park 2004). Aiginger (2006) and Rutkauskas (2008) have pointed out that many complicated issues and difficulties can occur unexpectedly when businesses move from one geographic location to another, but even so, the changing trade pattern in the new era of hypercompetitive globalisation pressures businesses to take risks to move forward and innovate continually.

There exist two contrasting views on whether it is better to maintain existing locally owned businesses or to expand operations into another country and simultaneously motivate investment from MNCs to participate with them. Both approaches have possible positive and negative outcomes, visible or invisible, in terms of economic and trade relations. In other words, while many entrepreneurs see a potential growth of business, others might notice the existence of negative effects. Although such negative effects exist, all businesses need to develop dynamic capabilities and make changes in their business operations (Too, Harvey & Too 2010; Morone & Testa 2008; Rutkauskas 2008; Aiginger 2006; Oum & Park 2004; Wheeler 2002). This need has been confirmed by Javalgi and Martin (2007) who found that expansion into foreign markets with exporting, licensing, franchising, joint venture operations and wholly owned

subsidiaries can potentially enhance business capabilities and create competitive advantage. As well as providing businesses with greater competitive advantage in their current marketplace, expanding businesses abroad can simultaneously foster innovation and technological developments through knowledge sharing and technology transfer. Expansion of businesses can also facilitate host countries to create employment opportunities that lead to higher living standards and economic growth (Pitelis & Teece 2010; Chari & Gupta 2008; Javorcik & Spatareanu 2008).

It appears that expanding into new foreign markets has been propagated not only due to basic economic demands, but also due to the potential benefits for all parties concerned. Terpstra and Sarathy (2000) however have argued that although there are many foreign market entry strategies that businesses can adopt, making the wrong entry mode choice can have extensive and far-reaching consequences on business performance and survival. This is because each entry mode has different levels of control over the new operations, as well as different levels of risk. Moreover, the regulations covering entry modes are different, depending on both the particular country and government department involved; for example, restrictive investor business actions through mechanisms such as restrictive licensing, or imposing standards on access to resources or foreign transfer of goods and profits. As a result, it is important for investors to carefully consider the risks and benefits in their growth strategy goal of expansion associated with the appropriate entry mode to the country, before assessing their choices (Ekeledo & Sivakumar 2004).

### **2.2.2 *Entering the International Marketplace***

Despite the importance of selecting modes appropriate to the country of entry, an awareness of the economic, legal and cultural differences is also central to strategic planning processes when venturing abroad. It has been acknowledged by Harzing (2003) that it is not only national cultural differences that can be major impediments, but also economic, legal and political distinctions can become confounded when two economies interact. Therefore, in venturing abroad, the growth of MNC activity in the form of foreign direct investment (FDI) has moved outward more than any other entry



modes, as FDI appears to be more stable in maximising the benefits of a foreign presence in the hosts' domestic economies (Blonigen 2005).

The positive impacts of FDI inflows, for example, have been noticeable in many countries including China, where the intensity of FDI inflows has fostered better productivity and provided non-productivity spillovers to other industries. At the same time, the increase in financial capital utilised in production processes has resulted in labour productivity growth in several Chinese cities (Buckley, Clegg & Wang 2002; Zhu & Tan 2000). Similarly, Ndikumana and Verick (2008) show that FDI has had a direct positive impact on the economic development of several African countries, contributing to accelerated growth by increasing capital accumulation. Alguacil, Cuadros and Orts (2008) reported that in addition to capital accumulation, alternative management practices, labour training, skills acquisition and technological upgrading have also occurred following FDI in eight Central and Eastern European countries (CEECs) as well as the Mediterranean islands of Malta and Cyprus. Furthermore, their involvement in new technology education has also helped to fuel productivity growth in long-term performance. The growth in job opportunities, and increased overall workforce participation rates, has been one of the benefits that many developing countries have experienced. In particular, Thailand is one of the most attractive countries for automotive investments. Japanese car manufacturers dominate the industry, with their market share being approximately 80% of the total industry (Office of Industrial Economics 2006). The benefits of FDI for the Thai economy, and especially for its automotive industry, are explored in depth later in this chapter.

Although FDI has been one of the major drivers of emerging and developing economies in many countries, a complex issue that has become apparent is the indirect negative impact of FDI flows to non-FDI domestic firms (Alguacil et al. 2008; Ndikumana & Verick 2008; Lensink & Morrissey 2006; Buckley et al. 2002; Hu & Jefferson 2002). It is argued in the literature that many domestic firms in the host countries may not be able to effectively compete with foreign MNCs. Therefore, it is important for the host country's government to be concerned with maintaining an appropriate balance between local firms and foreign MNCs (Alguacil et al. 2008; Hu & Jefferson 2002).

Additionally, the impact of FDI on economic performance depends on local conditions, such as domestic government regulation (Chari & Gupta 2008; Lensink & Morrissey 2006). In particular, if the domestic government within each host country attempts to protect their domestic firms by erecting barriers to international trade and reducing local business taxes for starting a business, this may not facilitate efficient channelling of FDI. Furthermore, domestic legislation may make it difficult for foreign investors to determine what entry strategies would be the most suited to invest. This could be caused by harsh restrictions imposed by the local government on foreign investors.

As mentioned earlier, it is clear that there is not necessarily one appropriate model for entering and investing in other countries. Therefore, instead of addressing more coherent approaches to setting up new operations in different locations, organisations need to learn thoroughly how to operate under significantly different interacting conditions of culture, government, supplier, customer, competitor, and indigenous and overseas workforces (Gomez 2004; Vermeulen & Barkema 2002). For instance, a study of Australian companies establishing operations in China found considerable differences in the culture of the Australian organisation and that of the local organisation. This meant that the management style of Australian managers was not what the staff they managed were accustomed to and that expatriate managers needed to obtain a greater understanding of the local culture, and of the language and communication style if they were to develop the relationships required for success (Menzies et al. 2008). These issues, not only from the aspect of setting up businesses but also in terms of the development of technology education and selection of efficient employees, have left most investors scrambling to understand how they should act in their new environments.

### ***2.2.3 Getting Employees Ready for a Hypercompetitive World***

It may be inferred from both research studies and business practices that talented and competent employees are crucial to businesses in achieving sustainable competitive advantage in the current and future global marketplace (Zaheer, Rehman & Khan 2010; Lockwood 2007; Ongori 2007; Toh & DeNisi 2005). This is also the case for non-profit organisations that also need to attract and retain talent if they are to succeed in their

endeavours. Hay Group, a global management consultancy firm, reported on the importance of sufficiently qualified staff as part of a best practice approach (cited in Vathanophas and Thai-ngam 2007, p. 46). Hay Group point out that:

*An organization's best source of competitive advantage lies with its employees. Strategies, business models, products and services can all be copied by competitors, but talented and competent employees represent a sustainable source of differentiation.*

Similar to research and business practices mentioned above, Unger, Rauch, Frese and Rosenbusch (2009) support the claim that human capital, known as an intangible value source or labour power for all organisations, is the most significant component for business success. However, this only holds true if knowledge and abilities are retained and used to benefit the organisation. For this reason, it has been found that organisations attempt to improve their employees' capabilities and competence, with an emphasis on training and management development, especially for career growth (Wan 2007; Bisschoff & Govender 2004; Bennett et al. 2000). Likewise, employee loyalty results in reduced turnover and this in turn can support organisational effectiveness (Jun, Cai & Shin 2006; Koys 2001). Low employee turnover is usually linked to employee satisfaction and often supported by job security (Min 2007). Many organisations, especially in the manufacturing industry, have to consider carefully how they should manage employee turnover to guard against its possible negative impacts of increased costs, reduced productivity and low levels of employee morale (Lee, Hsu & Lien 2007).

In addition to the need to have competent local employees being acknowledged as crucial to support organisational effectiveness and continuous development, globalisation has created a demand for a new type of employee: the expatriate employee. While the demand for competent expatriate candidates is rapidly increasing in international business assignments, skills training tailored to meet with the needs of international requirements is recognised as indispensable (Stahl et al. 2002). However, Czinkota, Moffett and Ronkainen (2005), as supported by Colakoglu and Caligiuri (2008), stress that decisions to utilise expatriate staff at overseas business locations in general are based on several considerations including: the availability and quality of the company's talent pool; the company staffing profile based on policies and costs of

recruitment; the host country's restrictions, and cultural and economic practices. In the early stages of starting a new business overseas, many organisations use talented home country senior managers to fill key positions in overseas subsidiaries as a matter of corporate policy and to foster the requisite corporate culture. In fact, it is known to many organisations that the internal recruitment of senior managers poached for temporary overseas assignments may not only engender controversy or resentment in their host countries, but also affect the divisional home performance by causing a 'brain drain'. Thus, sending someone abroad is one major issue that requires intense consideration, as the associated costs are significant. In particular, with respect to the issue of brain drain, studies by Baruch, Budhwar and Khatri (2007), Croix and Docquier (2011), and Rizvi (2005) show that whether or not organisations will benefit when sending expatriates abroad has been a subject of much debate and this has resulted in much attention over the last decade.

Despite the possibility of losing competent staff and suffering negative future consequences, there is still a need to allocate people who are capable of accomplishing critical tasks in foreign business climates. In this regard, skilled expatriate managers are most suitable to fill key positions at MNC subsidiaries abroad. This is because they can take responsibility for implementing and executing the vision and objectives of the parent country enterprise (Lii & Wong 2008; Harzing 2001). Numerous researchers have proven that especially talented and skilled expatriate managers are capable of aligning all employees in the foreign MNC with the overall strategic direction of the parent company (Lii & Wong 2008; Minbaeva & Michailova 2004; Bennett et al. 2000). Thus, the development, selection, and dispatch of a person suitable for undertaking overseas assignments are important key areas that require careful consideration (Toh & DeNisi 2005). This means that HR managers need to use appropriate selection criteria that encompass not only outstanding standard qualifications and/or experience which would ensure excellent job performance in domestic business operations, but also the knowledge, attributes and attitudes required to work in specific foreign environments (Czinkota et al. 2005).

Studies by Waxin and Panaccio (2005), and Chew (2004) showed that preparation involving cross-cultural training to equip parent-country employees prior to dispatch to overseas assignments supports subsequent success. Despite some organisations having success with this type of preparation, others attempting to increase employee capabilities for overseas assignments have responded by increasing investment in more frequent international travel and short-term transfers. However, this type of strategy is considered to be high cost and, even when these employees are well prepared and do not anticipate major problems, they often face obstacles in the field (Mayerhofer, Hartmann, Michelitsch-Riedl & Kollinger 2004). Furthermore, a noticeable study by Lu and Lee (2007) highlights the fact that there is a marked difference in supervision style and decision-making between foreign and local partners, with most obstacles arising from these differences. The existence of such obstacles consequently causes a heavy increase in expatriate stress and contributes to premature return from overseas assignments. Lu and Lee's study suggests that both foreign and local partners need to develop balanced mechanisms for minimising incompatibility and for assisting their expatriate managers to work successfully in the uncertain international business environments.

With regard to providing thorough and appropriate preparation, there have been a number of studies that attempted to find ways to minimise the risk of increased expenditure on pre-departure training and/or failed assignments due to premature return of expatriates (Avril & Magnini 2007; Holopainen & Björkman 2005; Toh & DeNisi 2005; Caligiuri 2000a). However, little has been provided on how to develop balanced mechanisms for assisting the expatriate managers to operate subsidiaries effectively, in particular without conflict. Studies have attempted to highlight the need for an enhanced awareness of the role of the expatriate and to clearly describe their role to both minimise conflict and support effective management of MNCs in foreign countries (Benson, Pérez-Nordtvedt & Datta 2009; Petison & Johri 2008; Anderson 2005). Whilst the role remains unclear, recent studies have consistently found that sourcing expatriate candidates with a willingness to accept overseas assignments is difficult. Moreover, although affected businesses may find appropriate employees who are willing to accept overseas assignments, the subsequent problems that often occur are related to on-site failures. These failures may also be contributing to the reluctance of employees to

accept overseas placements. As a consequence, it is crucial for businesses sending employees to foreign subsidiaries to be cautious and provide the necessary support to ensure that their staff will effectively reach their overseas assignment goals (Cole 2011; Cartus 2007; Downes, Varner & Musinski 2007). Despite all of these challenges, there are significant reasons for relying on parent country managers as opposed to selecting local staff. Firstly, expatriates tend to have an enhanced comprehension of the expectations of headquarters. Secondly, expatriate managers are thought to be more tolerant towards parent company strategic decisions and overall objectives. Thirdly, expatriate assignees generally have a greater knowledge on the corporate culture and control system of their parent company which results in superior communication and coordination (Paik & Sohn 2004).

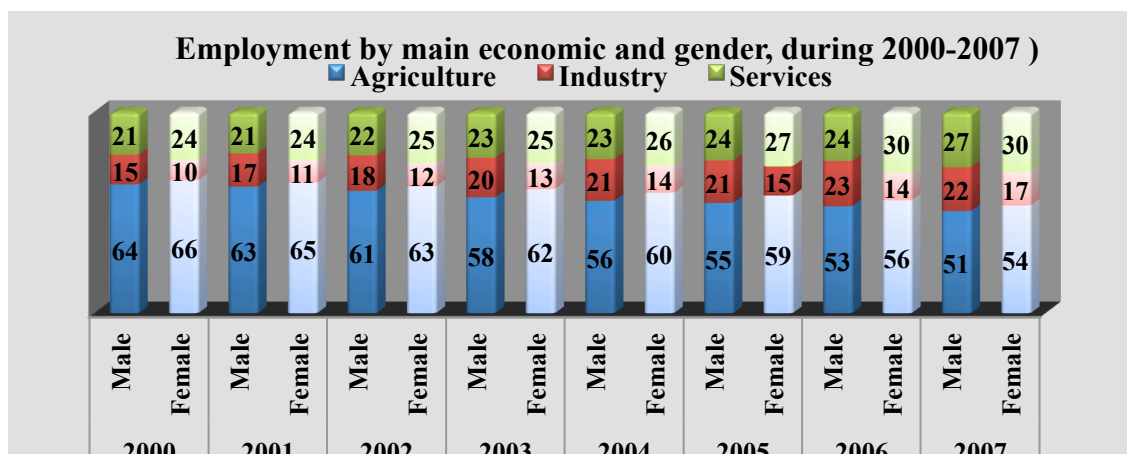
#### ***2.2.4 Dramatic Changes in Workforce Composition and Participation***

Workforce participation increases have occurred in developing economies with FDI and commencement of MNC operations providing job opportunities for locals. An additional benefit of this inflow of finance and growth of employment has been the increase in female workforce participation across several countries into which MNCs have moved their operations. In fact, the primary reason for women's increased participation in the workforce has been linked to the process of globalisation and this has occurred within formerly male dominated global corporations where there have been significant changes in staff profiles (Lloyd & Mey 2007; International Labour Organization 2004b; Atwater & Van Fleet 1997; Dalton & Kesner 1993) in many developing countries. In South Africa, where male workers traditionally accounted for the majority of the labour force, female participation increased by almost 60% between 1995 and 2005 while male workforce participation only grew by 35% (Department of Labour 2007). Importantly, the increased female workforce participation was mainly recorded in the traditionally male dominated areas of professionals and clerks.

Likewise, in Vietnam, along with globalisation and the increased rate of MNC movement into the country, a summary of labour productivity growth during the years 2000 to 2008 was totally remarkable, which far exceeded those among the ASEAN members. Nevertheless, demand in the job market has also veered away from male

domination (ILO 2010). Two reports by the International Labour Organisation (ILO) (2010; 2007b) and by Teerawichitchainan, Knodel, Vu and Vu (2010) for the Vietnam Population Studies Center (PSC), have shown the participation of females in Vietnam to be one of the highest in the world. Vietnamese women are increasingly more active in the economy and participate fully at all levels of business activities resulting in a major contribution to economic growth. Between 2000 and 2007, the number of both male and female Vietnamese workers expanded from 38.4 to 45.6 million. The number of women workers has increased in the expanding service sector where their workforce participation has risen from 24% in 2000 to 30% in 2007. In addition, the female industry sector participation rate increased from 10% in 2000 to 17% in 2007 (as shown in Figure 2.1). Similar to the situation in South Africa, an increased demand for skilled labour in the local employment markets in Vietnam, strongly influenced by the entry of MNCs into the country, has driven more female engagement in the workplace.

**Figure 2.1: Distribution of employment: agriculture, industry & service sectors by gender, 2000-2007 (%)**



Source: ILO (2010), Ministry of Labor, Labor and Social Trends in Vietnam 2009/10

**Note:** **Agriculture sector** includes ‘agriculture and forestry’ and ‘fishery’. **Industry sector** includes ‘mining and quarrying’, ‘manufacturing’, ‘electricity, gas and water supply’ and ‘construction’. **Service sector** includes ‘wholesale and retail trade; repair of motor vehicles, motor cycles and personal and household goods’, ‘hotels and restaurants’, ‘transport, storage and communications’, ‘financial intermediations’, ‘scientific activities and technology’, ‘real estate, renting and business activities’, ‘public administration and defence; compulsory social security’, ‘education and training’, ‘health and social work’, ‘recreational, cultural and sporting activities’, ‘activities of Party and of membership organisations’, ‘community, social and personal service activities’, ‘private households with employed persons’ and ‘activities of international organizations’.



The growth in the economy, along with workforce participation increases in neighbouring countries, have the potential to negatively impact on the Thai government's efforts to attract the automotive industry to Thailand. Importantly, the ILO report (2010) indicated that the workforce participation in Vietnam appeared to be expanding significantly “from 2010 to 2015, at an estimated 1.5 per cent each year, or by 738 thousand” (ILO 2010, p.46), which will be one of the highest labour force growths among the ASEAN region follow behind only Indonesia and the Philippines. In particular, female workforce participation increases have contributed to this increased availability of labour. Manufacturers could find neighbouring countries and the available labour force attractive.

Similar to that of other developing countries, the 2004 ILO report (2004a) indicated that, as Thailand's economy became more globalised, its labour force had shifted from rural areas to urban-based industries and the service sector. According to the 2007 ILO report (2007a) and the 2013 ILO report (2013), the employment-status rate in Thailand between 1990 and 2010, as shown respectively in Table 2.1 and Figure 2.2, confirmed increases in the number of employees in the industry and service sectors contributing to economic growth.

**Table 2.1: Employment by sector, 1990 - 2004 (Percentages)**

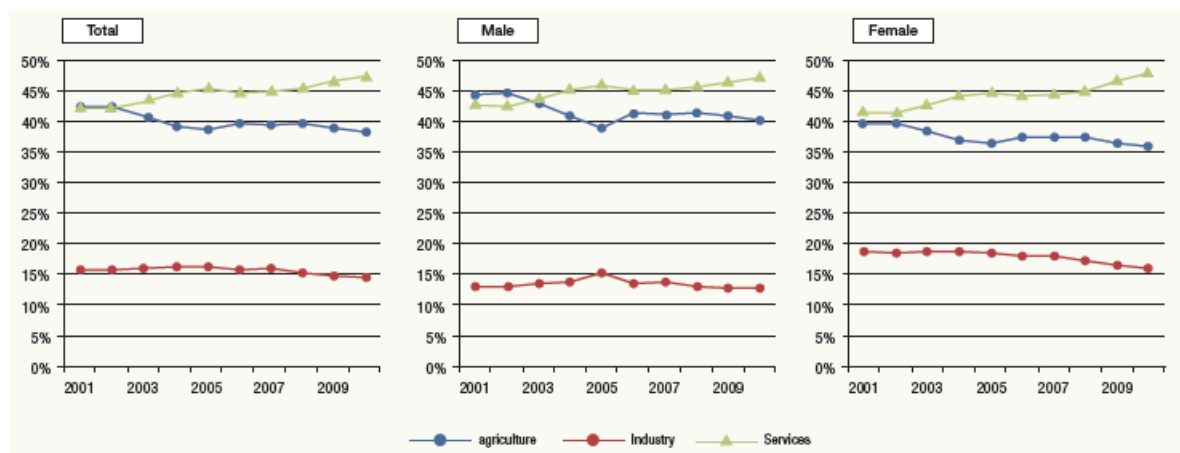
Year	Agriculture			Industry			Service			Not defined		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
1990	63.4	62.4	64.5	13.5	14.7	12.3	23.0	22.9	23.2	0.1	0.1	0.1
1991	59.7	59.1	60.3	14.9	16.1	13.8	25.3	24.8	25.9	0.1	0.1	0.0
1992	60.4	59.2	61.6	15.0	16.6	13.3	24.5	24.1	25.0	0.1	0.1	0.1
1993	56.3	55.4	57.2	16.7	18.3	15.1	27.0	26.3	27.6	0.1	0.0	0.1
1994	55.6	54.6	56.7	17.2	19.1	15.3	27.1	26.3	28.0	0.0	0.0	0.0
1995	51.7	50.3	53.2	18.8	20.6	17.0	29.5	29.2	29.8	0.0	0.0	0.0
1996	50.0	48.5	51.4	19.6	21.8	17.4	30.4	29.7	31.1	0.1	0.0	0.1
1997	50.2	49.1	51.3	18.5	20.4	16.7	31.2	30.5	32.0	0.0	0.0	0.0
1998	50.9	51.9	49.8	16.7	17.6	15.8	32.4	30.5	34.3	0.0	0.0	0.0
1999	48.0	49.4	46.7	17.3	17.8	16.8	34.6	32.8	36.4	0.0	0.0	0.1
2000	48.4	49.5	47.3	17.8	18.5	17.1	33.7	32.0	35.5	0.0	0.0	0.0
2001	45.8	48.0	43.6	18.8	19.1	18.4	35.4	32.8	37.9	0.1	0.1	0.1
2002	45.9	47.8	44.0	19.7	20.5	18.9	34.3	31.6	37.0	0.0	0.0	0.1
2003	44.7	46.8	42.5	19.7	20.5	18.8	35.6	32.6	38.7	0.1	0.1	0.1
2004	42.3	43.9	40.3	20.5	21.6	19.2	37.1	34.4	40.4	0.1	0.1	0.1

**Source: ILO (2007a), Thailand Labor Market Indicators 1990 - 2004**



As per the ILO's report (2013, 2007a), differences in the labour movements of both males and females were insignificant in the agriculture, other industries, and the service sectors. During the period 1990-2004 (see Table 2.1), the service sector was the main source of employment for female workers whereas the manufacturing industry sector had clearly been a male-dominated workplace. The agriculture sector was dominated by female workers from 1990 to 1997; but between 1998 and 2004 the number of male workers passed that of females with women gaining a greater share of the previously male dominated industry sector. Despite the male agricultural employment rate turned down three years (see Figure 2.2), it had climbed up after the year 2006 whereas many new jobs in the service sector were offered continuously to women. Thus, while the proportion of female workers contributing to the service sector had risen, their participation in the agricultural sector decreased. Simultaneously, it is reasonable to infer that males transferred back to the agricultural sector due to the increasing number of jobs in that sector vacated by females and the number of males seeking work. This situation may be driven by a growing number of skilled and educated females taking over managerial roles previously held by less qualified males.

**Figure 2.2: Distribution of employment: agriculture, industry & service sectors by gender, 2001-2010 (average of four quarters) (%)**



Source: ILO (2013), Thailand Labor Market Indicators 2001-2010

In 2000, the proportion of Thai female professionals in the position of director was 28.7%, department manager 41.5%, officer 42.2% and supervisor 45%, respectively. Similar to those in rural-based industries, the ILO (2007a) further stated that educated females were valued and invited to take part in many newly opened factories in the rural areas of Thailand. Furthermore, the decline in the gender gap in Thailand can also be found in government positions. According to a study by Zhang, Srisupandit and Cartwright (2009), in 2005 10% of women held positions in the lower house of Parliament in Thailand. Women continue to have a relatively low level of representation in government, but female workers are gaining access to positions of high responsibility in the workplace in Thailand.

Although the broad picture of employment in Thailand shows that women have increasingly been accepted into a range of roles in both urban and rural factories, they are still more frequently found in the casual, low-skilled and informal export-oriented sectors of textiles, clothing apparel and footwear (Nakavachara 2010; International Labour Organization 2007a). By contrast, male workers are more often found in skilled jobs with the prospect of moving to higher paying senior positions. The ILO (2007a) report emphasises that a great number of women globally are completing higher education in order to gain access to higher status occupations that demand higher pay. In particular, as the global marketplace gradually develops, the demand for more highly skilled workers increases.

Overall, in what appears to be directly related to globalisation and MNCs establishing operations in developing countries, there has been a general increase in female workforce participation as observed in South Africa, Vietnam and Thailand. Simultaneously, the proportion of male workers has decreased. Although women have taken a greater share of the former male-dominated roles such as professionals and clerks, the main increase in female workforce participation has occurred in lower level jobs. Nevertheless, there has been a clear decrease in gender dominance in a range of roles in the workplace.

## 2.3 THE CHALLENGE FOR THE ASIAN ECONOMY

### 2.3.1 Overview

The potential for economic growth and the increase in the available labour force (Kaur 2010) have led to many Asian countries being embraced by what could be termed as ‘hungry investors’ who are yearning to conduct overseas business operations to increase their profitability. Evidence from a range of studies reveals that:

*From an almost isolated economy in late 1970s, China has become the largest recipient of FDI among the developing world and globally the second only to the U.S. since 1993 (Zhang & Song 2001, p. 386).*

*In recent years Viet Nam has been pursuing the twin goals of promoting inward foreign direct investment (FDI) and regional development in the context of the Association of Southeast Asian Nations (ASEAN) ... Viet Nam has now largely achieved its initial objective of being a major FDI recipient (Mirza & Giroud 2004, p.66).*

*Since the late 1980s, Indonesia experienced a surge in foreign direct investment (FDI), particularly in export-oriented FDI, which lasted up to the onset of the Asian economic crisis (Wie 2005, p.219).*

*Developing countries are major targets for multinational companies (MNCs). Thailand is one of the countries that have attracted many MNCs from around the world, especially since the Thai government is supporting Thailand’s effort to become an industrialized country (Boonsathorn 2007, p.197).*

In the above context, it appears that spreading business into Asian marketplaces has become a growing trend among enterprises that no longer want to depend completely on their national economies contained within their own borders. Furthermore, escalating levels of world trade associated with endeavours to improve the competitiveness of all industries have created superior opportunities for many novel market channels and replacement product choices (Basu 2009; Tempel & Walgenbach 2007; Yeniyurt et al. 2005; Ernst & Kim 2002). This is one of the main forces motivating international business options, whether through being a foreign investor or a recipient of FDI. Moreover, related factors such as local market competition and government demands also push and propel businesses to globalise (Czinkota et al. 2005; Edgington & Hayter

2000; Johansson 2000; Osman-Gani 2000). For these reasons, global markets have grown exponentially, whether through investing in or forming international corporations. The Asia-Pacific countries particularly have been considered as a desirable place to invest, due to their support through favourable government policy, stabilised political systems, a large human capital resource, and other related issues (Burton, Tseng & Kang 2006; Mirza & Giroud 2004; Ryan 2000).

With supportive government policies and political systems, a study by Osman-Gani (2000) demonstrated that even the Singaporean entrepreneurs, who had relatively little experience in expanding their international performance when compared with their Japanese, South Korean and other counterparts, had achieved success. Throughout the past few years, Singaporean MNCs have speedily been founded in many areas by applying a policy of regionalisation. This was confirmed by Pangarkar and Klein (2004) who explained that although Singaporean entrepreneurs are new entrants in the global business world, they have performed as successfully as the more experienced entrepreneurs.

Clearly, the influence of overseas subsidiaries in and their business activities on the ASEAN is an undeniable fact. Investors in turn benefit from the foreign investment recipient countries, not only in the form of cheaper labour costs, but also through expanding their distribution channels. These benefits are supported by the study by Buckley et al. (2002) in which many U.S.A. companies such as IBM, Intel, Lucent Technologies and Microsoft, have recently opened laboratories in China. This approach has been driven by the lower costs of hiring Chinese scientists and technologists. Similarly, Thailand is situated in a favourable geographical location in the heart of Southeast Asia. Therefore, it has been one of the countries in which foreign investors have preferred to locate their manufacturing operations to establish more efficient distribution channels for their regional markets (BOI 2008b; Nopprach 2006; Swierczek & Onishi 2003).

Economic, geographical, political and cultural aspects have created an infrastructure that allows investors into Asian countries to operate in a relatively uncomplicated process (Hoffman & Preble 2004). However, operating a business and achieving

success are two different things and they remain a challenge to overseas investors. Many researchers have found that the effectiveness of MNCs largely depends upon each individual expatriate who is selected to fill host country positions (Shen & Lang 2009; Caligiuri 2006; Harvey & Novicevic 2002). This finding indicates the need to understand the distinct characteristics or attributes that are essential for MNC expatriate managers to operate subsidiaries effectively in the host country. Moreover, the finding highlights the necessity to define the skills, knowledge and attitudes that MNC expatriate managers need to possess in advance of their overseas assignment in order to be capable of efficiently resolving potential cultural conflicts on site (Caligiuri 2006).

### ***2.3.2 FDI and Change in Thailand***

Change has occurred in Thailand both driven by government policies to attract and support FDI and as a flow on effect of changes in the economy linked to MNC operations and the increased job opportunities they bring. Thailand has been a country that foreign investors have favoured for relocating their manufacturing operations, because it is positioned centrally in Southeast Asia and provides efficient distribution channels as discussed earlier (BOI 2008b; Swierczek & Onishi 2003). According to the FDI Confidence Index 2001, Thailand has been considered an acceptable location for foreign direct investments, ranking 14<sup>th</sup> out of the 25 top investment destinations in 2001 (A.T. Kearney 2001), 20<sup>th</sup> in 2002 (A.T. Kearney 2002), 16<sup>th</sup> in 2003 (A.T. Kearney 2003), 20<sup>th</sup> in 2004 (A.T. Kearney 2004) and 20<sup>th</sup> in 2005 (A.T. Kearney 2005). Thailand did not appear in the index during the years 2006, 2007 and 2010 (A.T. Kearney 2010, 2007). However, Thailand's investment outlook over the years to 2011 showed a positive value according to the 'World Bank's Doing Business' rating. Based on the World Bank Report in 2008, Thailand ranked 13<sup>th</sup> of the 183 business friendly countries of the world as a country with which it is easy to do business. This was determined based on parameters such as the ease of starting a business, registering assets or properties, enforcing contracts, hiring and terminating employees, protecting investors, and closing or liquidating a business (The World Bank 2008). Thailand's ranking remained unchanged in 2009 and 2010 (The World Bank 2010).

In spite of the difficulties Thailand faced in 2011 and 2012 when its ranking receded a little, investors remain positive and have confidence in the country's future prospects. A study by Maliwan and Mujtaba (2012) indicates that Thailand has remained in a strong economic position with an unemployment rate of less than one per cent. Moreover, based on the A.T. Kearney FDI Confidence Index in 2012, Thailand has since climbed up four places from the previous year to rank 16<sup>th</sup> of the 25 top investment destinations (A.T. Kearney 2012). Impressive economic growth of the Thai national economy has therefore attracted foreign investors to invest in and relocate their operations to Thailand (Warr 2007).

According to Trade Economics (2012d), Thailand's Gross Domestic Production (GDP) grew at an impressive rate of 11% in the first quarter of 2012. This growth was supported by well-developed infrastructure and by pro-investment policies that encouraged foreign investment, resulting in Thailand becoming one of East Asia's best performers in 2012. This situation contrasts with that of other developing countries, such as India, Indonesia, the Philippines and Vietnam, whose GDP only increased by 5.3% (Trading Economics 2012a), 1.40% (Trading Economics 2012b), 2.5% (Trading Economics 2012c) and 4% (Trading Economics 2012e) respectively. In addition, Thailand's FDI growth showed a positive trend confirmed by the number of investment incentive applications submitted to the Thailand Board of Investment which increased in value by more than 130%, from 66.1 billion Baht in 2011 to 154.2 billion Baht during January and February 2012. This positive trend coincides with evidence of growing investor confidence in Thailand as a desirable destination to do business (BOI 2012c).

Essentially, it is the level of confidence that investors have in a potential destination that drives investment decisions. Confidence is increased by knowledge of location as well as the existence of investment returns. As highlighted by the World Bank Report (2008) and A.T. Kearney FDI Confidence Index between 2001 and 2012, Thailand reflects an attractive investment spot, further strengthened by positive economic prospects. Hence, investors hold a positive view toward investing in and setting up subsidiaries in Thailand. This triggers the question: What cultural obstacles might an investor face when transferring operations from a host country to Thailand?

## 2.4 MNC INVESTMENT IN THE THAI AUTOMOTIVE INDUSTRY

Owing to the country's growth prospects and government support, as mentioned in Sections 1.2 and 2.2.2, Thailand has been a location which a range of foreign investors have targeted for relocation of their manufacturing operations since the mid-1950s (Office of Industrial Economics 2006). With the introduction of preferential tax laws for foreign investors, the Thai automotive manufacturing industry began operations in 1961 (Kophaiboon 2008). Following the Asian financial crisis in 1997, the Thai government promoted tax-related incentive schemes that further supported growth. As a result, American (Ford, General Motors), German (DaimlerChrysler, BMW) as well as Japanese car makers (Mitsubishi, Toyota, Isuzu, Honda and Nissan) began automobile assembly operations and manufacture of auto parts to form a new regional hub in Thailand. Studies by Intarakumnerd (2011) and Wirotcheewan, Kengpol, Ishii and Shimada (2010) confirm that through the government's continued support in promoting Thailand as a car manufacturing centre the country has gained a reputation as the **"Detroit of Asia"**. Moreover, Thailand outlined a policy offering foreign investors extension of credit lines from several financial institutions to invigorate the industry. Wirotcheewan et al. (2010) found that almost all of the world's important car manufacturers had relocated some elements of their assembly operations to Thailand, resulting in a wide diaspora of cultural understandings in the workplace.

The transformation of Thailand's automotive industry has been heavily founded on investment from overseas countries, making the country unique in the world. Studies by Bongsebandhu-phubhakdi, Saiki and Osada (2009) have confirmed that almost every Japanese car manufacturer has its production base in Thailand, as do US, German and Swedish automotive companies. More importantly, almost 70% of the top sixteen automotive manufacturers in Thailand are Japanese or Japanese Joint-Venture (JV) firms as shown in Table 2.2 below.

**Table 2.2: Top 16 Automotive Manufacturers in Thailand**

<b>Company's name</b>	<b>Nationality</b>	<b>Production brand</b>
Bangchan General Assembly	Thai (JVT)	HYUNDAI, CHRYSLER
Honda Automobile (Thailand)	Japan	HONDA
Isuzu Motor Thailand	Japan	ISUZU, HONDA (pick up truck)
Mitsubishi Motors (Thailand)	Japan	MITSUBISHI
Siam Motors & Nissan	Japan	NISSAN
Nissan Diesel	Japan	NISSAN
Siam Nissan Automobile	Japan	NISSAN
Siam V.M.C.	Thai	VMC
Hino Motors (Thailand)	Japan	HINO
Thai-Swedish Assembly	Swedish	VOLVO
Thonburi Automotive Assembly	Thai (JVT)	BENZ, CHRYSLER
Toyota Motor Thailand	Japan	TOYOTA
Auto alliance (Thailand)	USA & Japan	FORD, MAZDA
Y.M.C. Assembly	Thai (JVT)	PEUGEOT, VOLKSWAGEN, AUDI, CITROEN, KIA
BMW Manufacturing (Thailand)	Germany	BMW
General Motors (Thailand)	USA	GM

**Source: Bongsebandhu-phubhakdi, Saiki and Osada (2009, p. 129)**

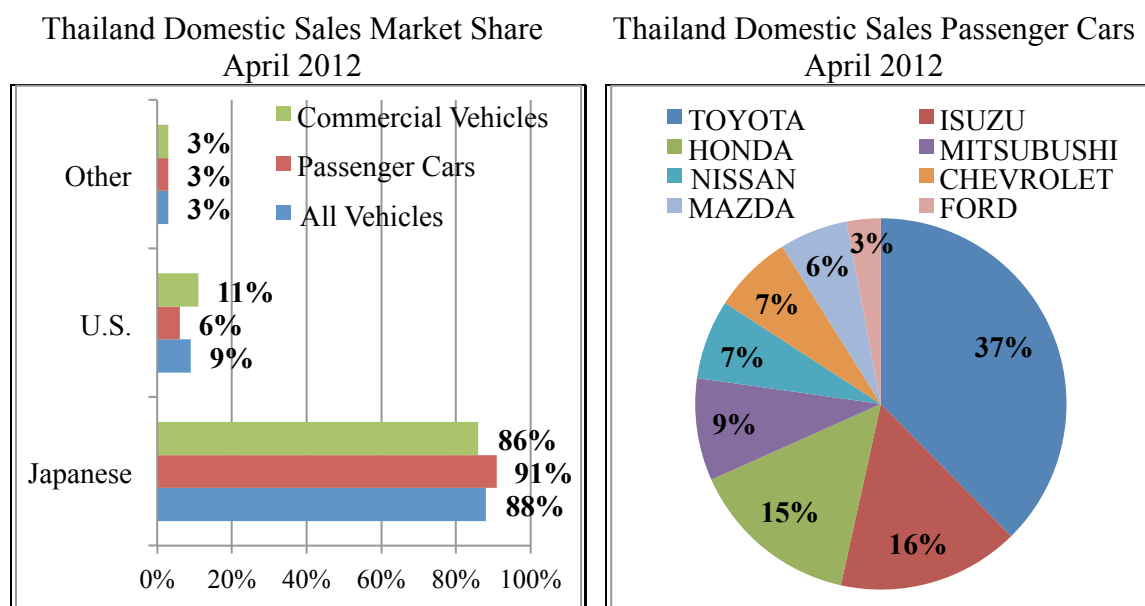
Japanese carmakers not only have demonstrated that they have succeeded in managing their Thai operations, but they are also large investors in Thai industries. FDI data confirms that the number of Japanese investors in Thailand has continued to be higher than that of any other country over the past decade (BOI 2012b, 2011b, 2010b, 2009a; Rasiah 2009; BOI 2008a, 2008b, 2007b, 2006a, 2005). Importantly, Japanese companies have continued to invest because the Japan-Thailand Economic Partnership Agreement (JTEPA) has further encouraged strong economic ties between Japan and Thailand and will eliminate tariffs on more than 90% of bi-lateral trade within the coming decade. Moreover, as part of JTEPA, mutual training programs for industrial development in Thailand are aimed at fostering the economic partnership and enhancing trade between both countries (BOI 2008a). These offer Thailand access to the Japanese market and persuade Japan to be a major investor in Thai industries in general (BOI 2008b).



### 2.4.1 Overview of Top Car Manufacturers in Thailand

In 2012, Japanese automotive manufacturers remain the top car manufacturers in Thailand according to the Thai Autobook's (2012a, 2012b) work performance reports. Japanese carmakers have continually grown as shown in Figure 2.3. As illustrated in Thailand's domestic sales in April 2012, Toyota held the largest overall passenger car sales at 37% while Isuzu held around 16%. Honda accounted for around 15%, followed by Mitsubishi and Nissan that held shares of around 9% and 7% of the market respectively (see Figure 2.3). Although the plants and assembly lines of Honda and Toyota were shut down during disastrous flood in Thailand (MCOT 2011), it is clear that these two major Japanese automotive manufacturers have managed to significantly improve and recover from the flooding faster than expected.

**Figure 2.3: Thailand's domestic sales market share & domestic sales of passenger cars of April 2012**



Source: Adapted from Thailand Autobook (2012a, 2012b)

Some question how Japanese automotive manufacturers currently and in the future will adapt to a Thai professional environment to the extent that they will continue to achieve their MNC's objectives. One of the challenges encountered by MNCs has been locating culturally sensitive managers who can function effectively in cultures that are different

from their own. In this context, the question arises whether it is possible for Japanese managers to master the art of adapting their attitudes and skills in order to support business success by out-performing managers in competitor firms. Moreover, another question is whether or not there exists any possibility that the Japanese style of management, appropriate in Japan can also be successfully transplanted to a Thai business context. Whether the Thai Buddhist approach to work and work ethics are totally different to those of the parent country, Japan is important to know because Thai Buddhist confessions of faith are at variance with those in other countries. As previously stated, the Japanese management approach works very effectively in Japanese firms, and likewise the Western management approach in Western firms. Difficulties occur, however, when these two styles are brought together (Harvey & Novicevic 2001) and could become at odds with each other. How Japanese and Western expatriate managers might modify or transform their own management style to suit more closely the Thai business culture and environment, possessing a distinct Thai management style, needs to be understood (Yukongdi 2010; Niffenegger, Kulviwat & Engchanil 2006; Adams & Vernon 2004; Kamoche 2000).

Differences between the Japanese and Western management approaches and the different Thai management style led to the questioning how it is that both Japanese and U.S.A. automotive manufacturers are so successful in the business environment in Thailand. As already discussed, it has been generally recognised that cultural differences can be a major source of misunderstandings and disagreements in multinational teams (Hofstede et al. 1990). Therefore, care is required when selecting workers for overseas assignments. Specific selection criteria, beyond standard qualifications that traditionally focus only on excellent performance in domestic business operations, are required (Harvey, Novicevic & Kiessling 2002; Osman-Gani 2000).

#### ***2.4.2 Production Capacity and Export Performance***

The success of the automotive industry can be seen in both total production capacity and export performance (BOI 2012c, 2012b, 2011a, 2010c, 2010a, 2009b, 2009a, 2008a, 2007a, 2006b, 2006a, 2005).

In terms of production capacity (see Table 2.3 below), there has been a gradual increase in the total number of cars produced over the past 10 years despite the Global Financial Crisis (GFC) in 2009 having caused a decline in demand for new automobiles and a concomitant decrease in production levels, in 2010 production increased by almost 65%, with 1.64 million more vehicles produced compared to previous year. This led to Thailand becoming a global player in the automotive sector, taking the 12<sup>th</sup> spot in the world in 2010 (The Thai Automotive Industry Association 2012b; ITS International 2011).

**Table 2.3: Total of vehicle production (including passenger cars, light commercial vehicles, minibuses, trucks, buses), during 2000 - 2011.**

Year	Total of vehicle production (units)
2000	405,761
2001	454,797
2002	564,392
2003	750,512
2004	960,371
2005	1,125,316
2006	1,193,885
2007	1,301,149
2008	1,391,728
2009	999,378
2010	1,645,304
2011	1,358,369

**Source: Thai Automotive Industry Association (2012b)**

Thailand's automotive industry has achieved strong growth in production and aims to move ahead of its competitors to be ranked at the 10<sup>th</sup> in the world, setting a goal of producing 2.3 million vehicles by the year 2014 (BOI 2011b). In October 2011, production fell to only 49,439 units, the lowest level for the past ten years, due the worst flooding crisis in nearly 50 years. The flood affected major supply routes that forced many automakers to stop their assembly lines. For this reason, the total number of vehicles produced in October 2011 decreased by 71.62% (compared to the previous month), or by 67.62% year-on-year (MCOT 2011). Therefore, with the Thai

government struggling to kick-start the vehicle production industry, a first-car tax rebate policy, which grants a maximum of 100,000 Baht in tax breaks, was approved until 31 December, 2012. This policy was designed to enhance internal demand by encouraging the potential for low-income earners to purchase a car. This initiative appears to have facilitated domestic auto-makers to increase sales and production volumes (Bangkok Post 2011; THE NATION 2011). The first-car tax rebate drove up order values in Thailand at the end of 2011, resulting in a sharp production rebound. In the first half of 2012, more than 600,000 vehicles were sold in the domestic market, resulting in sales volume increasing by about 40.4% compared to the first half of 2011 (THE NATION 2012).

It is clear from the recent surge in sales and production volume that the automotive industry has led Thailand's economic recovery after the disastrous flood that closely followed the GFC. Meanwhile, in maintaining a substantially large production capacity, in particular by moving from second to the U.S.A (Oxford Business Group 2009) to now become the world's largest manufacturer of one-ton pickup trucks (BOI 2012a), Thailand has become an attractive base for investment in ASEAN (TEBA 2012). In agreement, BOI (2012c) confirms that even though the flood disaster widely damaged much of Thailand's industrial areas, investors still have confidence in Thailand's economic recovery and many new foreign investors are looking forward to forming a joint venture with Thai counterparts. From January to April 2012, the BOI received 407 foreign net investment applications, reaching a total volume of US\$5,035 million. Furthermore, 131 of 407 applications were submitted to the automotive/metal processing sector, totalling US\$1,209 million. Most importantly, these investors appreciate Thailand as a top location for Research and Development (R&D) investment (BOI 2012c). This clearly shows that the Thai automotive industry has quickly restored investor confidence.

In terms of export values, in 2008 (BOI 2008a) Thailand was the seventh largest automotive export country, shipping completely built units (CBUs) to over 130 countries, mostly to Australia, Indonesia, Malaysia, Japan, Saudi Arabia and the Philippines. Thailand was also distributing component parts, largely to Japan, Malaysia

and South Africa. Although the Thai automotive industry have boosted along with the economic growth, it still behind China, the United States, Japan, Germany and South Korea which movement occurs amongst the top five largest export country overtime, detailed data based on the statistics on passenger vehicle production and exports during 2007-2012 from the United States International Trade Commission (2013), Bailey, De Ruyter, Michie and Tyler (2010), and Barboza (2010).

The consistently strong export performance of Thailand's auto industry over the past decade is shown in Table 2.4 below.

**Table 2.4: Total export sales of CBUs & component parts in 2000 - 2011**

Year	Total of vehicle and parts exported (Million Baht)
2000	83,245.46
2001	107,110.16
2002	107,729.72
2003	138,161.39
2004	202,079.90
2005	294,243.90
2006	342,655.95
2007	469,303.35
2008	516,243.89
2009	379,486.62
2010	584,009.58
2011	About 780.92 billion baht

**Source: 2000 – 2010 data of Thai Automotive Industry Association (2012a), and in 2011 from data of BOI (2012a)**

Overall export performance rose sharply year-on-year during the two periods 2000 - 2008 and 2009 - 2011. Although export of the number of CBUs and component parts decreased due to the GFC by 26.5% in 2009 (compared to 2008), it was corrected in the following year with export values increasing by a significant 53.9% (The Thai Automotive Industry Association 2012a). Furthermore, in 2011 the Thai automotive industry made outstanding advances by achieving total exports of vehicles and parts valued at about 780.92 billion baht. The number of CBUs and component parts exported

had increased by over 50% compared to the previous year (BOI 2012a). When the performance of the automobile industry is compared with other export industries, such as rubber, refined fuels, and chemical products up to 2012, data show that Thailand's automotive industry has generally held the second highest position on the top ten export industry ranking since 2004 (see Table 2.5 below). The export performance of the automotive industry remained second only to that of the automatic data processing machines and accessories industry in Thailand.

**Table 2.5: Thailand automotive industry in annual top ten export industry ranking, including exported auto cars, parts and accessories volume 2004 – 2012 (Jan – Apr)**

Year	The annual industry ranking	Exported cars, parts & accessories volume (US \$ billion)
2004	2 <sup>nd</sup> largest industry	\$ 5.68 billion
2005	2 <sup>nd</sup> largest industry	\$ 7.75 billion
2006	3 <sup>rd</sup> largest industry	\$ 9.46 billion
2007	2 <sup>nd</sup> largest industry	\$ 12.04 billion
2008	2 <sup>nd</sup> largest industry	\$ 15.59 billion
2009	2 <sup>nd</sup> largest industry	\$ 11.12 billion
2010	2 <sup>nd</sup> largest industry	\$ 17.71 billion
2011	2 <sup>nd</sup> largest industry	\$ 16.98 billion
2012 (Jan-Apr)	2 <sup>nd</sup> largest industry	\$ 6.32 billion

Source: Thailand Investment Review (BOI 2012c, 2012b, 2011a, 2010c, 2010a, 2009b, 2009a, 2008a, 2007a, 2006b, 2006a, 2005)

## 2.5 MANAGEMENT AND LEADERSHIP

Research by Nienaber (2010) found that the earliest management-related publications on the characteristics of management were in 1825, and defined these as the discharge of tasks and other responsibilities to ensure business success. Nienaber (2010) states that later, in 1916, Fayol broadly clarified these tasks and responsibilities as daily activities that included five major functions: planning, organising, commanding, coordinating and controlling. At that time, Fayol argued that all managers, whether working for business, in religious careers, military, government service, or

philanthropic organisations, all performed these five functions as components of their management role. Performing functions such as communication, motivation and decision-making, however, was only of a secondary concern (Nienaber 2010). Moreover, the terms ‘manager’ and ‘leader’ were considered interchangeable, with those managers who were viewed as leaders appearing to have the greatest level of responsibility for a firm’s performance (Nienaber 2010). These ideas remained the standard view until the early 1970s, when some management experts, including Mintzberg (1973), suggested that the key managerial functions as defined by Fayol did not accurately describe the nature of managerial work in chaotic business situations. Furthermore, the functions of commanding and coordinating, which were seen to be the primary functions of management, have subsequently been integrated into the leadership role. Clarification of the link between command/or coordinate and leadership functions is now the subject of many studies (Nienaber 2010). Febbraro, McKee and Riedel (2008) and Morgenson, DeRue and Karam (2010) have contributed:

*Proficiency in command or leadership at the operational level, for instance, requires the ability to integrate the operations of different forces (e.g., within an alliance or coalition) towards the achievement of mission objectives, despite sources of friction such as differences in goals, logistics, capabilities, training, equipment, doctrines, intelligence, language, leadership, and cultural practices (Febbraro, McKee & Riedel 2008, p.3-1).*

*Leaders who engaged in performance management behaviors such as providing feedback provoked interaction between team members, stimulated intrateam processes such as coordination, communication, and motivation, and as a result of these processes, enabled greater team creativity (Morgeson, DeRue and Karam 2010, p.19).*

Following the earlier analyses of the complexity of managerial work and blurring of the boundaries between leadership and management in the description of their task goals, numerous studies appeared. Leadership began to be analytically separated from management (Bennis & Nanus 1985; McCall Jr 1976; Stogdill 1974). More recently, since John Kotter of Harvard Business School clarified the differences between leadership and management in 1990, leadership and management have in theory become distinctly separated from one another. On the one hand, management has been envisioned as a set of processes that includes a complex system of people and

technology supporting the smooth running of an organisation (Kotter 1990). Kotter (1990, p. 4) states that “*good management brought a degree of order and consistency to key dimensions like the quality and profitability of products*”. Hence, he explains that managerial attributes include: (1) *planning and budgeting*; (2) *organising and staffing*; and (3) *controlling and problem solving* (Kotter 1990). On the other hand, Kotter believed that the leadership function is diverse, constructive and adaptive to change, also encompassing; (4) *establishing direction*; (5) *aligning people* and (6) *motivating and inspiring* (Kotter 1990). The following discussions (1-6) are, therefore, based on Kotter (1990) and follow the order used in the previous paragraph:

### ***(1) Planning and budgeting***

From Kotter’s perspective, planning and budgeting are processes for setting business goals and targets that can reasonably be expected to succeed. However the time horizon of the planning process is a short period only, typically one month to one year. Afterwards, the act of explaining objectives in detail with regard to timetables, leading to reaching these goals, is achieved by drawing up guidelines subsequent to the goal setting process. Finally, available resources are allocated to ensure realisation of the plans.

### ***(2) Organising and staffing***

Organising is a process of devising the structure of an organisation. Subsequently in organising the staffing of a company, people are allocated to work in specified positions so that the functional objectives can be achieved. Here, installing the right person in the right position is very important. This is followed by communicating the organisational plan to all employees and by giving them the authority to take the necessary actions to achieve their directives. Finally, a well-monitored system is necessary to ensure sound implementation of the overall process and success.

### ***(3) Controlling and problem solving***

Controlling and problem solving refers to the process of ensuring that results and desired outcomes are achieved. These are required not only for reporting, but also to



ensure the monitoring and meeting of results. If progress is not as anticipated, it will be necessary to investigate deviations and use problem solving skills to return to the desired level of performance and ensure goal achievement. In this way, planning and organising are used to solve problems.

#### ***(4) Establishing direction***

The process of establishing direction, according to Kotter, is totally unlike the process of planning and budgeting. Establishing direction leads to developments and changes that respond to the dynamic shifting within the business environment. In other words, establishing direction is a process of creating a pathway for future change, along with developing a future vision that considers any foreseeable major changes in the environment that may impact on an organisation's performance or activity. Unlike management, the process of developing a future vision is time-consuming and involves developing a three to 20-year long-term planning schedule. In addition to this, one to five-year strategy plans need to be developed to support achievement of the vision.

#### ***(5) Aligning people***

Both the activities of aligning people (leadership) and of organising and staffing (management) are about communicating the plan to all employees. However, aligning people needs more than just communication. Active involvement, building credibility, influencing and empowering employees are all necessary in convincing people to believe in the vision.

#### ***(6) Motivating and inspiring***

Kotter (1990) mentioned that whereas direction setting is a device for deciding the direction in which to move, effective alignment is a method for moving people down to that path. If the direction setting and effective alignment are compatible, achieving business objectives should become much easier for everyone. However, in order to succeed when obstacles occur, motivating and inspiring are required to encourage people to enthusiastically work toward dealing with barriers.

Table 2.6 below indicates the similarities and differences between the two dimensions of leadership and management based on Kotter's theory.

**Table 2.6: Two dimensions of leadership & management (based on Kotter 1990)**

<b>Leadership</b>	<b>Management</b>
<p><b><u>Setting a direction</u></b></p> <ul style="list-style-type: none"> <li>• Leading to developments and changes by creating a pathway for future change;</li> <li>• Time-consuming, requiring a 3 to 20-year long-term planning schedule. In addition, one to five-year strategy plans need to be developed to support achievement of the vision.</li> </ul>	<p><b><u>Planning &amp; Budgeting</u></b></p> <ul style="list-style-type: none"> <li>• Setting business goals and targets;</li> <li>• Typically, short term planning (from one month to one year);</li> <li>• Explaining objectives in detail with regard to timetables and guidelines;</li> <li>• Allocating available resources to ensure realisation of the plans.</li> </ul>
<p><b><u>Aligning people</u></b></p> <ul style="list-style-type: none"> <li>• Communicating the plan to all employees;</li> <li>• Active involvement, building credibility, influencing and empowering employees.</li> </ul>	<p><b><u>Organising &amp; Staffing</u></b></p> <ul style="list-style-type: none"> <li>• Devising the structure of an organisation, then allocating work by dividing it into specified parts;</li> <li>• Putting the right person in the right position;</li> <li>• Communicating the plan to all employees;</li> <li>• Giving authority to employees to take the necessary actions to achieve the plan;</li> <li>• Having well monitored systems for checking the implementation progress and success</li> </ul>
<p><b><u>Motivating &amp; Inspiring</u></b></p> <ul style="list-style-type: none"> <li>• Encouraging people to enthusiastically work toward dealing with barriers in order to succeed.</li> </ul>	<p><b><u>Controlling &amp; Problem solving</u></b></p> <ul style="list-style-type: none"> <li>• Ensuring that results and desired outcomes are achieved;</li> <li>• Reporting to ensure meeting of targets and monitoring of the results.</li> <li>• Investigating deviations and using problem-solving skills to return to the desired level of performances and ensure goal achievement.</li> </ul>

Equivalent to Kotter's interpretations, and demonstrating common acceptance of Kotter's view, The Oxford Dictionary Online (2012) also highlights similarities and differences between 'leadership' and 'management' that show the differences between task functions and responsibilities for the two words. For instance, The Oxford Dictionary Online (2012) defines the term 'leadership' as "*the action of leading a group of people or an organization*" or "*the state or position of being a leader*", while the term 'management' refers to "*the process of dealing with or controlling things or people*". Both sources, Kotter (1990) and The Oxford Dictionary Online (2012), emphasise the two dimensions of leadership and management that play markedly different roles that demand high levels of capability. This has received support from Smith (1997) who claims that leadership has a different meaning from management. Nevertheless, in many academic studies, there is a continuing general argument that the interrelationship between 'leadership' and 'management' is close. Also, the terms of 'leadership' and 'management' are widely used interchangeably (Kotterman 2006; Jokinen 2005; Lightfoot & Kehal 2005; Storey 2004; Fiedler 1996). Similarly, the terms of 'leader' and 'manager' have a high tendency to be applied interchangeably in modern literature (Marshall, Orrell, Cameron, Bosanquet & Thomas 2011; Violanti & Jurczak 2011; Simone 2010; Williams, Parker, Milson-Hawke, Cairney & Peek 2009; Schilling & Schilling 2008; Dijk & Freedman 2007; Burke 2006).

Numerous scholars have argued about whether or not 'leadership' and 'management' can be used interchangeably and that the differences have not been clearly defined. Over twenty years ago, Kotter (1990) began to challenge this view in an attempt to remove the blurring that had begun to occur between the two terms by separating leadership from management according to task clarification. According to Kotter's study, the differences between the two terms are apparent, even when assuming leadership and management are equally necessary to accomplishment of an organisation's goals, and that they are complimentary processes, or at least are logically related to each other. Furthermore, this argument continues to receive support from researchers in the 21st century such as Lowy and Hood (2004), Zaleznik (2004), Kotterman (2006), Bass (2010), Romero (2010) and Lunenburg (2011) who all identify differences between leadership and management attributes. The recent studies by Kotterman (2006) and

Lunenburg (2011) strongly support Kotter's (1990) theory in relation to the similarities and differences between management and leadership. Moreover, Kotterman (2006) and Lunenburg (2011) intensely analysed each management and leadership attribute, based on Kotter's theory, and then organised the attributes into categories. For instance, Kotterman (2006, p. 15) illustrates the difference between management and leadership attributes using four processes, known as *"vision establishment, human development and networking, vision execution and vision outcome"*. In later years, Lunenburg (2011) similarly developed separate management and leadership theories which is rooted in the concepts of Kotter (1990). More specifically, Lunenburg (2011, p. 2), described management and leadership differences using five categories, namely *"thinking processes, goal setting, employee relations, operation and governance"*. Although current studies attempt to more comprehensively classify the distinctions, it is clear that the researchers still do not discount Kotter's originally proposed management and leadership dimensions (1990). Kotter's view is now widely accepted in the management field of knowledge (Lunenburg 2011; Nienaber 2010; Romero 2010; Kotterman 2006; Zaleznik 2004).

Today's managers and leaders require not just *"cognitive intelligence competencies"*, but importantly emotional and social skills also. These are necessary to *"predict effectiveness in professional, management and leadership roles"* in the 21<sup>st</sup> century (Boyatzis 2008, p. 5). In addition, rapid change in the organisational environment requires managers and leaders to continually endure and succeed in a globally competitive environment (Jovanović & Sajfert 2009; Waddock & McIntosh 2009; Toor & Ofori 2008; Beaver 2003; Bolman & Deal 2003); understanding the differences between leadership and management are crucial elements to achieving this objective. Kotterman (2006, p. 13) mentions that *"if you can't define leadership or management, you can't measure, test, make assessments, or consistently hire or promote for them."* Accordingly, it is therefore necessary to understand the overlapping meanings of leadership and management so as to clearly delineate their functional boundaries or limitations. This enables guidance to be provided to help organisations to enhance their abilities to accurately align an individual's skills to task requirements in job-matching. Where personal attributes required are also made clear, greater selection success for

management and leadership roles can follow. Furthermore, the ability of expatriate managers to effectively function and perform their role that is better suited to the host country is clearly important (Avey et al 2011; Leung et al. 2009; Peterson & Johri 2008; Avril & Magnini 2007; Naquin & Holton 2006; Toh & DeNisi 2005; Minbaeva & Michailova 2004; Chen et al. 2002). This is because the quality of management (Boonsathorn 2007; Adams & Vernon 2004; Harvey & Novicevic 2001; Bennett et al. 2000) and leadership performance (Friedman 2007; Tsai et al. 2007; Javidan et al 2006; Javidan et al 2006) could be influenced by the culture of each country. This means that cross-cultural adjustment can positively influence the expatriates to apply suitable management and leadership capabilities which influence the potential success of MNC operations (Pattie & Parks 2011). However, current practices would indicate that a pool of suitable people is not being selected for senior management and leadership roles. Eagly (2007) points out that the excellent leadership skills of women, commonly acknowledged as exceeding those of men, have been noticed and even praised, but that they are still not being appointed to leadership. Although discussion relating to the different leadership styles of males and females has been resisted, Eagly's (2007, p. 5) research has led her to conclude that, on average, women *"exert leadership through behaviors considered appropriate for effective leadership under contemporary conditions"*. Identification of required attributes for leadership, and especially expatriate leadership, should lead to clearly defined and equitable selection criteria that will ensure appointment of personnel who can successfully perform the total role (Oakland & Tanner 2007; Kotterman 2006).

Women are under-represented in managerial expatriate roles. This seems contradictory as various academics emphasise, based on findings of their research, that women are better qualified for expatriate positions than are their male counterparts (Menzies 2012; Haslberge 2007; Owen, Javalgi & Scherer 2007; Guthrie, Ash & Stevens 2003; Mathur-Helm 2002).

## 2.6 ROLES OF EXPATRIATES AND LOCAL EMPLOYEES

A review of the management development literature shows that the roles of expatriates have been addressed from multiple perspectives relevant to recent changes in the global economy and the term ‘**expatriate manager**’ is interchangeably used with terms including ‘**global, international, multinational or transnational manager**’ and ‘**global leader**’, when describing the roles that expatriates fulfil. The definition of an expatriate manager in terms of roles used in this study is discussed as follows.

### 2.6.1 Definition of ‘Expatriate manager’

‘**Expatriate manager**’ is a broad term and can be interpreted to have various meanings depending on the context of use. In general, ‘expatriate manager’ appears to be equivalent to the meanings of the terms ‘expatriate, global, international, multinational and transnational manager’, and ‘global leader’ (Jokinen 2005). According to the Oxford Dictionary Online (2012), the term ‘**global**’ is used to describe something “*relating to the whole world or worldwide*” while the terms ‘**international, multinational and transnational**’ refer to existing, extending or operating across national boundaries by involving people from several countries, but not necessarily all countries of the world. Whereas the term ‘**manager**’ means “*a person responsible for controlling or administering an organization or group of staff*”, the term ‘**leader**’ refers to “*the person who leads or commands a group, organization, or country*”. Regarding the various interpretations above, there are two key words: ‘**controlling or administering**’ and ‘**leading or commanding**’ which distinguish the difference between the terms ‘expatriate, global, international, multinational and transnational manager’ and the term ‘global leader’.

According to 20<sup>th</sup> century literature, the term ‘**expatriate manager**’ can also be interpreted and narrowed down to an ‘**executive manager**’ who responds to international assignments across countries and cultures. In practice, this executive needs to “*be able to assume a leadership position fulfilling international assignments across countries and cultures*” (Pucik & Saba 1998, p. 41). Nevertheless, Pucik and Saba (1998, p. 41) stated that “*Some global managers may be expatriates; but probably only*

*few expatriates are global managers*". In this sense, the former term of expatriate managers may be insufficient for the responsibilities required in globalised organisations. However, *"multinational corporations (MNCs) use parent country national (PCN) expatriates, third country national (TCN) expatriates and host country nationals (HCNs) to balance their strategic needs for global integration and local responsiveness"* (Colakoglu & Caligiuri 2008, p. 223). This study more exclusively focuses on the expatriate who is an employee in a PCN but now transferred to its host-country subsidiary, rather than a TCN. Hence, the term '**expatriate manager**' used in this study is referred to as the PCN expatriates.

Although the term '**expatriate manager**' is seemingly unequal to '**global manager**', the study by Cappellen and Janssens (2010) has found that the term 'expatriate manager' is still used to refer to a 'global manager' in some recent studies. In effect, the term 'global or transnational manager' can now be equated with 'global leader' as numerous management studies have viewed both management and leadership abilities as the major accountabilities for global managers. Global or transnational managers require the ability to deal with the demands of short-term profitability and respond to administrative and managerial needs across cultural and functional boundaries. They need to have a global perspective demanding a somewhat more adaptable, open-minded approach and an appreciation of the international business environment (Pucik & Saba 1998). According to Bartlett and Ghoshal (2003), the role of global manager requires an awareness of opportunities and risks in accomplishing responsiveness and adaptability to local situations. Further, global managers also must be seen to have a good grasp of the relevant foreign culture and its value perspectives, local customer behaviours, and trends and approaches to achieving effective business outcomes. A range of studies has identified the role of global leader to be a top management position. In contrast, Jokinen (2005) contends that a global manager can be anyone who has demonstrated the ability to deal with uncertain situations and who has taken on responsibilities in international activities, even if this person is in a lower-level position. Furthermore, a review by Jokinen (2005) found that the terms '**expatriate manager**' and '**international, multinational, transnational and global manager**,' as well as '**global leader**' can be used interchangeably in the literature. Despite different interpretations existing, the term

“expatriate manager” can refer to home-country national expatriates who are selected to take up assignments as CEO or senior executive manager.

### **2.6.2 Expatriate Roles and Responsibilities**

According to the management literature, traditional expatriation is the process of selecting home country staff with the requisite potential to fill key positions in overseas subsidiaries in host countries. Primarily, the roles and responsibilities of expatriates depend on the mission, vision and objectives required by these subsidiaries. Beamish (1998) and Lii and Wong (2008) cite traditional roles of expatriates to be as the following:

*Expatriate managers play an important role in representing and implementing the corporate objectives of an MNE. Expatriates often serve as a control mechanism to ensure that the affiliate adheres to corporate goals and objectives (Sohn & Paik (1996) cited in Beamish 1998, p. 36).*

*An expatriate has to play many different roles. He is a representative from the parent company; a manager for a local subsidiary company; a local resident; a local citizen or a citizen in both countries; an expert; and a family member (Rahim (1983) cited in Lii & Wong 2008, p. 297).*

For some people, pursuing a career today may involve taking on roles in other countries that enable them to develop and apply their capabilities with a range of organisations whereas others accept expatriate roles within the same organisation. In the globalised workplace some managers have become ‘international itinerants’ choosing to move from one expatriate role to another while others, termed ‘repeat expatriates’, take on expatriate assignments at the direction of their organisation, but with some choice in when and where they might be sent (Näsholm 2012). For employees of Japanese MNCs the traditional employment system of ‘lifetime employment’ or the *Nenko* system (Kim 2008; Ono & Odaki 2011), combined with the need for staff to set up and manage overseas operations, is likely to result in repeat expatriates, not international itinerants. Japanese MNC employees are likely to continue to work for the one organisation throughout their life, but accept assignments, including overseas postings, as directed by management.



Because the pressure of global competition has a pervasive influence on world economic markets, the roles of expatriates have become far more important and complex than simply managing a subsidiary business. The expatriate's responsibilities thus appear to have been consolidated to incorporate more than just recruiting to fill positions, coordinating, controlling, planning and leading in the MNC's subsidiary (Minbaeva & Michailova 2004). The studies by Harzing (2001) and Minbaeva and Michailova (2004) have shown that expatriate managers need to align all employees of the foreign MNC with the overall strategic direction of the parent company. Further, expatriate managers need to transfer managerial expertise, disseminate knowledge and distribute technology to local nationals in host countries to sustain the MNC's subsidiaries worldwide. In this respect, Peterson and Thomas (2007) contend that expatriate assignments should entail the need for proper adjustment to the new working surroundings. Hence developing a proper working relationship with local nationals is another aspect of the expatriate manager's role.

As mentioned above, the roles of expatriates have been addressed from multiple perspectives. However, there are no specific descriptions for the expatriate positions as their functions and responsibilities are fluid. Moreover, when the MNC headquarters direct their expatriate staff to take actions in the host country that are contrary to those accepted according to the culture of the host country, conflict can arise regarding role expectations. This may cause stress and lead to adjustment difficulties for the expatriate (Lii & Wong 2008; Peterson & Thomas 2007; Bhaskar-Shrinivas, Harrison, Shaffer & Luk 2005). In order to avoid this conflict, many researchers have attempted to describe the roles performed by expatriate managers. In general, the primary role of expatriates has been described by the responsibilities they have been assigned. As highlighted by Peterson and Johri (2008), '**controller**', '**coordinator**', and '**developer and transferor**' have been stated to be the roles of expatriates that most researchers agree upon.

According to Peterson and Johri's (2008) review, under the role of a '**controller**' the expatriate manager controls the subsidiary's strategy and operations. The expatriate manager must ensure that, although there may be differences in the cultures between the parent and host countries, the subsidiary needs to follow the overall strategic direction

of the parent company. Under this role of '**coordinator**', the expatriate manager would be expected to coordinate business activities between the subsidiary and parent company and he/she is required to collaborate with local management and align by leading the subsidiary with the parent company's direction to reach the same goals. The third role is as both a '**developer and transferor**'. As a developer, an expatriate manager would need to help his/her local employees to improve their skills to meet the standards of the parent company (Bennett et al. 2000). As a transferor, the expatriate is responsible for transferring knowledge and skills to local employees (Riusala & Suutari 2004; Torbiorn 1994). Petison and Johri (2008) contend that whether the expatriate is a developer or transferor, both roles are equivalent in the way that they help local employees to develop their skills through knowledge transfer.

Parent companies use expatriate managers as coordinators to encourage knowledge transfer and to disseminate standardised skills across the MNC subsidiary (Wang, Tong, Chen & Kim 2009; Minbaeva & Michailova 2004). The ability to facilitate knowledge transfer and ensure appropriate skill development is vital for the success of the international assignment and for the subsidiary to reach a high overall level of performance. Equally important for success is the ability to build harmonious relationships with local employees, to ensure that the required training and development is being provided to those who need it and to overall have the ability to manage people in overseas operations. Ensuring that those being sent on international assignments possess these attributes, along with their technical skills and business acumen, depends on the use of appropriate recruitment and selection techniques; those that assess for knowledge, skills and attributes.

The topic of developing harmonious relationships with domestic colleagues has long been a subject of academic debate (Avril & Magnini 2007; Anderson 2005; Toh & DeNisi 2005; Minbaeva & Michailova 2004; Harvey & Novicevic 2001; Caligiuri 2000b, 2000a; Coverdill & Finlay 1998). Studies by Anderson (2005) and Jokinen (2005) revealed an increasing necessity to focus on specific training for expatriate managers to enhance their employee relationship skills. Further, their studies revealed the need for expatriate managers to be encouraged to pay more attention to the needs

identified by the local workforce. In addition to the knowledge and skills required for the role, these relationship attributes have become significantly important for business and expatriate manager success.

### **2.6.3 Challenging Roles of Local Staff and Expatriate Management in MNCs**

The study by Toh and DeNisi (2005) highlights that the responsibility for successful completion of international assignments has mainly been with the expatriate manager. However, it has been argued by Jokinen (2005) that managers who were successful in their parent company may not be able to effectively manage in their international assignments for many reasons. Furthermore, perceptions of success on expatriate assignments might be considered differently between home and host country context (Harzing & Christensen 2004). Therefore, effective expatriation has become a vital trigger for the parent companies to raise the concern on the better utilisation of their employees in home countries in an effort to provide suitable expatriates for assignments in their MNC's host countries. Meanwhile, an awareness of what factors that have been perceived necessary for expatriates' success in the cultural environment of host countries has been an issue to prevent expatriates' failure (Dowling & Welch 2004; Varner & Palmer 2002).

By examining extensive range of sources, discussions of expatriate success require that career success first, which can be defined by the accomplishing of a person's career path as well as career satisfaction in the organisation (Dries, Pepermans, Hofmans & Rypens 2009; Seibert, Crant & Krammer 1999). However, as a consequence of the need to globalise, career success tends to be grounded in expatriate success or boundaryless career types in terms of task completion and overall performance reaching high-levels associated with relationship building and family adjustment in local and other countries (Brien 2008; Arthur, Khapova & Wilderom 2005; Harrison & Shaffer 2005; Callanan 2003). For example, Arthur et al. (2005, p. 178) mentioned that:

*Career theory suggests a broader range of interpretations, based not only on success within any organization but also on success within other, for example occupational or cultural, contexts. Career success may also be assessed by peer groups either within or outside the individual's present organization, or may be idiosyncratic to*

*the person, not only in terms of personal preferences but also in terms of accommodating work and family or other issues of life–work balance.*

With regard to the definition of career success mentioned above, not only inter-organisational attributes, but also extra-organisational for career support in terms of extending or operating across national boundaries by involving people from several countries are important for career progression (Bolino 2007; Arthur et al. 2005). Those pursuing expatriate placements as part of their career progression will require additional occupational, interpersonal and cross-cultural skills, along with other organisational supports. For instance, providing cross-cultural training can lead to expatriate adjustment and subsequent success (Waxin & Panaccio 2005; Chew 2004). However, it must also be recognised that in order for expatriate managers to reach their assignment objectives, it is crucial that they be connected to their local workers; they are not only the expatriate manager's subordinates, they are also their co-workers or supervisors in relation to their new responsibilities in the foreign workplace, surroundings and relationships. Local employees are in effect more than the primary facilitators for the expatriate manager's adjustment in the MNC; they are also the expatriate manager's socialising agents for advice and guidance on socially acceptable behaviours and attitudes in the host country. Toh and DeNisi (2005) have described this role as:

*Without local support, expatriates may experience greater difficulty adjusting to their new jobs and the new environment, which is a contributing factor in the failure of expatriates (Toh & DeNisi 2005, p. 132).*

*Local staff are important, not only in their own right as potentially productive members of the organization, but also as a source of support and help for expatriate managers sent to their country (Toh & DeNisi 2005, p. 144).*

Without the support of competent local employees, expatriate managers may face greater difficulty adjusting to their new responsibilities, leading to feelings of discomfort in the new working environment. The absence of this form of facilitation may, indeed, lead to a failed assignment (Leung et al. 2009; Petison & Johri 2008; Avril & Magnini 2007; Toh & DeNisi 2005; Minbaeva & Michailova 2004; Chen et al. 2002). In this respect, numerous organisations make strong efforts to increase the capabilities of their local staff through learning and development programs designed to

build potential helpers and supporters for expatriate managers (Dowling, Festing & Engle 2005), but other organisations opt to disregard these development opportunities and continue to attend more to expatriate managers rather than to the local employees (Toh & DeNisi 2005). In fact, the studies by Toh and DeNisi (2005) and Naquin (2006) show that a socially competent local workforce is essential to compete in the increasingly hypercompetitive global marketplace.

Clearly, success of MNCs depends on both local employees and their expatriate managers in hypercompetitive environments. Importantly, Petison and Johri (2008) stressed that local employees should possess a high degree of task readiness and managerial capabilities, and that this was considered an essential dimension of the roles of expatriate managers, in particular for Thailand's automotive industry in which compliance with policies of the parent company is required to facilitate knowledge transfer. As a consequence, Petison and Johri (2008) indicated that the role of an expatriate can be strongly tailored to fit local employees' capabilities through their '**commander**', as well as '**coach**', '**conductor**' and '**connector**' roles. These roles represent a more local employee-focused approach to building sustainable relationships between employees and international managers and to successfully reaching assigned objectives.

Petison and Johri (2008) observed that the level of local employee skills, and their task readiness, play an important part in the first role of an expatriate manager, that of '**commander**'. While local employees often have inadequate skills and their management capabilities are often lower than the company desires, it is necessary for the expatriate manager to attend more to these local employees, especially with respect to the tasks that require planning, organising, or team working skills. The second role is that of a '**conductor**'. Petison and Johri (2008) assert that expatriate managers fulfil the role of a conductor for employees, such as engineers who mainly have task-related skills, but are unaccustomed to exercising their managerial capabilities. Therefore, with regard to jobs that require mainly planning, organising, and coordinating competencies, the employees assigned to these positions would need advice from their expatriate manager. Expatriate managers need to monitor the performance of these employees

checking that they are both effective and meet timelines, as Thai employees are often unable to meet deadlines. Petison and Johri (2008) found that expatriates believe time management is a vital skill for mastering project planning. Furthermore, as a conductor, expatriates need to learn how to understand the minds and behaviours of Thai employees. This understanding will enable the expatriate manager to encourage Thai employees to contribute their opinions and share ideas.

Another situation involves the introduction of new technologies to the local employees who, in contrast to engineers, have the capability of managing but have limited technical skills. This would require the expatriate manager to play the role referred to as a '**coach**'. It entails expatriate managers investigating and determining how the performance of local employees could be enhanced. A 'coach' provides instruction in pertinent skills and encourages, or motivates, local employees to reach their full potential (Petison & Johri 2008).

The last role is that of a '**connector**'. Expatriate managers undertake this role for employees who are already proficient at their job and thus require minimal supervision. Because local staff have a recognised level of managerial competence, they have experience in handling a range of problems and, when issues arise, these employees can usually solve them with only a little support from their expatriate manager. In the role of a connector, the expatriate manager would usually have a responsibility to provide a connection between the parent company and its subsidiary. This role also aims at developing trust-based relationships. Therefore, a mutual understanding/respect for differences in national cultures and work styles has become an indispensable component for expatriate success. Especially, Petison and Johri (2008) found that consistent and sincere communication leads to trust-building between the expatriate and Thai employees; meanwhile, communication behaviors lead to the expatriate adjustment (Haslberger 2007). Additionally, fostering collaboration and teamwork between expatriates and the local workforce will encourage knowledge and skill transfer. This holds true also for the exchange of business information and transactions between home and host countries.

Petison and Johri (2008) identified the valuable role of expatriate managers in automobile MNC subsidiaries in Thailand, but their research did not extend to describing the necessary attributes and influencing factors for MNC expatriate managers to operate effectively, nor whether their existing specific capabilities needed to change in the situation where excellence in management and leadership is vital for business success (Naquin & Holton 2006; Svensson & Wood 2006). Petison and Johri (2008, p. 748) described expatriate management that will lead to business success using their four types of roles by building on those they identified on the literature and based on their research findings. The four Thai-specific roles they describe are those of commander, conductor, coach and connector. The commander role acknowledges the willingness for Thai workers to be directed and closely monitored. In the conductor role the expatriate manager ensures employees are performing their tasks and that collaboration is occurring between those involved in performance of the tasks. As coach, the expatriate manager trains and develops their Thai employees to achieve their potential. Finally, as connector the expatriate manager's role is to build relationships between all parties to develop understanding, support a long-term relationship between all stakeholders and encourage commitment. These descriptions made a valuable contribution to our understanding of expatriate manager roles by explaining the tasks expatriate managers need to perform in order to complete excel at their job whilst also encouraging local employees to work to a high standard and to complete their tasks on time. These roles may be seen to include both the functions of leadership and management as they seem to overlap and are usually performed in the same role or job (Bush & Coleman 2001).

Hence, this raises questions for the host-country's HR managers about the qualities needed by expatriate managers to effectively deal with their onsite local challenges. More specifically, there is an on-going debate as to the specific attributes expatriate managers require to equip them to be capable of efficiently resolving existing or potential cultural conflicts on site. There is now an awareness of the need for personality characteristics or attributes that go beyond technical expertise. In order to experience positive outcome and achievements in another country, other factors will influence success. There are discussed in the next Section 2.7 culminating in the

definition of a successful expatriate or career as an expatriate manager in Chapter 1 (in Section 1.8.1 commencing at page 15).

## **2.7 FACTORS PREDICTING EXPATRIATE SUCCESS**

Whereas the previous section (2.6.3) looked at the relationship between local staff and various roles of expatriates in general, this section concentrates on expatriate management leading to the definition used in this research of expatriate success. To examine the possibility of eliminating workplace conflicts and performance failures, the relevant literature on distinctive cultural characteristics and management styles and causes of expatriate management success or failure, have been reviewed in this study. This undertaking is necessary because, for example, an earlier study by Tung (1982) found that 76% of US MNCs had failure rates of up to 40% due to the inability of expatriate managers and/or their families failing to adjust to foreign cultures. Moreover, in relation to these failure issues, further studies have shown that US MNCs lost on average between US\$250,000 and US\$1 million per year (Luthans & Farner 2002) as a result of expatriate manager failures or shortcomings. These potentially enormous unpredictable costs when an overseas assignments fail no doubt led to Chew (2004, p.2) stating that “*expatriate failure becomes an international crisis for the MNC*”.

The high costs of expatriate failure seem to occur in many countries, but it nonetheless may be caused by a systematic overestimation. Furthermore, the perspective on expatriate failure or success might be considered differently. For example, from the home country’s perspective, the outcome of expatriate performance could be perceived as failure, but nonetheless regarded as success on site by host country partners in terms of creating a good relationship and long-run growth (Harzing & Christensen 2004). Therefore, questions are often asked about the factors that might best determine the potential for a manager to succeed on an overseas placement when selecting expatriate manager candidates. However, these factors might be considered reflections of different perceptions depending on the country.



Studies by Coverdill and Finlay (1998), Bennett et al. (2000), and Avril and Magnini (2007) highlight that expatriate manager success fundamentally depends on the first step in the recruitment process and that selecting the right person is the key to operating effectively and efficiently in international assignments. In particular, many studies in international relations (Holopainen & Björkman 2005; Huang, Chi & Lawler 2005; Guthrie et al. 2003; Caligiuri 2000b; Ones & Viswesvaran 1999; Coverdill & Finlay 1998) have shown that personality characteristics are reliable predictors of an expatriate manager candidate with the potential to effectively accomplish an overseas assignment. Similarly, having job-specific expertise, country-related knowledge, relational skills, and an appropriate level of motivation to succeed; language skills, experience in facilitating cross-border work, and having family support, can also be used to predict the likelihood of expatriate manager success (Benson et al. 2009; Haslberger & Brewster 2008; Avril & Magnini 2007; Holopainen & Björkman 2005; Caligiuri 2000b). Therefore, to examine appropriate selection criteria and pre-placement training to prepare the expatriate candidate well for the international placement, personal characteristics and other relevant factors are now discussed in detail below.

### ***2.7.1 Predictor 1: Personal Characteristics***

It is seemingly complicated to predict the success of expatriate candidates to work under unfamiliar overseas assignment conditions. However, there are indeed many tools available, depending on the context: the type of role to be performed and the related attributes requiring measurement. Hogan and Shelton (1998), for example, tend to measure personal traits, including the three broad categories of motivation, identity, and reputation as significant predictors of success for US and European expatriate managers. Hogan and Shelton's (1998) results show that personality attributes as variables appear to be superior predictors of success as measured by performance on the job. From their study, Hogan and Shelton conclude that it is possible for personal characteristics to predict both suitability for the position and the probability of success in it. Likewise, how successful expatriate managers are in performing their duties might also be discerned with reference to how other collaborators view and evaluate the expatriate manager's effort.

Several proprietary instruments are available, for instance, the Kiersey Temperament Sorter (KTS) survey is an internet-based instrument which can be freely used to measure personality traits (Daley, McDermott, Brown & Kittleson 2003; Kelly & Jugovic 2001). This accessibility indicates that organisations can at least access some personality-related tools without incurring great expense. Nevertheless, Daley et al. (2003) highlighted that although lower costs is one of benefits from conducting KTS survey, researchers can easily track respondents through their e-mail address which is revealed. The lack of confidentiality and anonymity can be a major disadvantage of conducting electronic surveys.

The MBTI is another instrument commonly used in evaluating personality. Developed by Briggs Myers and Cook Briggs and based on Jungian theory, it has been refined over many years and both evaluates and provides a means of understanding of differences in the normal range of personality through explaining elemental patterns in human functioning (Furnham, Dissou, Sloan & Chamorro-Premuzic 2007; Myers 1962). This has been the instrument most frequently used in the area of consultancy and training world (Moutafi, Furnham & Crump 2003; Arnau, Rosen & Thompson 2000; Furnham 1996). Arnau et al. (2000) maintain that numerous criticisms from researchers had pointed to weaknesses of using the MBTI instrument as noted by Arnau, Rosen and Thompson (1999); for instance, *“one criticism is the use of a forced-choice response format, which produces spurious negative correlations among items”* (Arnau et al. 2000, p. 410). Academic research has revealed the Big five personal characteristics test to be the most commonly used instrument in the field of international relations to determine suitability of expatriate applicants for a particular international assignment (Downes, Varner & Hemmasi 2010; Kun, Jing & Yanrong 2010; Lii & Wong 2008; Avril & Magnini 2007; Downes et al. 2007; Anderson 2005; Holopainen & Björkman 2005; Selmer & Leung 2003; Judge, Bono, Ilies & Gerhardt 2002; Suutari & Brewster 2001; Caligiuri 2000a; Coverdill & Finlay 1998; Hogan & Shelton 1998; Pucik & Saba 1998; Webb 1996; Arthur & Bennett 1995).

According to Caligiuri (2000a) the personality characteristics that are determined by ‘The Big Five Personality’ instrument: those of extroversion, agreeableness,

conscientiousness, emotional stability and openness or intellect, were deemed to have an impact on high performance achievement in expatriate managers when dealing with difficult situations on international assignments. The more expatriates are involved with the host national culture and work styles, the better will be their cross-cultural adjustment. Meanwhile, cross-cultural adjustment can positively influence the expatriate to development of related personal characteristics within expatriates (Huang, Chi, & Lawler 2005; Caligiuri 2000b). Other research has demonstrated that although this conclusion may be correct (Judge et al. 2002), other factors could also be involved. According to Judge et al. (2002), personal characteristics and leadership are two major contributions to organisational effectiveness because personal characteristics are strongly related to leadership effectiveness.

The study by Judge et al. (2002) highlighted that extroversion and conscientiousness are traits that are more likely to emerge in effective leaders. Leaders, who are characterised by extroversion, have the necessary social skills and confidence to direct and support others to efficiently complete their work, are enthusiastic, and maintain a high level of presence amongst their work group being available to them when required. Conscientiousness is related to job performance and includes criteria such as accepting responsibility, prioritising tasks, thinking before acting, following norms and rules, planning, budgeting and organising. Effective leaders also demonstrate greater openness to experience and are imaginative, independent minded and possess divergent thinking capabilities. Judge et al. (2002) suggest that agreeableness is likely to be an attribute of successful leaders. Although leaders must make decisions and have followers implement decisions, they must also possess the quality of being keen to listen to others and, when appropriate, agree with them. Furthermore, as cultural insensitivity prevents many standard business practices from being effective, particularly in the transference of systems for managing workers (Swierczek & Onishi 2003), it is required of expatriate managers that they possess agreeableness and willingness to listen to their team workers, whilst also being emotionally stable and able to handle stress with confidence when adapting to a new environment.

The Big Five Personality test is used to select suitable expatriate managers for overseas assignments, and those required characteristics reflect the features of a leader (Judge et al. 2002). Again, in this regard, it may be inferred that ‘manager’ and ‘leader’ are two interchangeable terms (Marshall et al. 2011; Violanti & Jurczak 2011; Simone 2010; Williams et al. 2009; Schilling & Schilling 2008; Dijk & Freedman 2007; Burke 2006). Moreover, it is clear that specific selection criteria need to go beyond standard requirements that focus only on domestic business operations and technical skills (Harvey et al. 2002; Osman-Gani 2000) to encompass more (Judge et al. 2002). Personal attributes have the capacity to be the key to expatriate success (Holopainen & Björkman 2005; Caligiuri 2000a). Kun et al. (2010, p. 25-26) provide evidence of the potential power of personality characteristics on the overseas assignment success:

*Rather than domestic work, expatriates of MNCs have to deal with cross-cultural conflict frequently, so expatriate selection demands more on personality traits. As key predictors of expatriate success, these traits are of the most importance and complexity, and it would take a long period or even turn out to be impossible to be strengthened by training.*

Thus, from the research discussed in this section, personal characteristics appear to be an accurate predictor in the selection of expatriates who will succeed in international placements. Using reliable and suitable instruments to measure these characteristics for expatriate assignments is important (Holopainen & Björkman 2005; Caligiuri 2000a).

### **2.7.2 Predictor 2: Other Individual Factors**

#### **Gender**

Within home country organisations and the domestic workplace in general, female participation is increasing following FDI, and this trend is evident across developing countries (see 2.2.4). Women are no longer restricted from entering the traditional male dominated area of international assignments. Studies by Minter (2008) and Tungli and Peiperl (2009) confirm that the gender gap has reduced over the last few years. In 2006, for instance, the number of women on expatriate assignments, particularly in companies in the Asia-Pacific region, increased sharply by 16 times that of 2001. In Western countries, such as North America, the relative increase in the number of women expatriate managers was lower, reaching in 2006 four times that of 2001. Similarly,

European MNCs reported that there were more than twice as many women on expatriate assignments in host countries in 2006 than there were in 2001 (Minter 2008).

Despite female appointments to expatriate management roles improving slowly, their numbers remain considerably behind those of men (Tungli & Peiperl 2009). In particular, the number of women assigned to senior management roles overseas has changed only nominally (Grant Thornton 2012; Stroh, Varma & Valy-Durbin 2000). Compared with women working in global assignments, women working inside the home country are more likely to be promoted, particularly in Russia, Botswana, the Philippines and Thailand. According to the International Business Report (Grant Thornton 2012), Russia has the largest percentage of women in senior management positions, followed by Botswana, the Philippines and Thailand at 46%, 39%, 39% and 39% respectively. However, those in India, Germany and Japan show unsatisfactory rates of 14%, 13% and 5% respectively.

With positive domestic employment growth trends for women and the promotion of gender equality driving economic growth (United Nations Development Programme 2010), the issue of gender-based expatriate selection should not be an issue at this time. As Sinangil and Ones (2003, p. 472) noted:

*From a practice perspective, the message to multinationals and human resource managers is clear: Do not assume (based on stereotypes and perceptions) that female expatriates will perform poorly on international assignments and will be perceived poorly by host country nationals in male dominant cultures. In this day and age, there is no justifiable reason for excluding or limiting women from expatriate assignments. Gender-based expatriate selection is indefensible.*

More importantly, studies by Guthrie et al. (2003), and Janssens, Cappellen and Zanoni (2006) show that females often possess a range of personal attributes which make them highly suited to international assignments, including having a high degree of emotional sensitivity and empathy, strong leadership abilities suited to team work and consensus decision-making, the ability to handle a range of tasks concurrently, and greater ability to cooperate and collaborate in cross-cultural situations. However, despite having these incredible competencies, there are still significant entry barriers to women being

selected into senior positions in male dominated work fields such as senior expatriate roles (Guthrie et al. 2003) with stereotyping being found to persist leading to a low level of female participation in expatriate roles (Shortland 2009).

Boon (2003) and ILO (2004a) highlight that traditional cultural and social attitudes towards gender in the workplace, particularly in Asian countries, were the reason women did not receive as much attention as did males. Even with the classic studies by Adler (1987) and Caligiuri and Tung (1999) confirming that the success rates of female expatriates are similar to those of male expatriates, this observation did not modify beliefs that women's abilities were lacking.

The career advancement of females is limited because they are less likely to be selected for international placements. This is because gaining an international post is viewed as an opportunity for development, with the experience gained being valued and often seen as a prerequisite for promotion to senior positions (Stahl, Chua, Caligiuri, Cerdin & Taniguchi 2009). Doherty and Dickmann's (2009) research found that those who had been on international assignments felt that the skills, knowledge and abilities that they had gained from facing the challenges such an assignment presents could be expected to support career advancement, appointment to more challenging roles and increased income. Although this expectation was not always achieved within 12 months of return, overall an international appointment was seen as supporting career progression so if females are less likely to be appointed to international posts, their career may be adversely impacted. In addition, Cole and McNulty (2011) postulate that organisations might currently be ignoring or underutilising an important source of talent, vital to success in the globalised business environment. Therefore, there has been an increasing interest in whether or not cultural and social attitudes towards gender are still consistent with factors affecting achievement on international assignments, despite the fact that women excel on international assignments when research has highlighted their positive leadership behaviours in general (Eagly 2007).

### **Marital Status**

According to Forster (2000), Harvey and Novicevic (2001) and Holopainen and Björkman (2005), selecting and dispatching expatriates suitable for overseas assignments becomes an important issue that requires careful consideration guided by stringent selection criteria that go beyond those used for home country roles in parent companies. In particular, numerous studies in the 20<sup>th</sup> century, such as Tung (1982), Black and Gregersen (1991), Black, Gregersen and Mendenhall (1992) and Webb (1996) emphasised that spouse and families of expatriate candidates should be screened and interviewed by the parent company because it is likely that married candidates would take their families with them on overseas assignments (Stroh et al. 2005; Black et al. 1992). As a result, Stroh et al. (2005) point out spousal support and the ability of the family to adjust have become the main factors leading to the selection of appropriate expatriate candidates, especially those found in American, European and Scandinavian MNCs. For cultural reasons, this issue has not been considered part of selection and retention objectives in many Japanese MNCs. As Stroh et al. (2005, p. 50) noted that:

*In Japan, for example, the family is not an issue in the selection process; if a man is advised to make an international transfer, the effect of assignment on the family is not considered relevant because Japanese decision makers believe that a wife will not really be able to influence her husband's decision. Even if a Japanese wife was not willing to move overseas, her husband would still be bound to the firm and would have to take the assignment.*

The studies by Anderson (2005), Avril and Magnini (2007), Guthrie et al. (2003), Kun et al. (2010), Haslberger and Brewster (2008) and Minter (2008) are consistent with the above mentioned studies and suggest that an expatriate family influences assignment success, in particular the spouse's ability or inability to adjust to new surroundings that is one of the major causes of expatriate marital difficulties, and which may ultimately lead to the end of a relationship, or the premature return of expatriates, or both. Cole (2011, p. 1506) highlight that “a happy and supportive spouse was ranked as one of the most important success criteria for both male and female expatriates”.

The issue of adjustment of an expatriate's spouse/family is becoming increasingly difficult to ignore in accordance with factors influencing expatriate failure/success,

therefore, in this study, marital status comes with challenges that need to be addressed properly to ensure a successful expatriation, specifically with Japanese expatriate managers working in Thailand.

#### **Experience in facilitating cross-border work**

Studies by Avril and Magnini (2007), and Pattie and Parks (2011) indicate that possessing cultural adaptability can assist expatriate managers to eliminate barriers arising from differences in working styles. In other words, expatriate managers who had acclimatised themselves to new cultures should more easily settle into new work groups. Notwithstanding this, these attributes are difficult to teach and to be learned and practiced. Mayerhofer et al. (2004) emphasised that many organisations attempting to increase their employees' capabilities for overseas assignments have responded by increased investment with more frequent international travel and short-term transfers. However, this type of investment is considered to be high costs and does not always provide the desired result. Therefore, international assignment experiences commonly are deemed as a supplementary personal background aiding and abetting the selection of expatriate managers. In particular, Avril and Magnini (2007) and Pattie and Parks (2011) believe that adjustment to new situations and job assignments can be generated by work experiences in foreign firms. However, Jun and Gentry's (2005, p.7) study found that:

*One should select expatriates whose personal values are in line with the host cultures, and that merely selecting someone from a cultural background similar to the host country's or someone with previous experience in a similar country is not likely to be effective.*

There appear to have been no studies exploring whether having experience with overseas assignments can assist the adaptability of expatriates and support expatriate success, especially for Japanese expatriate managers in Thailand (Jun and Gentry 2005).

#### **2.7.3 Predictor 3: Organisational Support**

The study by Caligiuri (2006) within several European and North American companies found that despite a preference for considering the big five personality factors, knowledge (such as cultural knowledge and international business knowledge), abilities



(such as intercultural interaction, language and thoughtfulness) are the essential components of successful expatriate management. In terms of cultural knowledge, Caligiuri's (2006; 2000a) research identified that expatriate managers must understand the values and norms that differentiate one culture from another to avoid unprepared individuals from unintentionally alienating local workers in overseas subsidiaries. In terms of cultural abilities, Caligiuri's (2006; 2000a) suggested that the experience of life changes in the course of an international assignment might help expatriate managers become familiar with new environments more quickly. For this reason, organisations are being challenged to pay and frequently offer high salaries to encourage candidates to move to an unfamiliar environment. In agreement, Suutari and Brewster (2001) asserted that not only are high salaries needed to motivate managers to work outside their home country, but also covering of travelling expenses and extra personal expenses for food and family welfare are expected. Therefore, both predictable and unpredictable costs are incurred when an expatriate fails; and thus organisations must have a way to confidently select the right person for overseas placements

Studies by Bhaskar-Shrinivas et al. (2005), Lii and Wong (2008), and Peterson and Thomas (2007) agree that the parent company may expect the expatriate manager to take over new responsibilities or complete tasks when operating the subsidiary. These often result in stress being experienced between an assignee's role clarity, role discretion, role novelty and role conflict. The stress this causes manifests itself in adjustment difficulties for expatriates. Studies by Puck, Kittler and Wright (2008) and Svensson and Wood (2006) show that building strategic and organisational awareness for both the transferring expatriate as well as employees of the subsidiary can help to avoid role conflict and facilitate adaption to new working conditions. The growth in the number of overseas assignments in today's knowledge-based economy has led to organisations now being challenged to carefully consider which training or development programmes can best assist expatriates to develop the capabilities required to carry out both administration and effective management in international businesses (Harvey, Buckley & Novicevic 2007).

Clearly, when sending employees to work in another culture, it is important that organisations provide the support, such as the ability to communicate with local workers that will enable them to succeed (Sriussadaporn 2006; Holopainen & Björkman 2005). Furthermore, studies by Petison and Johri (2008), and Menzies et al. (2008) confirmed that sincere communication is crucial in the context of expatriate assignments as it can facilitate trust building when controlling or coordinating with local employees. Furthermore, communication behaviours are perceived by expatriates as one of factors affecting cross-cultural adjustment (Haslberger 2007). In particular, with how much effort the expatriate that has put in building a communication with local workers, even with less language proficiency, the better host-country cultural understanding has been reflected (Sriussadaporn 2006; Holopainen & Björkman 2005).

By examining suitable organisational support for the expatriate career development, there is a range of factors that researchers have identified as contributing to organisational success and which are desirable for organisations to acknowledge and prepare their expatriate managers in prior to departure. Support during their time in the new culture is important (Varma, Pichler & Toh 2011; Puck et al. 2008; Seak & Enderwick 2008; Celaya & Swift 2006; Jassawalla, Asgary & Sashittal 2006). Organisational support is required by expatriate managers for success because, as Minter (2008) found, traditional expatriate selection techniques, as well as inadequate orientation and training along with communication supports, were significant elements contributing to expatriate manager failure. One reason was that in the past the expatriate selection process was unsophisticated. The process did not include consideration of whether the selected candidate possessed the ‘soft skills’ or personal attributes to enable them to fit into the host country’s culture. In addition, after selection appointees were provided with inadequate training support prior to taking up their international assignment. Expatriate managers, therefore, were ‘on their own’ and often suffered stress as a result of inability to adapt to the new culture in which they were expected to perform. This oversight resulted in premature return of the expatriate managers. For this reason, selecting and dispatching of a person totally suited to undertaking an overseas post is an important step that requires careful consideration for MNCs. In particular, Minter (2008) demonstrated that:

*As we enter the first decade of the new millennium, one would think that MNC's would have demonstrated significant improvement upon their policies and practices regarding expatriate selection, training and orientation, assurance of successful support systems and repatriation practices.*

#### **2.7.4 Predictor 4: Cultural and Environmental Factors**

##### ***Thai Cultural Context***

As mentioned in Section 2.2.2, cultural differences have to be addressed appropriately by the parent company in order to create a higher possibility of operational success in the country of the subsidiary. It is therefore crucial to understand cultural differences.

Hofstede's research has been the most frequently cited study on cultural differences. The more recent GLOBE study (Javidan et al. 2006) has added to Hofstede's findings, but has not shown Hofstede's cultural dimensions to be no longer relevant. As Smith (2006) noted, the methodological problems that Hofstede faced in his early study have not been fully addressed by later studies. But Smith (2006) also states that the GLOBE study, despite benefiting from recently developed statistical analysis procedures, still contains some shortcomings. Studies by Ng, Lee and Soutar (2007), and Drogendijk and Slangen (2006) mentioned that Schwartz's framework is one of other alternative measures for calculating cultural distance which their value survey may be superior and more appropriate in some contents than Hofstede's cultural dimensions. However, Ng, Lee and Soutar (2007) pointed out that Schwartz's framework is suitable to use for evaluating cultural dimensions related to individual values with non-work related contexts. It also has not often use to test through empirical applications as Drogendijk and Slangen's study (2006, p.364) confirmed that their study "*makes a first step in this direction by empirically examining the explanatory power of two cultural distance measures*" Overall, there seems to be some evidence to indicate that Hofstede's cultural dimension is best suit to apply in this study based on empirical research.

Hofstede's cultural dimensions will now be discussed as his cultural dimensions provide a useful framework for understanding how basic values underlie organisational behaviour (Strauch 2010; Zeng, Xie, Tam & Sun 2009; Chevrier 2003; Swierczek & Onishi 2003). Hofstede (1991, p. 262) defined culture as "*the collective programming of the mind which distinguishes the members of one group or category of people from*

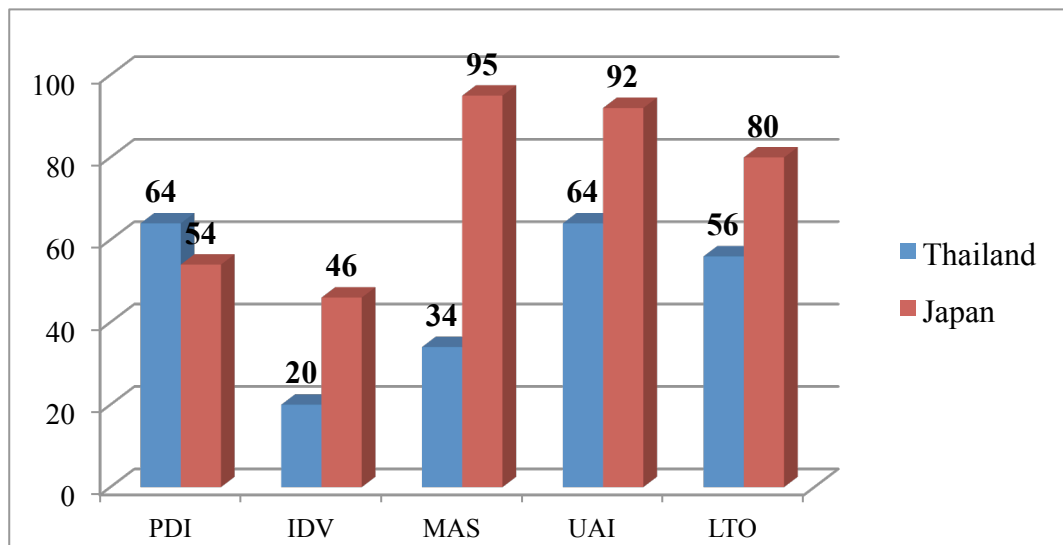
*another*”. He first concluded that all cultures could be characterised by contrasting them based on consideration of four cardinal dimensions to which a fifth was later added (1) high versus low power distance (PDI); (2) individualism versus collectivism (IDV); (3) high versus low uncertainty avoidance (UAI); (4) masculinity versus femininity (MAS); and (5) short-term versus long-term orientation (LTO) (Hofstede 2012, 2007, 2001, 1991; Hofstede et al. 1990).

Firstly, Hofstede emphasised that ‘**Power distance**’ relates to power within societies in general, but is discussed here as it relates to organisations. Power distance acknowledges that power is unequally distributed thus in the workplace it is expected that operative level employees should respect or accept the instructions of superiors who possess a higher level of power in the hierarchy. In other words, in ‘high power distance’ organisations, people in a high-status position in the hierarchy have more power and will be respected by other members who have less power. Hierarchical bureaucracies can be seen clearly in this type of organisation. On the other hand, in ‘low power distance’ organisations, the distinctions between levels in the hierarchy or the organisation in general tend to be limited, with all members perceiving that their power levels are similar. According to Hofstede (2012), compared to most of its neighbours in Southeast Asia (with the average scores 71 on PDI index), power distance in Thailand is relatively weak with a score of 64, but it is fairly high when compared to Japan with only 54 as shown in Figure 2.4. Swierczek and Onishi (2003) found that in their study of the cultural dimensions of Japanese and Thai conflict that hierarchy is considered as a relatively unimportant element for Japanese managers to note in their preparation to work in the Thai environment. On the other hand, from the perspective of Thai subordinates, it is believed that a company should have a clear hierarchy, and that management should keep a distinct distance between themselves and their employees and that this distance should be based on respect.

With the term ‘**Individualism**’, Hofstede contends that the individual is the major unit of reality and the word ‘individualism’ denotes one end of the cultural dimension’s values, like symbols of a society wherein the relationship between individuals is not strong. Collectivism, the opposite end of the dimension, characterises Thai culture, from

Hofstede's viewpoint. Thailand is described as a collectivistic culture, with a score of 20 on IDV index. Conversely, in Figure 2.4, Hofstede characterised Japanese culture with a score of 46 as more of an individualistic culture, although not entirely at the opposite end of the dimension to that attributed to Thailand.

**Figure 2.4: Comparing Thai & Japanese Scores based on Hofstede's Cultural Dimensions**



Source: <http://geert-hofstede.com/thailand.html>

**Legend:** Power Distance (PDI); Individualism versus Collectivism (IDV); Masculinity versus Femininity (MAS); Uncertainty Avoidance (UAI); and Long-term versus Short-term orientation (LTO).

The results shown in Figure 2.2 above are summarised below:

	PDI	IDV	MAS	UAI	LTO
Thailand	64	20	34	64	56
Japan	54	46	95	92	80

**Note:** The scores used for the fifth dimension (LTO) are based on the research of Michael Harris Bond, as published in the 2nd edition of "Cultures and Organizations, Software of the Mind". For the scores for 93 countries based on research by Michael Minkov using World Value Survey data are taken from the 3rd and latest edition.

The study by Swierczek and Onishi (2003) acknowledged Hofstede's viewpoint that Thai people not only place a high emphasis on the hierarchy in organisations, but also are more a collective society. Swierczek and Onishi (2003) remarked that the opposite of this can be a possible source of inconsistency between Japanese managers and their Thai subordinates. Moreover, although Thai subordinates have adapted to the Japanese management style, they nevertheless experience difficulties attempting to become accustomed to the Japanese style of management when it is rigidly applied to company protocols. The decision-making process is a good example of what causes Thai national workers to feel uncomfortable. Whereas the Japanese decision making process is by way of general consensus among team players, rather than by allowing one person's idea to dominate, Thais would prefer to solve problems and make decisions alone when they believe they have sufficient knowledge to do so. However, a '**high level of uncertainty avoidance**' culture leads Thais to obey and behave in response to rules and regulations, even when they might prefer flexibility rather than the rules that the Japanese management approach has brought to their organisation.

Hofstede identified Thai cultural characteristics as '**Femininity**'. The categorisation of Thais as being 'feminine' is because they generally behave with a caring attitude towards other people, avoiding conflict and maintaining harmony in social relationships (Hallinger & Kantamara 2000). This Buddhist belief originates from the element of having personal concern for each other. In Thai language this is known as '**Nam Jai**' (feeling willingness to help strangers) and '**Kreng Jai**' (being understanding, feeling reluctant to impose on others by rejecting requests, demonstrating disagreement, making direct judgements, and by avoiding becoming involved in conflict situations) (Niffenegger et al. 2006; Sriussadaporn 2006; Knutson, Komolsevin, Chatiketu & Smith 2003; Sriussadaporn-Charoenngam & Jablin 1999). As a result, an effective communication process in the Thai workplace would consequently need to hinge on social signs and etiquette that underline when to talk and how to engage each other in conversation. Moreover, spoken messages, especially in public places, might be communicated implicitly and not directly since this could cause '**loss of face**' and an uncomfortable feeling for Thai people. This is often in order to show concern for the other person. For example, in the study by Petison and Johri (2008) it was found that

senior managers would attempt to step in to find a possible solution to solve a problem rather than confront and criticise subordinates because of a regard for the nature and sensitivities of Thai people.

In contrast to femininity, '**Masculinity**' is a tendency to be a workaholic; having an assertive behaviour, expressing a high degree of competitive qualities and showing an emphatic achievement orientation. These attributes reflect the Japanese culture. For example, Swierczek and Onishi (2003) show that this type of Japanese behaviour in the workplace often causes problems and makes Thai workers feel uncomfortable. That is in contrast to the situation in U.S.A. subsidiaries in Thailand. Here Boonsathorn (2007) indicates that both US and Thai workers in MNCs in Thailand seem to be equally task-oriented driven by a high concern for cultural harmony within Thai working places. Swierczek and Onishi (2003) point out that the differences between masculinity and femininity reflect the collaboration gaps between Japanese and Thai employees. Maybe it is because Japan is labelled as a '**long-term oriented**' society, which results in Japanese people being committed to hard work and having high expectations of receiving a promotion in return. This is in contrast to the countries scoring high on Hofstede's short-term orientation, such as Thailand. Although Thais expect swift results and employment growth, flexibility and adjustable orientations reflect Thai preferences.

It is noticeable from the graph in Figure 2.4 that there is a large difference between Japanese and Thai cultures in relation to Masculinity/Femininity (MAS). Indeed, the only dimension on which the two cultures are somewhat similar is Power Distance, with the differences for Individualism/Collectivism, Uncertainty Avoidance and Long-term/Short-term orientation, although less than for MAS, still indicating that assumptions of a single Asian culture are not well supported.

In addition to Hofstede's cultural elements which illustrate different work-related cultural patterns around the world through five cardinal dimensions, Komin's study (1990) provides a useful review often cited in studies of Thai values and behavioural patterns (Tejavibulya & Eiamkanchanalai 2011; Whitley 2010; Limsila & Ogunlana 2008). Komin (1990) maintains that Thais are concerned about interpersonal relationships as much as self-esteem. Thais value maintaining interpersonal

relationships with each other, avoiding expressions of anger, impatience, or dissatisfaction, and placing high importance on soothing and nurturing behaviour. These values are critical for social harmony, especially in a collectivist society (Hofstede 1991). In addition, Komin's study shows that Thai culture is sensitive, short-term oriented, adverse to initiatives, focuses on the past and present and rewards behavioural traits. While supervisors must look for problems, subordinates would not initiate a discussion. Instructions are sought and responsibility is avoided.

As a condition for investors to successfully expand into foreign countries, especially in developing nations like Thailand, a sound knowledge of and adaptation to local customs is necessary (Czinkota et al. 2005). This was confirmed by Farndale, Scullion and Sparrow (2010) who emphasised the importance of cultural awareness and found that a culturally-sensitive HR strategy is an integral part of the overseas business strategy whilst other issues such as a marketing or information technology strategy are also crucial in acquiring a competitive advantage. In order to make their overseas ventures as effective as their business strategies anticipate, companies therefore are required to develop more cohesive approaches for managing employees, especially overseas host national workers, as supported by a study by Onishi and Mondejar (2011).

### ***Cultural Influences on Management in Thailand***

In the workplace, cultural differences between workers in multinational teams can be the main source of misunderstandings, disagreements and conflicts for MNCs (Kraimer, Wayne & Jaworski 2001). Thus, generating an understanding of the host country's cultural background is a necessary and valuable tool to avoid conflicts and to assist with making appropriate decisions (Chevrier 2003; Swierczek & Onishi 2003; DiStefano & Maznevski 2000). Also, it should be recognised and acknowledged that the style and mode of management appropriate for one country or culture cannot simply be transplanted to another country or culture. For example, Harvey and Novicevic (2001) show that a Japanese management style is suitable for use in Japanese firms but not in Western firms. Likewise, a Western management approach is suited to Western firms but not to Japanese firms. It is therefore interesting that Japanese and Western expatriate managers have been able to transform their management style to fit closely with that of



the Thai business culture and environment (Yukongdi 2010; Niffenegger et al. 2006; Adams & Vernon 2004; Kamoche 2000). Adams and Vernon (2004) observed that the Thai business environment has a peculiar Thai management style and that Thai-owned or -managed firms naturally are more likely to practice a Thai management style. This aligns with the central proposition on which Javidan et al. (2006, p. 898) based their major research project of national cultures, the GLOBE study: *“that attributes defining a specified culture are predictive of leadership styles and organizational practices in that culture.”*

For Thai employees who are directed by Japanese expatriate managers over a long period of time (Onishi & Mondejar 2011), it could be expected that these employees may automatically perceive the Japanese management style as organisational management. This is because long-time memory leads to an automated perception (Tenenbaum & Land 2009). It may also lead to awareness of the cultural differences causing misunderstandings or even conflict. With either acceptance or non-acceptance, employees' perceptions linked to employees' backgrounds and experiences (Pattie & Parks 2011; Avril & Magnini 2007; Helms & Stern 2001), and levels of education (Vakola et al. 2004). The study by Helms and Stern (2001, p.425) pointed out that *“organisational unit in which the employees worked affected their beliefs about organisational culture”*. While there are different hierarchy levels in the organisational unit, organisational subcultures can actually occur within each unit. Therefore, it is common that those employees at different levels in the hierarchy may have different perceptions about cultural differences. The result found by Helms and Stern (2001, p. 425) was conversely surprising, considering that the employee perceptions about cultural differences were found was not link to their level in the hierarchy within organisations. Employees' backgrounds and experiences, on the other hand, were more strongly related to their perceptions of organisational culture. As supported by recently studies of Avril and Magnini (2007), and Pattie and Parks (2011), backgrounds and experience reflect cultural adaptability, and can assist expatriate managers to eliminate barriers arising from differences in working styles.

Another issue linked to employees' awareness and acceptance of cultural differences was confirmed by Vakola et al. (2004). The higher the education level of the workforce, the more positive their attitude was found to be toward organisational change, indicating a level of adaptability and flexibility. It could be expected that cultural differences are not the issue here, because the organisational change appears to persuade those in the more highly in the education group to increase opportunities for skill utilisation. Conversely, those in the lower education group may perceive it as a problem. The study by Vakola et al. (2004) also indicated that while an employee's level of education influenced their attitudes toward the change, gender differences were not present. As supported in studies by Guthrie et al. (2003), and Janssens, Cappellen and Zanoni (2006), it has been shown that females often possess a range of personal attributes which are more resistant to change, including having a high degree of emotional sensitivity and empathy, and strong leadership abilities more suited to team work than do males.

The relevance of having an understanding of cultural differences is that it is crucial to the success of an international expatriate assignment. Therefore, it is essential to adjust home country management styles in accordance with the foreign business environment in which the individual is located. Both home country management and local subordinates can contribute to ways of avoiding cultural clashes that disrupt business co-operation. Indeed, Niffenegger et al. (2006) found that obtaining an understanding of Buddhism can be a highly effective way of approaching cultural challenges that investors in Thailand may be confronted with. This is because possessing knowledge of Buddhism facilitates an understanding of Thai culture that in turn has the potential to have a strong positive impact on business dealings in Thailand. This is because Thailand is dominated by Buddhism, with more than 90% of all Thais choosing Buddhism as their faith. Consequently, it is not difficult for other Buddhist countries to understand Thai people, particularly for Japanese who also have Buddhism as a dominant faith system along with Shinto and Confucianism (Shimazono 2011).

The reason Thailand and most Asian countries are compatible is that Buddhism strongly influences their national cultures. Interestingly, western investors appear to adapt their

management practices to suit the Thai cultural context. These western managers come from different faiths, in particular those from the U.S.A. come from a society where a large percentage of the population believes in God (Millar 2011) with 77% of U.S.A. citizens identifying themselves as Christian in 2009, down from 91% in 1948 (Montopoli 2009). Gerhart (2008) stated that if national culture is to be viewed as a management constraint, cultural differences within countries would need to be small when compared to differences between countries. With 90% of Thai nationals following the same faith, its impact on national culture is likely to be high and to contrast with the culture in the U.S.A. with its different belief system followed by a smaller percentage of the population committed to that faith.

## **2.8 THE GAP IDENTIFIED IN THE LITERATURE**

The review of relevant literature resulted in the selection of Thailand as a suitable setting for this study for three reasons. Firstly, the review of the literature indicated that the Thai government gives priority to foreign investment, especially allowing foreign private businesses to develop domestically without exerting government control (Puapondh, Thienpreecha & Rattanopas 2009; BOI 2008b; Boonsathorn 2007).

Secondly, Thailand is regarded by many foreign MNCs as a preferable location for investment. The Ease of Doing Business Index ranked Thailand as the eleventh most attractive economy for FDIs out of 183 economies (BOI 2008b), although it has dropped to the 17<sup>th</sup> spot in 2012 it remains an attractive investment location. This argument is further strengthened by Thailand's ranking as 4<sup>th</sup> amongst all Asian countries (The World Bank 2012) for foreign investments.

Thirdly, investors continue to show confidence in Thailand. Thailand's economy managed to maintain a high rate of foreign investors continuing to send their investment application forms to Thailand for registration with the BOI despite facing significant obstacles such as flooding, political unrest and the negative repercussions of a threatening global recession (Maliwan & Mujtaba 2012; The World Bank 2012). However, uncertainties about the country's future outlook, which relate to possible

higher unemployment rates following, though in a deferred manner, the global economic recession, may cause existing and potential new investors to lose confidence in Thailand and move their investment targets to other countries. Therefore, to strengthen foreign investor confidence, the important of the study will provide much needed information to MNCs. This will allow MNCs to tailor preparations to the needs of their expatriate managers in order to increase the prospect of a successful assignment in Thailand. Moreover, selected expatriate managers will be able to use the outcomes of this study as a guideline to build their capabilities and cultural sensitivity to fit the Thai management style and business environment.

### ***2.8.1 Implications of Previous studies***

There are numerous predictive factors leading to successful overseas assignments, such as personal characteristics tests, other individual related factors, organisational support factors, and cultural and environmental factors. Depending on the particular situation, however, there is uncertainty about which factors can reliably predict successful outcomes in international assignments. Caligiuri (2000b) proposed that, whereas personality characteristics contain openness and sociability, the factors which facilitate US expatriate managers to successfully live outside their home country are: cross-cultural adjustment; language skills; foreign work experience; pre-departure training; adjustment of family members to the new culture; length of time on the assignment, and the extent to which the country they are being sent to varies in culture and practices from their home country. Similarly, Holopainen and Björkman (2005) maintained that personal characteristics of successful expatriates include stress tolerance, relational ability and communicational ability. Other factors contributing to success consist of previous international experience, cross-cultural training, cultural distance and gender. Both the studies of Caligiuri (2000b) and of Holopainen and Björkman (2005) indicated that US-based companies intend to solve the issues expatriate managers face in managing host country subsidiaries that lead to failure by selecting appropriate staff and providing them with suitable education and training at the home parent company site prior to assignment . The findings confirmed that personality characteristics and other factors have a positive impact on the achievements of US expatriates on overseas assignments and emphasised that not everyone is suitable for global assignments.

In contrast to the US approach, studies conducted on Japanese expatriate managers and their overseas MNC subsidiaries are seen to focus on the subsidiary site by assessing the cause of the inability of expatriate staff to adjust and change when confronted with new situations (Onishi & Mondejar 2011; Rose & Kumar-Subramanian 2007; Paik & Sohn 2004; Swierczek & Onishi 2003; Katayama, Sirichan & Hiraki 1999). Moreover, studies of Japanese expatriate managers are more likely attempt to solve the problem at their MNC subsidiaries, rather than take a proactive approach that attempts to reduce the cause of expatriate failures by selecting appropriate staff and training them as studies reveal is the approach taken by US MNCs. In fact, results of studies of Japanese expatriate managers demonstrated that the adjustment of host-nation subordinates to their expatriate manager may facilitate the effective conduct of overseas subsidiaries. This is because Japanese expatriate managers would prefer to transfer their management system completely to their foreign subsidiaries (Swierczek & Onishi 2003). If this were the case, adjustment becomes the responsibility of the Thai national staff, rather than of the visiting Japanese manager. However, some elements are less compatible with the host country's value than are others. Transferring machines and tools may be easy; however, cultural elements are not easy transferred and thus required Japanese managers to consider load the culture of local workers (Swierczek & Onishi 2003).

Despite attempting to reduce incompatibilities between Japanese expatriate managers and the local workforce in many countries, studies of Onishi and Mondejar (2011), and Swierczek and Onishi (2003) found that many Japanese expatriate managers have faced problems due to misunderstanding of the cultural expectations of their MNC subordinates, particularly in Thailand. Swierczek and Onishi's (2003) study found that Japanese managers do not view attending to Thai culture and values as important. Thai subordinates, however, believe that their Thai culture is an indispensable part of a Japanese manager's work in their interaction with Thai subordinates. This frequently resulted in dissatisfied and stressful work environments that were counterproductive to production. Accordingly, the length of appointment of expatriate managers tended to be shorter than expected, adding unnecessary costs to their companies in finding and retaining suitable replacements. This also meant that new expatriate managers were

constantly attempting to adjust to the Thai work environment, but not remaining long enough to master this skill and contribute to sustainable performance improvement. Unfortunately, without proper training based on developing a full understanding of Thai employees' expectations, the same problems were tending to be repeated. Importantly, Onishi and Mondejar (2011) found that Japanese companies have difficulties in attracting and retaining the expatriate employees that they need. They also lack knowledge in equipping them to be capable of resolving cultural conflicts at foreign sites. Although Furuya, Stevens, Bird, Oddou and Mendenhall (2009, p. 200) carried out an investigation into 305 Japanese repatriates and found that organizational support, intercultural personal characteristics, self-adjustment and repatriation policies lead to outcomes of global competency learning and transfer, leading to subsequent leading to high levels of work performance. This view supported the four predictors, personal characteristics, experience in facilitating cross-border work, organisational support, and cultural and environmental factors, which a lot of research used as factors which can predict the likelihood of the expatriate's success and failure based on expatriates coming from the west. In fact, there is little reliable research into the criteria used for selecting Japanese expatriates that are suited to effectively managing overseas subsidiaries and no evidence that their headquarters see it important that they provide expatriate placements with training for adaption to the management styles required in overseas MNCs subsidiaries.

Although a multitude of studies have attempted to identify future prospects and difficulties experienced by Japanese offshore manufacturers in Thailand (Onishi & Mondejar 2011; Petison & Johri 2008; Brimble & Urata 2006; Sriussadaporn 2006; Swierczek & Onishi 2003; Katayama et al. 1999) including the areas of culture and conflict, the results of these studies have not generally addressed the attributes that are significant for MNC expatriate managers to equip themselves so as to be capable of resolving cultural conflicts on foreign sites, including Thailand. Moreover, no studies have examined the attributes of leaders/managers for Japanese managers in Thailand. Boonsathorn (2007) indicates that *“Even though Thailand qualifies as a collectivistic, high-context, and a high-power distance culture, there are many unique characteristics of Thai culture that need to be explored if one is to have a good understanding of how*

*Thais manage intracultural and intercultural conflict.*” Hence, selecting and dispatching Japanese expatriate managers suitable for overseas assignments in Thailand becomes an important concern, which requires careful consideration in accordance to personal attributes as well as other factors that have been deemed to be or are perceived necessary for expatriate success in the cultural environment of host countries. In addition, the study by Jokinen (2005) shows that numerous managers who were successful in their parent company did not necessarily experience the same success in their international assignments for unknown reasons. The question is: Why? And, what are the extra attributes or qualities required to operate successfully in specific overseas environments?

With an everlasting corporation or under supervision of Japanese expatriate managers (Onishi & Mondejar 2011), Thai employees may perceive the Japanese management style as organisational management automatically as long-time working in a sequence leading to an automated perception (Tenenbaum & Land 2009). On the other hand, misunderstandings or conflict may happen related to cultural distance (Selvarajah et al. 2013; Onishi & Mondejar 2011; Colakoglu & Caligiuri 2008; Hofstede 2007; Caligiuri 2006; Hofstede et al. 1990). Besides, employees’ acceptances in terms of differences in culture and management practices were influenced by their backgrounds and experiences (Pattie & Parks 2011; Avril & Magnini 2007; Helms & Stern 2001), and levels of education (Vakola et al. 2004). While some studies have found that employees’ acceptances may vary widely, the acceptance may not be different even if employees worked across hierarchical levels (Helms & Stern 2001) or came from different gender groups (Vakola et al. 2004). For this reason, five main groups, based on employees’ gender, backgrounds, educations, experiences and hierarchical levels, drive evaluation of the qualities needed by expatriate managers to effectively deal with their onsite local challenges.

## **2.9 SUMMARY**

From the literature review it is apparent that careful selection of the right person to work abroad is ensured not only by focusing on the expatriate’s personal attributes, but also

by focusing on backup supports. These supports may be provided by the organisation and may include family support by having family members travel with the manager rather than have them wanting to return to their family. The family members will also require support to live in a different culture and speak another language. Expatriate managers, with family support, will also benefit from having experience in cross-border work and international business knowledge, and by having the opportunity to develop knowledge of the country's culture and language skills. Furthermore, the relevant literature also established that leadership and management skills are necessary; it confirmed that powerful management requires strong leadership. Strong management without strong leadership can lead to an inability to maintain interpersonal relationships with the diversity of constituencies that expatriate managers need to work with in an overseas operation. Indeed strong leadership without strong management can lead to an inability to adapt and change when confronted with new situations. As a result, leadership and management are complementary capability sets that individuals need in order to succeed and thrive in the progressively more complex and unstable environment of the 21st century. This capability set includes not just intelligence, but also social and emotional skills. Therefore, in order to examine whether an expatriate candidate selected will effectively accomplish an overseas assignment, the factors explored in depth through this literature review have been combined to support the development of a conceptual framework. In particular, the next chapter will present the framework developed and provide valuable insights into the factors affecting expatriate success and the key requisites for successful management by Japanese expatriate managers in the Thai automotive industry.



## **CHAPTER 3**

### **CONCEPTUAL FRAMEWORK AND RESEARCH DESIGN**

#### **3.1 INTRODUCTION**

Based on the literature review in Chapter 2 where the selection and adaptation of expatriates for international management assignments was discussed, this chapter develops a conceptual framework for determining expatriate success in Thailand's automotive MNCs. Section 3.2 discusses the knowledge gaps identified in Chapter 2, the literature review. Section 3.3 narrows in on the factors influencing and characteristics required for expatriate success, which become the variables for analysis in this study. The conceptual framework is then presented. Section 3.4 discusses the broad research approach, then section 3.5 presents the research process that provides the foundation for the research plan and for choosing the research methods dictated by the methodology in order to answer the research questions. It also outlines the mixed methodology adopted to answer the two research questions generated for this study. For this purpose, Section 3.5 is divided into five sub-sections; they are (1) an overview of the methodology used, (2) research variables clearly identified, (3) the Japanese automotive MNCs operating in Thailand, the cohort and sampling procedure adopted for this study, (4) the research instruments utilised in the exploration pertinent to this study, (5) data analysis for the quantitative and qualitative approaches used, and the link between the quantitative and qualitative approaches to validate the research results. Relevant ethics issues, the process of data preparation, the limitations on data collection and a chapter summary are addressed in Section 3.6, 3.7, 3.8 and 3.9 respectively.

#### **3.2 THE UNDERLYING PROBLEM**

The success of Thailand's automotive industry depends heavily on foreign investment (Bongsebandhu-phubhakdi et al. 2009). As international joint ventures, these MNCs can have a combination of Japanese-Thai, Western-Thai, and other nationalities in their workforces. Difficulties occur, however, when different styles of management are adopted to operate at the same time in a MNC (Harvey & Novicevic 2001). Studies by

Basu (2009), Oetzel et al. (2001), Oetzel et al. (2008), Martinsons and Davison (2007), and Rose and Kumar (2007) concur that the Japanese and Western management styles vary in terms of their approach to supervision, decision-making, communication, management control, and inter-departmental relationships. Difficulties may arise in integrating these different management styles. It is therefore of significant interest to understand how Japanese and Western trained expatriate managers adjust and adapt their management styles to fit the Thai business environment (Yukongdi 2010; Niffenegger et al. 2006; Adams & Vernon 2004; Kamoche 2000).

From the literature review a gap was identified which indicated underlying issues to Japanese expatriate success in Thailand. Globalisation has led to an increase in expatriate staff performing critical tasks in unfamiliar social and cultural environments (Avril & Magnini 2007; Anderson 2005; Toh & DeNisi 2005; Minbaeva & Michailova 2004; Harvey & Novicevic 2001; Caligiuri 2000b, 2000a; Coverdill & Finlay 1998). The effectiveness of MNCs is often dependent on the expatriates who are engaged to fill host country positions (Downes et al. 2010; Benson et al. 2009; Petison & Johri 2008; Avril & Magnini 2007; Paik & Sohn 2004; Suutari & Brewster 2001; Osman-Gani 2000). There is a need to understand the significant characteristics or attributes that are required for these expatriate managers to contribute to effective business operations. However, cultural uniqueness and distinctive management styles have both been found to create obstacles that might result in an expatriate placement failure. As a result, a knowledge and understanding of the differences in the host national culture and work styles when compared with the appointee's home country is now considered an indispensable prerequisite of expatriates (Petison & Johri 2008; Caligiuri 2006; Harvey & Novicevic 2001; Bennett et al. 2000; Conner 2000).

As a result of the gap identified in the literature review, questions were raised therefore on the factors that can in some way predict the appointment of a successful expatriate suited to Thai MNC operations. To address this particular gap in our knowledge, the conceptual framework for this study was developed to explore this issue. This led to the following two tasks:

1. Exploring with expatriate assignees and host indigenous subordinates in MNCs what they consider to be uniquely required management and personal attributes or characteristics of expatriate managers such that they may contribute effectively to their organisation's operations in Thailand.
2. Identifying the factors which expatriate assignees and host country indigenous subordinates in MNCs believe to be influencing or impacting on expatriate managers' abilities to succeed in the MNC's business operations in Thailand.

### **3.3 DEVELOPING THE CONCEPTUAL FRAMEWORK**

The literature review revealed that the changing business world has caused the increase of demand for expanding businesses abroad, and the concomitant increase in the placement of personnel who are capable of performing critical tasks in unfamiliar foreign social and cultural environments (Avey et al. 2011; Onishi & Mondejar 2011; Leung, Zhu & Ge 2009; Petison & Johri 2008; Avril & Magnini 2007; Naquin & Holton 2006; Toh & DeNisi 2005; Harzing & Christensen 2004; Minbaeva & Michailova 2004; Chen, Choi & Chi 2002; Luthans & Farner 2002; Conner 2000). Often times, cultural uniqueness and distinctive management styles have both been aired to be the significant cause of obstacles which might result in expatriate placements failing or premature return to the MNC's home countries. As a result, an understanding of cross-cultural differences in the host national culture and work styles when compared with the appointees' home country is now considered an indispensable prerequisite of expatriates (Avey et al. 2011; Leung et al. 2009; Petison & Johri 2008; Avril & Magnini 2007; Naquin & Holton 2006; Toh & DeNisi 2005; Minbaeva & Michailova 2004; Chen et al. 2002). Furthermore, numerous pundits in the literature pointed out that the effectiveness of MNCs is often dependent on the expatriates who are engaged to fill host country positions (Avril & Magnini 2007; Benson, Pérez-Nordtvedt & Datta 2009; Downes, Varner & Hemmasi 2010; Osman-Gani 2000; Paik & Sohn 2004; Petison & Johri 2008; Suutari & Brewster 2001). Therefore, various personal characteristics have frequently been researched, as shown in Table 3.1, in the field of predictive factors leading to successful overseas assignments. Depending on the particular situation,

however, there is uncertainty about which factors can reliably predict successful outcomes in the international arena. This directs the focus to the need to know and understand the significant characteristics or attributes as indicated by Japanese expatriate assignees and Thai indigenous subordinates in automotive MNCs in Thailand.

In term of the dispatch of a person suitable for overseas assignments, many studies have advocated increasing attention to the cause of the problems and ways to minimise the incompatibility between expatriate managers and local workforce. For instance, studies of Japanese expatriate managers have found that when attempting to resolve conflicts the Japanese parent companies expect their overseas MNCs subsidiaries to do so by adapting the policies of the Japanese headquarters. This, they expect, will minimise expatriate failure (Onishi & Mondejar 2011; Paik & Sohn 2004; Swierczek & Onishi 2003). Other studies, for instance, those of Caligiuri (2000b) and Holopainen and Björkman (2005) found that the US based companies attempt to reduce the cause of expatriate failures by selecting suitable staff as well as providing education and training them at home country site prior to departure. Additionally, it was learned from literature that there are, in fact, many factors, as shown in Table 3.1, affecting the success or failure of expatriates. Clearly, many theorists considered that it is not only demographic information (such as age, education background, and gender and family status) that is a factor. They also believed that work skills (such as job knowledge, technical competency, experience in facilitating cross-border work, country related familiarity, relationship skills, correct motivational state, language expression, and communicate skills) might assist in ensuring selection of expatriates with a high probability of succeeding in their placement. Nonetheless, Table 3.1 reveals a myriad of factors viewed as key selection criteria in the expatriate recruitment process, particularly those being used in US and European companies (Holopainen & Björkman 2005; Caligiuri 2000b). It remains a matter of concern that there are no specific considerations for selecting applicants for Japanese MNCs based in Thailand, in particular the Thai automotive industry.

**Table 3.1: Literature sources of factors influencing expatriate success**

<b>A managerial perspective and leadership</b>	Romero (2010), Yukongdi (2010), Petison & Johri (2008), Avril & Magnini (2007), Kotterman (2006), Naquin & Holton (2006), Svensson & Wood (2006), Zaleznik (2004), Rodsutti (2002).
<b>Age</b>	Kun, Jing & Yanrong (2010)
<b>Communication skills</b>	Avril & Magnini (2007), Caligiuri (2000b)
<b>Cross-cultural Adjustment</b>	Hofstede (2012, 2007, 2001, 1991), Kun, Jing & Yanrong (2010), Haslberger & Brewster (2008), Lii & Wong (2008), Minter (2008), Avril & Magnini (2007), Holopainen & Björkman (2005), Paik & Sohn (2004), Kraimer, Wayne & Jaworski (2001), Caligiuri (2000b), Osman-Gani (2000), Hofstede, Neuijen, Ohayv & Sanders (1990).
<b>Educational background</b>	Kun, Jing & Yanrong (2010)
<b>Gender</b>	Cole (2011), Kun, Jing & Yanrong (2010), Insch, McIntyre & Napier (2008), Owen, Javalgi & Scherer (2007), Holopainen & Björkman (2005), Selmer & Leung (2003) Mathur-Helm (2002).
<b>International Experience</b>	Kun, Jing & Yanrong (2010), Benson, Pérez-Nordtvedt & Datta (2009), Lii & Wong (2008), Holopainen & Björkman (2005).
<b>Key personal attributes to cope with environmental demands</b>	Avril & Magnini (2007)
<b>Marital status (the inclusion of partners and children in the selection process)</b>	Cole (2011), Kun, Jing & Yanrong (2010), Haslberger & Brewster (2008), Minter (2008), Avril & Magnini (2007), Holopainen & Björkman (2005), Guthrie, Ash & Stevens (2003), Anderson (2005), Webb (1996).
<b>Personal characteristics</b>	Downes, Varner & Hemmasi (2010), Kun, Jing & Yanrong (2010), Lii & Wong (2008), Avril & Magnini (2007), Downes, Varner & Musinski (2007), Anderson (2005), Holopainen & Björkman (2005), Huang, Chi & Lawler (2005), Guthrie, Ash & Stevens (2003), Selmer & Leung (2003), Harvey & Novicevic (2001), Caligiuri (2000a).
<b>Technical competence</b>	Kun, Jing & Yanrong (2010), Lii & Wong (2008), Avril & Magnini (2007), Anderson (2005), Guthrie, Ash & Stevens (2003), Caligiuri (2000b).

With respect to the aforementioned discussion, the conceptual framework in this study was based on the review predicated in the references quoted in Table 3.1 as follows of the factors affecting expatriates' success and the key qualification requisites for selecting appropriate Japanese expatriates in automotive MNCs in Thailand. Nonetheless, to ensure consistency, a determining factor of technical competence was beyond this study. This was because it may well relate to engineers than managerial appointments (Petison & Johri 2008). To guard against inappropriate expatriate selection, notes that the many factors identified as required for success in the literature can be clustered into three categories in this study. These are 'personal characteristics', 'factors affecting cross-cultural adjustment', and 'management and leadership'. The great detail regarding these three categories will be discussing in 3.3.1 – 3.3.3.

### ***3.3.1 Personal Characteristics Factors***

The literature review (detialed in section 2.7.1) revealed selecting the person who can operate effectively on international assignments is vital (Avril & Magnini 2007; Bennett et al. 2000; Coverdill & Finlay 1998) because expatriate success fundamentally relies on selecting the person with the personal characteristics that contribute to successful overseas postings (Downes et al. 2010; Kun et al. 2010; Lii & Wong 2008; Avril & Magnini 2007; Downes et al. 2007; Anderson 2005; Holopainen & Björkman 2005; Huang et al. 2005; Guthrie et al. 2003; Selmer & Leung 2003; Harvey & Novicevic 2001; Caligiuri 2000a). Lack of sensitivity to the cultural environment can hinder effectiveness (Judge et al. 2002) and Avril and Magnini (2007), and Pattie and Parks (2011) found that that possessing cultural adaptability can assist expatriates address differences in individual working styles. Meanwhile, cross-cultural adjustment can lead the expatriates to possess different personal characteristic (Huang, Chi, & Lawler 2005; Caligiuri 2000b), as well as influnce them to effectively manage by applying suitable management and leadership capabilities (Pattie & Parks 2011). In attempting to identify appropriate personal characteristics to assist in developing selection processes to support the selection of appropriate expatriates for overseas work environments, in particular Thailand. A set of five personal characteristics, identified by Caligiuri

(2000a) and Holopainen and Björkman (2005) are used to form the first dimension in the conceptual framework of this study:

- ***Extroversion*** refers to people who are sociability, activity, assertiveness, and positive attitude;
- ***Agreeableness*** refers to the ability to deal with different cultures regarding to a willingness to listen and cooperative to their team with good natured and building trust;
- ***Conscientiousness*** is related to job performance and includes criteria such as accepting responsibility, prioritising tasks, thinking before acting, following norms and rules, planning, budgeting and organising.
- ***Emotional stability*** refers to people who are able to cope and work together under stressful circumstances
- ***Openness or intellect*** refers to people who are imaginative, independent minded and having divergent thinking.

### ***3.3.2 Factors Affecting Cross-cultural Adjustment***

As also established in the literature review, many organisations include in their selection criteria prior international work experience, family support and the provision of training and support in cross-cultural and language training prior to overseas placement (Kun, Jing and Yanrong 2010; Benson, Pérez-Nordtvedt & Datta 2009; Lii & Wong 2008; Holopainen & Björkman 2005; Caligiuri 2000a) to avoid failed assignments (Dowling & Welch 2004; Varner & Palmer 2002). Studies by Peterson and Johri (2008) and Toh and DeNisi (2005) indicated that in order for expatriates to reach their assignment objectives, it is crucial to recognise that they need to establish good connection and effective communication with local workers. As well, not only do they need to establish rapport with their local subordinates, but also their peer colleagues and supervisors in the new working environment in exercising their responsibilities and relationships. Although it does not matter that expatriates need to speak or understand the host-country language proficiency, the ability of communication is required as specific important aspects of cross-cultural adjustment (Sriussadaporn 2006; Holopainen & Björkman 2005). In particular, others have highlighted that sincere communication

would lead to trust-building between the expatriate and local employees (Petison & Johri 2008; Menzies et al. 2008). Simultaneously, communication behaviours of expatriates also have a positive influence on the expatriate adjustment (Haslberger 2007). This is because the more expatriates attempt to communicate with local workers, the more understanding in the host-country has been achieved (Sriussadaporn 2006; Holopainen & Björkman 2005).

In view of all that has been mentioned so far, it provides important insights into the organisational support, which is required by expatriate managers for success. Minter (2008) found that expatriate selection techniques through traditional approaches, as well as insufficient orientation along with communication skills training, were significant elements contributing to initiating failures. Therefore, in order to respond to the need for proper adjustment for expatriates, along with developing a proper working relationship with local nationals, this study will focus on uncovering whether the provision of cross-cultural knowledge, strategic awareness, learning systems, and communicative language ability, as well as the facilitation of organisational change should be part of cross-cultural training prior to overseas assignments. This objective will be achieved by comparing between expatriate assignee beliefs and those of Thai national subordinates in regard to on-site requirements. These will be crucial because the more appropriate cross-cultural trainings are provided, the better expatriates' cross-cultural adjustment will be enhanced (Waxin & Panaccio 2005; Chew 2004).

By examining evidence regarding successful adjustment, women have been found to be better qualified than men for expatriate positions and successful when they are appointed (Cole 2011; Haslberge 2007; Owen et al. 2007; Guthrie et al. 2003; Selmer & Leung 2003; Mathur-Helm 2002). With higher levels of qualifications than do males, however it was found that the worldwide trend not to appoint women to expatriate roles (Boon 2003; ILO 2004a) could be attributed to cultural and social attitudes towards gender (Grant Thornton 2012; Stroh, Varma & Valy-Durbin 2000). Moreover, spousal support and family member adjustment to the new culture have been considered important and thus part of selection and retention objectives in American, European and Scandinavian MNCs whereas this is not common in Japanese MNCs.



As a consequence, the second element of the conceptual framework in this study was concerned with examining three influencing factors affecting cross-cultural adjustment. These are as follows:

- *Individual-related factors* consisting of having experience in facilitating cross-border work, gender, and marital status.
- *Organisational support factors* comprised of having knowledge of cross-cultural management; having a strategic awareness and providing support; having communicative language ability; facilitating organisational change and providing pre-departure training within the organisation.
- *Cultural and environmental factors associated with* adaptability in new environmental situations, participating effectively in multicultural teams, and sensitivity and openness to other cultures are composed of cultural and environmental factors.

### **3.3.3 Management and Leadership**

Judge et al. (2002) maintained the major components of organisational effectiveness should not solely focus on personal characteristics but also on leadership capabilities, the key points were:

- Extroversion and conscientiousness are more likely to be the behavioural expression of an effective leader.
- Effective leaders demonstrate greater openness to experiences of being creative, independent minded and possessing divergent thinking capabilities, resulting in being readily accustomed to new cultures and surroundings.
- Leadership capabilities are essential in accomplishing successful international assignments.

Bush and Coleman (2001), Kotter (2001, 1990), Rodsutti and Swierczek (2002) and Romero (2010) found the following:

- Often the functions of leaders and managers in practical situations overlap.
- A manager's role may require them to show leadership, and conversely a leader may need to show leadership capabilities but also needs to manage.

The third element of the conceptual framework for this study was based on the review of literature in relation to management and leadership dimensions (Kotter 2001, 1990 and Lunenburg 2011; Bass 2010) essential for successful management of multinational corporations. Using these dimensions to guide selection enables parent companies to accurately align an individual's skills to task requirements to ensure a job match. In order to determine to what degree managerial and leadership attributes are critical to Japanese expatriate manager success in automotive MNCs in Thailand, the 10 key attributes, as shown in Table 3.2, were included as independent variables in this study.

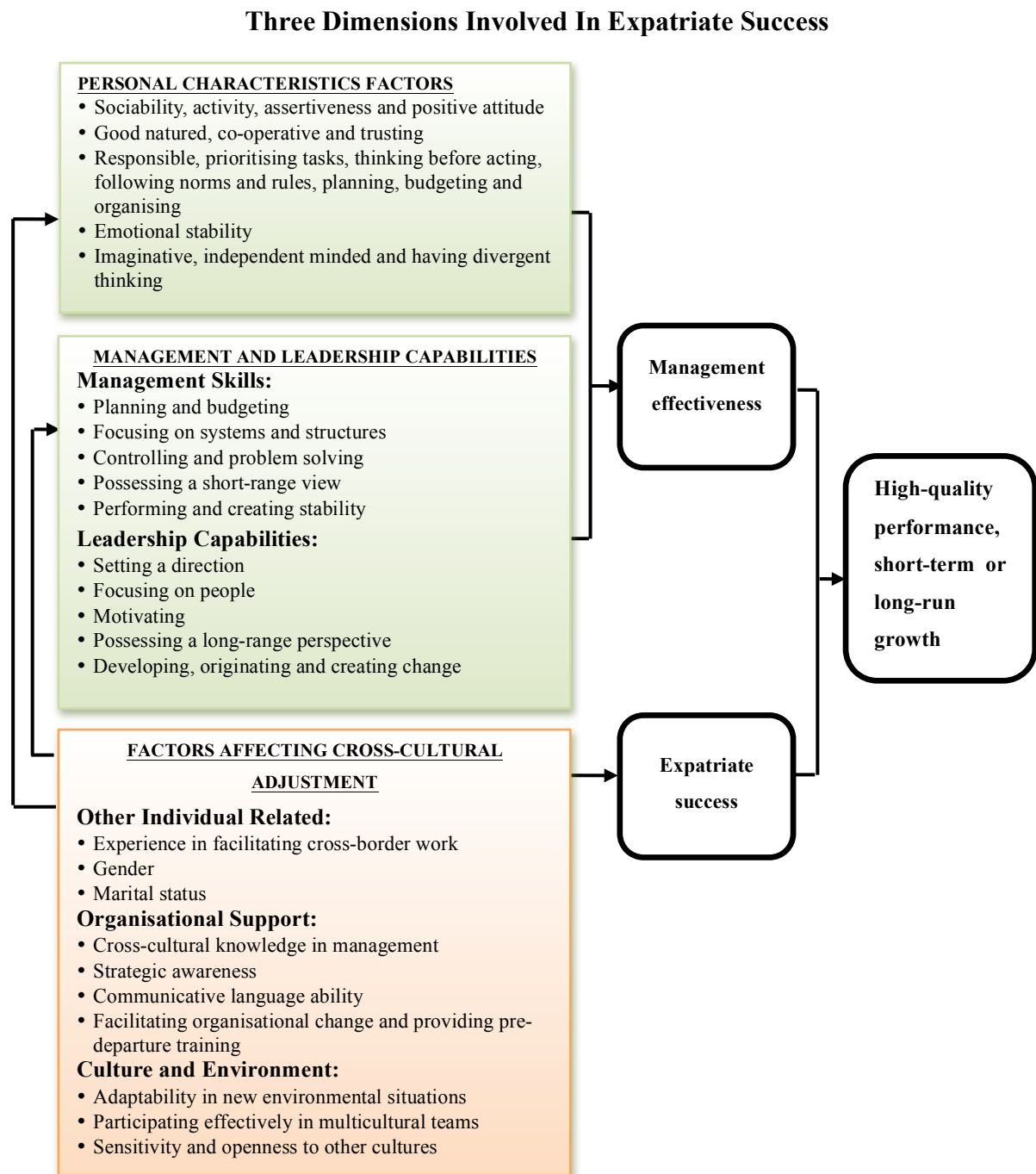
**Table 3.2: 10 key distinctions between managerial and leadership attributes**

Leadership	Management
<ul style="list-style-type: none"> <li>• Setting a direction</li> <li>• Focusing on people</li> <li>• Motivating</li> <li>• Possessing a long-range perspective</li> <li>• Developing, originating and creating change</li> </ul>	<ul style="list-style-type: none"> <li>• Planning and budgeting</li> <li>• Focusing on systems and structures</li> <li>• Controlling and problem solving</li> <li>• Possessing a short-range view</li> <li>• Performing and creating stability</li> </ul>

**Source: Adapted from the ideas of Kotter (Kotter 2001, 1990)**

In sum, the conceptual framework of this study was predicated on three elements shown in the literature to contribute to expatriate success in Thailand (personal characteristics factors, management and leadership capabilities, and factors affecting cross-cultural adjustment) (see Figure 3.1).

**Figure 3.1: Conceptual framework of factors to be tested in the Thai context**



**Source: Adapted from studies by Caligiuri (2000a) and Holopainen and Björkman (2005)**

The conceptual framework was developed based on an exploratory review of recent literature with respect to two specific objectives. All independent and control variables, and relationships among these identified variables have been discussed in the literature review establishing their importance for expatriate manager success. Petison and Johri (2008) and Toh and DeNisi (2005) have also demonstrated that local employees are a crucial element impacting on the success of expatriates for the following reasons:

- Successful completion of international assignments mainly lies with the expatriate. To achieve success, it is crucial that expatriates establish effective communication with local workers.
- Expatriates need to both cultivate effective working relationships with their local subordinates and with their peers and supervisors.
- Local employees are more than just primary facilitators of expatriate adjustment and integration into the MNCs; they are socialising agents who advise and guide expatriates on socially acceptable behaviour and attitudes in the new environment.

Without adequate support from local workers, expatriates may have difficulty in adjusting to the local environment, in exercising their new responsibilities, and may feel uncomfortable working in the new environment. This may lead to a failed assignment (Leung et al. 2009; Petison & Johri 2008; Avril & Magnini 2007; Toh & DeNisi 2005; Minbaeva & Michailova 2004; Chen et al. 2002).

From the conceptual framework specific research questions were developed. As already mentioned in Chapter 2, cross-cultural adjustment can lead expatriates to possess different personal characteristics (Huang, Chi, & Lawler 2005; Caligiuri 2000b). Also, it can lead expatriates to better management practices by applying suitable management and leadership capabilities in a changing environment (Pattie & Parks 2011). Nevertheless, this study has not focused on these issues as time restriction for completion of this limited the ability to conduct these issues. Therefore, the first element queries whether personal characteristics assist the selection of expatriates appropriate for Thai automotive industry. The second element was designed to

determine the extent to which management and leadership attributes were identified as required for expatriate manager success and to what extent these attributes were believed to be required by expatriate Japanese managers in their automotive MNCs in Thailand. The third element assessed whether or not the three factors: other individual-related factors, organisational supports, and cultural-plus-environmental factors have an identifiable positive impact on success of expatriates from Japan in the Thai automotive industry. The research questions were answered by using a mixed methods approach as detailed in the following section.

### **3.4 THE RESEARCH APPROACH**

It is acknowledged by others (e.g. Mertens 2005) that the theoretical framework indicates the choice of research paradigm that directs the research approach.

A quantitative methodology is typically based on an objective and systematic process of collecting numerical data for the research findings (Johnson & Onwuegbuzie 2004; Davies 2003; Poggenpoel, Myburgh & Van Der Linde 2001) so as to support certain assumptions or hypotheses. In order to achieve the proposed outcomes of the research study, findings in the form of numerical data are then used to establish correlations or causal relationships between two or more variables, to make comparisons between two or more groups, or to provide responses to one or more variables (Williams 2007; Onwuegbuzie & Leech 2006).

According to Johnson and Onwuegbuzie (2004) and Peters, Abu-Saad, Vydelingum & Murphy (2002), a significant strength of the quantitative methodology/approach is its use in testing hypotheses/theories that have been constructed. Results of these tests are used to determine with a degree of certainty how and why phenomena would happen as predicted in a reduced-timeframe experimental situation, and in particular when the experiments require the examining of massive numbers of subjects or respondents.

As reported by Johnson and Onwuegbuzie (2004), theorising and categorising by researchers might fail to reflect on and identify the need for local constituencies to

actually understand those theories and categories which the researchers employed in their studies. Also, concentrating on theory or hypothesis testing rather than focusing on theory or hypothesis generation (so-called confirmation bias) may lead to forfeiting an opportunity to research the phenomenon in depth. A qualitative methodological approach enables the researcher to explore findings in greater depth. As reported by many researchers (Williams 2007; Bryman 2006; Johnson & Onwuegbuzie 2004; Yauch & Steudel 2003), a qualitative methodological approach is described as an approach placing greater emphasis on an open-ended exploration. Often the empirical findings of research conducted using qualitative methodology are grounded in some established theories or ideas. They are presented as words or narratives that describe the experiences of respondents of the empirical studies, field observations of the participants, and/or other associated methods.

Johnson and Onwuegbuzie (2004), however, contended that in spite of the new knowledge generated, the findings of qualitative methods might not be generalisable to other cases because of the personal uniqueness of the individual respondents in the study. Also, using the qualitative approach to test theories or hypotheses would be rather time consuming and impracticable and the process of collecting and analysing data for a qualitative study takes much time.

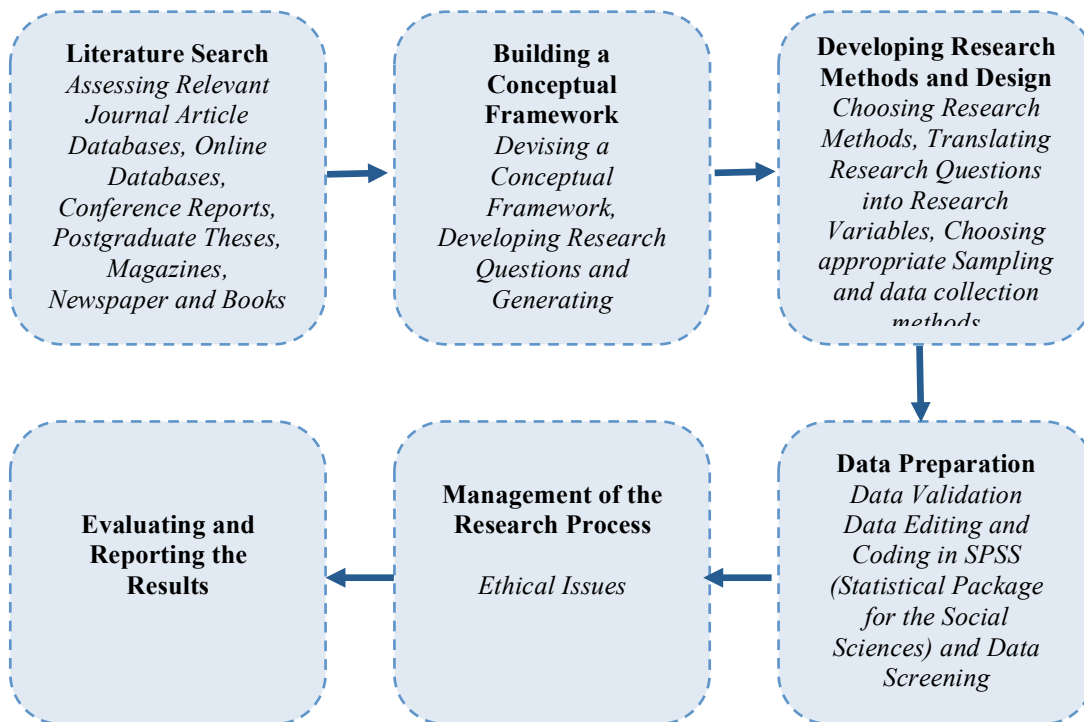
Clearly, each methodological approach has strengths and weaknesses, therefore choosing an appropriate research methodology depends on understanding the research gap and careful consideration of how it might be addressed. Once the research approach was decided, the type of research methods required to answer the specific research questions were selected. This, Williams advises, will affect the outcomes of the study and how the researcher will draw conclusions from the findings (Williams 2007).

### **3.5 THE RESEARCH PROCESS**

Page and Meyer (2000) describe the process of generating ideas as an important stage in planning the research because the ideas will provide the foundation for a research plan, which in turn will guide and set an appropriate course for the empirical work of the

study. Therefore, this section begins with an overview of the six steps in the research, after consideration of the research approach, which together play an integrated role in the study as shown in Figure 3.2.

**Figure 3.2: Six Steps in a research process**



**Source: Adapted from Page and Meyer (2000, p. 35)**

Page and Meyer's (2000) model assumes that the researcher has gone through the process of determining their world view, of understanding their research paradigm, and that the research questions can now be developed. In terms of conducting research, Kumar (2005), Page and Meyer (2000) and Sekaran and Bougie (2010) described, dependent on the researcher's specific interest, a myriad of valuable sources and evidence that can be brought in to facilitate the task of developing the research activities. For this study, published data and information from journal articles, online databases, conference reports, postgraduate theses, books, combined with related issues discussed in relevant magazines and newspaper articles can be used as the foundation for the discovery of knowledge gaps and identification of the specific problems or

issues to be addressed for the study. Hence, the conceptual framework was developed from a critical review of the literature relevant to addressing the gap identified.

Once the conceptual framework was constructed, appropriate data gathering and analysis methods were chosen, and the relevant steps in this process are discussed below.

### ***3.5.1 Research Methods and Design***

#### ***Justification of Mixed Methods***

It was recognised that in order to explore the gap identified in the literature, following either a purely quantitative, positivist approach or a qualitative, constructivist/interpretivist approach would not have enabled the research question to be fully answered. For this reason, mixed methods, acknowledging the value of each approach, was adopted for this research. A mixed methods approach is a combination of the quantitative and qualitative approaches, (Williams 2007; Davies 2003; Carson 2001; Hill & Wright 2001) which is viewed as appropriate to answer certain types of research questions. In most cases, quantitative and qualitative approaches are used in social and behavioural sciences research, whereas a mixed-method approach is used more often now in business, environmental and health care services studies (O'Cathain, Murphy & Nicholl 2007; Bryman 2006; Johnson & Onwuegbuzie 2004).

Arguably, using a mixed-method approach has the potential to maximise the strengths of both the quantitative and qualitative methods when used in combination than when they are utilised singularly. Additionally, it is argued that when used together they can assist in reducing possible subjective biases (Östlund, Kidd, Wengström & Rowa-Dewar 2010; Bryman 2008; O'Cathain et al. 2007; O'Cathain & Thomas 2006; Barbour 1999).

Quantitative research methods were used in the initial stages of this study for three reasons:



- First, this study attempted to build on the results of Caligiuri (2000b) and Holopainen and Björkman (2005) to explore whether a relationship between individual, organisational support, and cultural and environmental factors had a positive impact on the success of Japanese expatriates in the Thai automotive industry. The aim of this study was to extend knowledge in relation to factors that contribute to maximising Japanese expatriate effectiveness in the Thai automotive industry.
- Second, this study attempted to clarify the link between personal characteristics and management and leadership and Japanese expatriate success by using quantitative research methods.
- Third, as this was a doctoral study it was limited in time and thus using a survey was considered suitable for promptly answering the research questions of this study using quantitative statistical methods to establish whether a relationship existed.

This study also attempted to draw attention to the requisite personal characteristics, attributes and factors influencing Japanese expatriate manager success in automotive MNCs operations in Thailand. The literature is predominantly based on Western characteristics and criteria for international management success. These may not identify the Thai-specific differences that this research was designed to identify. Hence this study included interviewing six Japanese expatriate managers and seven Thai HR managers to go beyond precise relationships (quantitative) to ask questions requiring description or discussion because they explore ‘why’ and ‘how’ these relationships exist or matter (qualitative) (Perry 2012).

A quantitative methodology was used to test already constructed theories and the qualitative methodology to explain the phenomenon to a deeper extent. Thus, this two-phase sequential mixed method study first collected data using a survey questionnaire which was designed to provide statistical results. SPSS software was used to analyse the data gathered to determine key characteristics and personal attributes required for Japanese expatriate managers, and to measure the relationship between the factors. In the second phase, a qualitative semi-structured interview method was used to gain a

deeper understanding of the distinguishing key characteristics and impacting factors. These data collection methods will be further discussed in the Section 3.5.4.

### ***3.5.2 Translating Research Questions into Research Variables***

For the purpose of this research, two research questions were posed:

1. What are the key characteristics and personal attributes required for expatriate managers of multinational corporations operating in Thailand to manage their business effectively?
2. What are the factors that expatriate assignees and home national subordinates identify as influencing expatriate managers' abilities to succeed in Thai business?

#### ***Independent Variables***

The independent variables in this study were;

1. *Personal characteristics factors*: This encompasses five sub-factors as follows: extroversion, agreeableness, conscientiousness, emotional stability, and openness or intellect.
2. *Management skills and leadership capabilities*:  
*Managerial skills* are (1) planning and budgeting; (2) focusing on systems and structures; (3) controlling and problem solving; (4) possessing a short-range view, and (5) performing and creating stability.  
In contrast, *leadership capabilities* encompass (6) setting a direction; (7) focusing on people; (8) motivating; (9) possessing a long-range perspective, and (10) developing, originating and creating change.

#### ***Control Variables***

As mentioned previously (detailed in Chapter 2), a relationship exists between cross-cultural adjustment and the personal characteristic. Meanwhile, there is an unambiguous relationship between cross-cultural adjustment and management and leadership capabilities. It is more likely that if expatriate managers learn about a new culture prior

to commencing their role in the country, this can assist them to easily adjust themselves to the overseas workplace. However, as a lot of research presented is on expatriates coming from the west, Japanese expatriates and organisations may have different experiences due to the cultural issues. Therefore, in order to prove constructed theories based on Western criteria for international management success the control variables in this study were the factors affecting cross-cultural adjustment which included other individual related factors, organisational support, and cultural and environmental factors.

1. *Other individual related factors* included three sub-factors: ‘experience in facilitating cross-border work’, ‘gender’, and ‘marital status’.
2. *Organisational support factors* consisted of four sub-factors: ‘cross-cultural knowledge in management’, ‘strategic awareness’, ‘communicative language ability’, and ‘facilitating organisational change and providing pre-departure training’.
3. *Culture and Environment* contained three sub-factors: ‘adaptability in new environmental situations’, ‘participating effectively in multicultural teams’, and ‘sensitivity and openness to other cultures’.

The quantitative techniques used in this study were considered suitable to allow comparison of the findings of this study with those reported in the literature. This study also used qualitative methods to focus on how Japanese managers of MNCs adopted and applied these attributes to meet the challenge of successfully running their Thai operations.

### **3.5.3 Populations and Sampling Procedures**

#### **Targeted Populations**

In regard to the research purpose, three target cohort groups were included as follows:

1. *Expatriate managers*, particularly those with home offices in Japan, who work in MNCs of automotive firms operating in Thailand. This sample group was chosen to assess their characteristics and the personal attributes that they have

- utilised when functioned in Thailand, and also to uncover factors that they believed have had led to major problems when working with Thai people.
2. *Thai HR managers* working at the same companies where expatriate managers had expressed consent to participate. This sample group was surveyed in order to ascertain their viewpoints on the required characteristics and personal attributes for expatriate managers to effectively operate MNCs in Thailand, and also to uncover factors that the Thai HR managers identified as influencing expatriate managers' abilities to succeed in Thai business.
  3. *Thai subordinates* who work in general with these Japanese expatriate managers. In order to accurately identify the requisite characteristics and personal attributes of expatriate managers, and to deeply appreciate the factors that were identified as influencing expatriate managers' abilities to succeed in Thai business, the third target population group, Thai subordinates, was engaged to provide their individual perspectives on these issues.

### **The Sample Selection Process**

In the initial stages of selecting a target cohort, the BOI website was consulted for reports of motor vehicle products as well as domestic sales and export values to support the choice of successful Japanese MNCs. Subsequent to the initial selection of MNCs, Japanese expatriate managers and Thai national HR Managers and subordinates were selected from these MNCs.

### ***Japanese Expatriate Managers:***

In selecting Japanese expatriate managers for this study, automotive company reports and websites of Japanese MNCs were consulted to produce a list of prospective Japanese participants. Then, a member of the HR Department at each of the prospective Japanese MNCs was contacted for their assistance in securing access to their Japanese expatriate managers. The relevant senior managers of the prospective expatriate managers were also asked if they would be willing to participate in the research. The invitation letter and a copy of the 'Information Sheet for Expatriate Managers' (approved by the Vitoria University Ethics Committee) were then forwarded to the respective senior

managers to provide information of the selection criteria for selecting potential expatriate managers for interview.

Where selected MNCs failed to response after one month, the researcher visited the non-responding MNCs in Thailand to meet their Thai HR manager in person. The researcher believed that a direct face-to-face meeting would lead to a higher response rate since building a good relationship between each other is a crucial part of a negotiation process (Witthetford 2010) because maintaining social harmony is important to indigenous Thai people. As discussed in the literature review, a fundamental element of Buddhism is caring and showing personal concern for each other - “Kreng Jai” and “Nam Jai” (Knutson et al. 2003; Sriussadaporn-Charoenngam & Jablin 1999). Thus the researcher made appointments and personally met up with respondents in Thailand. The second attempt was aimed at approaching target companies by contacting the CEO’s secretary. As a result of this attempt names of those willing to participate were forwarded, via the authorising officer, to the researcher. Ethics procedures were followed as described in section 3.6.

#### ***Thai National HR Managers:***

After Japanese expatriate managers from the selected companies had indicated willingness to participate, the HR directors of the same organisations were contacted. A copy of the ‘information for participants’ sheet was forwarded to inform and to request participation in the research. In addition, the researcher contacted the Thai HR Managers who indicated their willingness to participate and made arrangements to interview them.

Ethics procedures were followed as described in section 3.6.

#### ***Thai Indigenous Subordinates:***

With the Thai HR Manager’s authorisation, subordinates were sampled to form a cohort group from the same MNC as the Japanese expatriates and HR Managers. These were selected as follows:

1. The respective senior manager of the participant company was again contacted and asked to seek voluntary participation of Thai subordinates. If in agreement, copies of the relevant Information Sheet were sent to the respective senior manager.
2. Either the HR Manager or other authorised personnel distributed the survey questionnaires to Thai subordinates. The “consent form” was also provided and completed prior to commencing the survey questionnaire. Reply paid envelopes were provided and completed surveys were returned direct to the researcher via Thai Post, hence no member of staff was aware of who actually participated.
3. Ethics procedures were followed as described in section 3.6.

It is not common for Thai organisations, particularly in which their subsidiaries affiliated to its group, to provide actual number of current employees, and if this was the case in this instance, however, a rough number were provided by a representative of the HR Department of each target organization, resulting in a 393 sampling size. This number was calculated based on Taro Yamane’s formula. The greater detail of calculation will be addressed in next section. Although the returning data is not from all originally targeted participants due to problems beyond the researcher’s control, detailing in Section 3.8 limitations, the researcher believes that the data from the participants from the dealer partnerships has proved to be valuable in this study. This is because the researcher had to ensure that the participants in the targeted dealer partnerships had experience in working with Japanese expatriate managers sent from parent companies in Japan, leading to the following outline:

- 180 questionnaires being distributed to head offices/assembly plants and dealer partnerships of company A;
- 80 questionnaires being distributed to head offices/assembly plants and dealer partnerships of company B;
- 45 questionnaires being distributed to head offices/assembly plants and dealer partnerships of company C;

- 45 questionnaires being distributed to head offices/assembly plants and dealer partnerships of company D;
- 45 questionnaires being distributed to head offices/assembly plants and dealer partnerships of company E;

### ***Determining the sample size***

Although the determination of a research sample size is a common task in research design, it is nevertheless a crucial task in terms of the recognition that it could be rather difficult to secure a sufficiently large sample to assure both a high-quality and at the same time covering accurately all possible perspectives. Significantly therefore, there are a number of issues which should be considered carefully regarding the evaluation of a preliminary research sample. This is because an inadequate sample size might result in some vital data/information remaining hidden. On the other hand, if the sample size is too large, some of the results obtained might be relatively trivial or perhaps even superfluous. Consequently, either inadequate or excessive suboptimal sample sizes can affect the efficacy of measurements in providing adequate and accurate results for the study (Mason 2010; Koerber & McMichael 2008; Bartlett et al. 2001).

The sample size estimations used consisted of two elements for consideration. Firstly, interview sample sizes of Japanese expatriate and Thai HR managers were determined based on that which Morse (1994) and Lane and Arnold (2011) suggested, and the quantitative sample size for the survey was determined based on Taro Yamane's formula (1964) as explained below.

### ***The number of interviewees:***

Mason (2010) found that the determination of an appropriate sample size for qualitative research is still a matter for debate because the determination is not based on a solidly grounded system. However, some academic sources provide sample size guidelines as Mason's review showed. For example, Morse (1994) suggested that the smallest acceptable number for the study in areas of ethnography or ethno-science, and in grounded theory methodology should be 30-50 interviews whereas Bernard (2000) believed that the study in areas of

ethno-science should be 30-60 interviews. For studies adopting phenomenology, Creswell (1998) believed 5 to 25 interviews should suffice and Morse (1994) considered that at least six interviews would be enough. It is clear that the number of interview participants is dependent on the major area under investigation and the design of the study (Koerber & McMichael, 2008). An evaluation of 560 PhDs using interviews for their qualitative method, Mason (2010) found the mean sample size to be 31 with a significant and non-random distribution.

Lane and Arnold (2011) reported that no rule of determining research sample size really exists; it depends more on ensuring that sufficient interviews are conducted to gain ‘all’ perspectives, a saturation point can be reached where no new information is obtained from additional interviews (Francis, Johnson, Robertson, Glidewell, Entwistle, Eccles, & Grimshaw 2010; Mason 2010; Guest, Bunce & Johnson 2006). With this in mind, by making a contact with each target MNC the required number of Japanese expatriate and Thai HR managers was obtained. The MNCs actually determined the interview sample size as it ultimately depended on how prospective participants became motivated to participate in the study. Six Japanese expatriate and seven Thai HR managers were willing to participate in this study. The researcher believed that this number of participants was sufficient to answer the research questions, especially as they were prepared on a voluntary basis to share their experiences and six to seven participants would be sufficient this study as Morse (1994) reported that six participants would be an acceptable sample size. It was considered most important to ensure that expatriate and HR managers from each of the organisations at which data was gathered were interviewed.

***Sample size for survey questionnaire:***

The calculation of sample size for the survey questionnaire in this study was made with the formula of Taro Yamane (1964) as shown in Table 3.3.



**Table 3.3: The sample size formula bases on Taro Yamane (1964)**

Formula	Meaning
$n = \frac{N}{1 + Ne^2}$	When n = Sample size N = Population size e = The error of sampling* * This study allows the error of sampling on 0.05

On information provided by a representative of the HR Department of each target organisation, the total number of employees was 22,745. This number was used in the formula of Taro Yamane to calculate the required sample size, resulting in a 393 people as shown in the following.

$$n = \frac{N}{1 + N(0.05)^2} = \frac{22,745}{1 + 22,745(0.0025)} = 393$$

Although the sample size was calculated by the equation of Taro Yamane, with the intended confidence level of 95% for this study, it should be appreciated that each MNC actually controlled the number of interviewees by circulating the questionnaire to prospective participants who had had experience working with expatriate managers. Thus the number of questionnaires returned could have been more or less than that anticipated by the calculation.

#### **3.5.4 Data Collection Methods**

In the literature, it was found that survey questionnaires and interviews had been used as data collection tools to gauge Western expatriates' success however this had not been used to measure Japanese expatriate success in Thailand. The initial survey questionnaire returns were then translated professionally from English to the Thai language, because the key people involved in these studies were not native English speakers. Following that, the Thai versions of these surveys were translated back to English by the Dean of Humanities and Social Sciences, Rajabhat Maha Sarakham University, Thailand, to check whether or not the re-translated English version had the

same contextual meaning as the original English version from which the Thai language version was produced.

An overview of quantitative and qualitative data collection tools used are explained as follows:

### **Survey Questionnaire**

A Survey Questionnaire (see Appendix A.1) was used to collect information from Thai native subordinates with respect to the following dimensions of inquiry;

1. *To explore what success factors expatriate managers should focus on for expatriate' assignments in the automotive industry in Thailand;*
2. *To explore significant characteristics or attributes that expatriate managers deployed to MNCs in the Thai automotive industry required to effectively run the business.*

For these reasons, the questionnaire consisted of three sections as follows:

Section One: demographics of the Thai subordinate participants: close-ended questions with one-choice answers were used to ask prospective participants to characterise demographic data as follows:

1. *Gender:* Male or female.
2. *Age:* Age was categorised into five groups: Under 20, 21-30 years, 31-40 years, 41-50 years and over 50 years.
3. *Qualifications:* Qualifications were categorised into five groups: Masters' degree, Bachelor's degree, Undergraduate Diploma, Secondary education and other qualification.
4. *Division or department:* The participants were asked to provide the area they were employed in within their organisation.
5. *Length of time in current position:* This was put into five groups of 1-5 years, 6-10 years, 11-15 years, 16-20 years and more than 21 years.

6. *Length of time cooperating with their current and any former expatriate manager:* As the researcher intended to focus specifically on this information, the participants were asked to state how long they had worked with an expatriate manager.

Using closed questions facilitated coding by the researcher (Kumar 2005). Moreover, the demographic data was required to construct the respondent profile and to compare data obtained from the different subgroups.

Section Two: Factors which Thai native subordinates identified as abilities of expatriate managers impacting on their success in managing the MNC operations in the Thai automotive industry. To explore with Thai native participants the factors that would support expatriate managers' success on assignments in Thailand, personal characteristics and three-factor control variables including 'other individual related factors', 'organisational support factors', 'culture and environment' were used to gain from the native participants information to determine whether or not these factors from the literature do predict the selection of successful expatriates appropriate for the MNC operations in Thailand.

Section Three: The requisite characteristics of expatriate managers to effectively operate in the automotive industry in Thailand, the 10 key attributes differentiating managerial and leadership capability (adapted from Kotter 1990 and 2001) were included in this section. The Thai native participants were asked to identify the ten significant attributes they perceived that expatriate managers had deployed to run the MNCs in the Thai automotive industry.

The subordinate participants used a Likert scale to rate these factors on a "agree - disagree" range to reflect their perception of the degree of significance of each attribute in Sections two and three (where 1 = strongly disagree, 2 = disagree, 3 = neither disagree nor agree, 4 = agree and 5 = strongly agree). This provided the native participants with a series of attitude dimensions to choose from in their response as for

each dimension, the respondent was asked whether, and how strongly, they agreed or disagreed with each dimension.

Likert scales are given scores or assigned a weight, usually from 1 to 5 the purpose of which is to integrate the scores for each respondent (the response average), and the intent of the Likert scale is that the statement will represent different aspects of the same attitude (Brace 2004).

### **The Semi-Structured Interviews**

A qualitative methodology was included in this study because using solely established characteristics reported in the literature might not uncover the Thai-specific differences that this study intended to identify. Notwithstanding the volume of literature on Western characteristics and criteria, the continuing success of the Thai automotive industry and indeed that of the Thai economy is dependent on an understanding of the distinctive, key characteristics required of Japanese expatriate managers in Thailand. Thus, a semi-structured interview was included as a supplement to collect opinions from six Japanese managers and seven Thai HR managers, at approximately one hour for each interview.

Interviews were conducted following the semi-structure interview format in Appendix A.2 and A.3, but asking further questions where appropriate to gather a full answer for all questions. The prospective interviewees were all non-English speakers, functioning in the same respective MNCs as those participants who undertook the questionnaire survey. Hence, the semi-structured interview format for native Thai HR managers (see Appendix A.2) was developed in English, translated and re-translated as previously described. Whereas, the semi-structured interview for the Japanese expatriate managers (see Appendix A.3) the original English version was not translated to Thai but used directly for interview.

The seven Thai HR managers were interviewed in Thai whereas the six expatriate Japanese managers were interviewed in English unless the interviewees indicated they wished to be interviewed in Thai. Where Thai or English was chosen, a professionally qualified English-Japanese-Thai translator was engaged to assist in the interviews. An

interview schedule based on aims, topics of discussion, and resources utilised is exhibited in the following Table 3.4.

**Table 3.4: Background and introduction for semi-structured interview schedule**

<b>Framework for Interviews</b>	<b>Group1 Participants: Expatriate managers</b>	<b>Group2 Participants: Thai national HR managers</b>
<b>Aim:</b>	As outlined on the information sheet, the aim of this study is to explore and identify significant attributes that expatriate managers deployed to MNCs in Thailand need to apply to effectively run the business, as well as how these managers might have to adapt to their Thai operations.	As outlined on the information sheet, this study aims to explore and identify with indigenous Thai HR managers in MNCs what they would consider to be the uniquely required characteristics of expatriate managers to effectively operate their organisations in Thailand.
<b>Qualitative Topics to Discuss:</b>	<p>The expatriate manager sample group will be requested to give suggestions focusing on:</p> <ul style="list-style-type: none"> <li>- The key characteristics and personal attributes they believe would be required to effectively manage MNCs operating in Thailand.</li> <li>- The factors influencing Japanese expatriate managers' capabilities to succeed in MNC operations in Thailand.</li> </ul>	<p>The Thai HR managers sample group will be requested to give suggestions focusing on:</p> <ul style="list-style-type: none"> <li>- The key characteristics and personal attributes they consider the uniquely required characteristics of expatriate managers to effectively operate MNCs in Thailand.</li> <li>- The factors that Thai HR managers identify as influencing expatriate managers' abilities to succeed in Thai business;</li> </ul> <p>This information will be used to contrast against expatriate manager responses.</p>

The literature review (Holopainen & Björkman 2005; Kotter 2001; Caligiuri 2000b; Kotter 1990) supported formulation of these attributes for expatriate managers to be tested against interviews with the Thai-indigenous HR managers of MNCs operating in Thailand. Japanese expatriate managers' views of the personal characteristics they

required for success in Thailand were likewise designed to be contrasted with the literature and with subordinate and HR manager responses.

### **3.5.5 Data Analysis**

The Statistical Package for the Social Science (SPSS) was used to analyse the data obtained from questionnaire survey returns. Data were firstly analysed to provide means, frequencies, and percentages to describe and summarise the characteristics of the participant cohort. Secondly, using SPSS, independent-sample t-test and analysis of variance (ANOVA) were then used to analyse the coded data from the Likert Scale questions in Sections 2 and 3 of the survey questionnaire. Content analysis was used to analyse the qualitative data from Japanese expatriates' and Thai HR managers' responses.

The two pronged approach meant that instruments which relate to both quantitative and qualitative research approaches were used. They were chosen to uncover findings that the reviewed literature did not encompass, so as to contribute insight into why these characteristics are specifically required of Japanese expatriate managers in Thailand.

The questions remained: what are the distinctive attributes of the Thai culture that make these key characteristics necessary for success? How might these other key characteristics be developed and used for expatriates to succeed in Thailand? With this in mind, it was envisioned that these types of questions might best be answered by a statistical test followed by content analysis as explained in the following sections.

The following reflects the quantitative and qualitative analysis approach.

#### **The Quantitative Analysis**

Firstly, the independent-sample t-test was used to compute the mean scores of two different groups in terms of whether or not there was a statistically significant difference between the participant groups. The results were expected to indicate the similarities and differences between the two groups thus uncovering the main success factors and significant characteristics or attributes that expatriate managers need to consider when

deployed in multinational corporations of the Thai automotive industry so as to effectively run the business (Sekaran & Bougie 2010; Leech, Barrett & Morgan 2005; Hair, Bush & Ortinau 2003).

The differences between the five variables: Respondent (1) location, (2) gender, (3) level of appointment, (4) length of time in current position, and (5) length of time of cooperating with expatriate managers were tested by t-test as shown based on the following assumptions.

- Between respondents who work in different locations:  
Assumption: Mean scores for respondents who work for head offices/assembly plants and dealer partnerships will differ significantly in terms of personal attributes and key characteristics and factors influencing performance that are required for expatriate manager success in the Thai automotive industry.
- Between genders:  
Assumption: Mean scores for male and female respondents will differ significantly in terms of key characteristics, personal attributes and factors influencing performance that are required for expatriate manager success in the Thai automotive industry.
- Between respondents who are appointed at different levels:  
Assumption: Mean scores for respondents who work at management and operative levels will differ significantly in terms of key characteristics, personal attributes, and factors influencing performance that are required for expatriate manager success in the Thai automotive industry.
- Between respondents according to length of employment:  
Assumption: Mean scores for respondents who have worked between 1-5 years will differ significantly from those for respondents with more than 5 years-service in terms of key characteristics, personal attributes and factors influencing performance that are required for expatriate manager success in the Thai automotive industry.
- Between respondents who have been cooperating with expatriates for differing periods of time:

Assumption: Mean scores for respondents who have been working with and thus cooperating with expatriates between 1-5 years and those who have done so for more than 5 years will differ significantly in terms of personal attributes and key characteristics and factors influencing performance that are required for expatriate manager success in the Thai automotive industry.

Secondly, Analysis of Variance (ANOVA) was then used to determine whether there were any significant differences between the means of three or more independent groups (Sekaran & Bougie 2010; Leech et al. 2005; Hair et al. 2003), as shown by the following assumptions.

- Between respondents who work at different levels of educational background:

Assumption: Is there a difference in characteristics that Thai employees identify as influencing expatriate managers' abilities to succeed in Thai business according to level of education?

Hair et al. (2003), and Leech et al. (2005) suggested that every hypothesis test has a p-value, which basically tells how the observed result would occur by chance if the null hypothesis ( $H_0$ ) is true, and this was computed to assess whether the findings were significantly different or not. The p-values in this study are reported as the following:

- Significant at ( $p < 0.05$ ) (which indicates the probability of the results being by chance alone are 5% or less) thus the null hypothesis is rejected - "rejects  $H_0$ ".
- Highly significant at ( $p < 0.01$ ) (which means the probability of the results being by chance alone is 1% or less) - "rejects  $H_0$ ".
- The p-value is greater than 0.05 but less than 0.1, and then there is evidence to reject  $H_0$  at the 10% level of significance even though the mean difference is lower moderately.

*$0.05 < P\text{-value} < 0.1$  means "rejects  $H_0$ "*



If the p-value is greater than 0.1 ( $P > 0.1$ ) it means there is no significant difference between the two groups and therefore "accept  $H_0$ ". To ensure that the data meet the basic assumption, all assumptions in the present study were tested with p-value less than 0.05.

### **The Qualitative Analysis**

The study aimed to learn the finer details what it is that an expatriate manager needs to operate in each of the two cultural environments, and why they need to operate that way. It was not just learning which characteristics or factors, therefore, were required but to also gain some understanding of why the characteristics or factors were required and when they were required.

The interview transcripts of both Thai national HR managers and Japanese expatriate managers were subsequently analysed using a content analysis technique, which enabled the key characteristics and personal attributes to be classified according to the level of importance expressed in relation to their use by expatriate managers in Thailand. Likewise, this technique was also used to determine the factors considered to be influencing expatriate managers' success in the Thai automotive business.

According to Elo and Kyngäs (2008), Sekaran and Bougie (2010), and White and Marsh (2006), content analysis is a technique for analysing data from newspapers, advertisements, websites as well as interview records. This method facilitates the researcher to analyse textual information and then summarising them in a form of content including concepts, characters, or themes accounting for the various aspects in the content of a text message. By this analytical technique, results of the content analysis can be represented in numbers or percentages as the written words are coded into categories. According to White and Marsh (2006), translating written words into a code category could be drawn from a number of sources including existing theories, and previous research experiences or knowledge of experts. With this knowledge and understanding, an assessment of previous research was used as a vehicle to determine and secure theoretical support whether or not there were significant differences in terms

of expatriate assignees' perceptions derived from their actual experiences relative to what Thai indigenous subordinates' expressed as their requirements.

Content analysis in this research was used to determine the frequency of words and concepts within the text. This enabled the researcher to quantify and analyse the frequency of use, meaning and relationships of words and contents by coding them into categories. The purpose of the initial coding was to reduce data from the raw interview transcripts. This resulted in the broad categories combining similar themes into specific categories. Once, the specific categories were conducted, the research questions were answered by comparing the qualitative results with quantitative results.

### **3.6 ETHICAL CONSIDERATIONS**

In this study, all procedures including the development of survey instruments; selection of participants; the data analysis methods; and information provided via the information sheet and the consent form, were approved by Victoria University's Human Research Ethics Committee (Appendix B). Access to data and information collected was restricted to the principal and associate investigators as well as the researcher.

Prior to commencing data collection, respondents to this study were contacted by the researcher, using the following procedures:

1. After identifying suitable organisations from publicly available company reports, the HR director of each organisation was contacted and an introductory letter sent providing information, including a copy of the information sheet, explaining the reason for inviting their organisation to participate in the study.
2. The respective superior officer of each selected expatriate manager and Thai HR manager was requested to ask these managers to indicate their willingness to participate in the study. Copies of the covering letter as well as the information sheet were also sent to the responsible senior managers to inform of the selection process for the managers who were to be interviewed.

3. The consent form, in addition to the information sheet, was then sent to the managers who indicated their willingness to participate, before the interview. The consent form was duly signed if they agreed to participate, prior to commencing each interview in accordance with university research protocols. The expatriate manager and HR manager interviews were tape recorded if agreed to on the consent form. For those who did not agree to tape recording of the interview, responses were hand written. In accordance with university research protocols, confidentiality of information collected either by tape or note taking was assured.
4. After interviewing expatriate managers and HR managers, the senior managers were then contacted and requested to ask Thai subordinates reporting to them if they would be willing to participate in the study. For those willing to participate, copies of the information sheet were also sent to the senior manager who placed the questionnaires where all staff could access them if they wished to participate. Operative staff then completed the survey questionnaire in their own time, outside work, thus their supervisor never became aware of who participated.
5. The consent form was sent to each of the Thai national operative who indicated a willingness to participate and they signed the consent form prior to completing the survey questionnaire.
6. In the dealerships, the names of those willing to participate were forwarded, via the authorising member of staff, to the researcher. The researcher contacted each of the Thai subordinates whose name had been provided to arrange for them to complete the survey questionnaire. Then the consent form was sent to each participant Thai national operative and HR manager who then completed the consent form prior to completing the survey questionnaire. The authorising member of staff was not aware of who actually did complete the questionnaire out of those who expressed an interest in doing so. After completion of the questionnaire, it was forwarded to the researcher via Thai post, thus no other person viewed the completed questionnaires.

During all stages of the data collection process, if participants required more information, they could consult with the researcher. Particularly, if they felt awkward or

uncomfortable about the level of disclosure, they were advised they could withdraw at any stage. No participant took advantage of this option.

Most importantly, according to the sensitive nature of the data requested, the most significant responsibility of the researcher for conducting the research is to keep the information obtained by participants as anonymous and confidential and this was the case in this research.

### **3.7 DATA PREPARATION**

Hair et al. (2003), Leech et al. (2005), and Sekaran and Bougie (2010) suggested that data preparation is a fundamental procedure for the success of data mining endeavour. This is because data preparation helps to assure data quality obtained by the process of translating questionnaire data into meaningful categories in an easily processed format, which will be better suited for further analysis. The data preparation process is therefore considered to be the most technical stage in the empirical work of any research project. Essentially, the data preparation process begins with the checking of the completeness of all returned questionnaire surveys and whether or not errors or omissions have been occurred as uncovered in the course of data editing, which is the process to eliminate inappropriate and incomplete responses and concurrently assure consistency of questionnaire data for subsequent coding.

A range of processes were undertaken to ensure the integrity of data in this research:

- Data coding
- Data screening
- Checking for missing data, and
- Assessment of normality

Details of these actions undertaken are contained in Appendix C.

### 3.8 LIMITATIONS

In this empirical work, the focus/target group was mainly based on five Japanese MNC car makers in Thailand. The targeted population included indigenous Thai HR managers and operative-level employees as well as Japanese expatriate managers who were assigned by the parent companies in Japan to work for their MNC subsidiaries in Thailand. To be eligible to participate in this study, both the groups of Thai HR managers and of operative-level employees were required to have experience in cooperating with those Japanese expatriate managers.

At the time of collecting data, several organisations targeted to receive the questionnaire and interview survey were busily engaged in delivering new strategies for the motor exhibition in 2010. Concurrently, these organisations needed to prepare a financial statement in accordance with this specific motor exhibition. As a result, nobody from outside was permitted to collect data from them. Therefore, in order to move the data collection process forward, it was decided to also gather data from related dealer partnerships who agreed to participate in this study.

Although not all originally targeted participants could take part due to problems beyond the researcher's control, the researcher believes that the data from the participants from the dealer partnerships has proved to be valuable. The data was collected through personal visits to dealer participants. This is because the researcher had to ensure that the participants in the targeted dealer partnerships had experience in working with Japanese expatriate managers sent from parent companies in Japan.

As a result of personal visits, the data and information in this study collected from dealer partnership participants were assured to be from individuals who were experienced in working with Japanese expatriate managers. Moreover, the returned questionnaires can be regarded as being of equal quality to those questionnaires returned from head office/assembly plant participants.

In the course of visiting head offices/assembly plants, participating groups (Thai HR managers, operative-level employees, and Japanese expatriate managers) were recommended by the authorising member of staff in each head office/assembly plant. Approval was granted by the Thai HR managers for the researcher to ask operatives and managers from various line management levels to participate in the data collection process of this study through interviews and a questionnaire survey. However, no category classification according to their roles and levels in the organisation was included in the questionnaire because the variety of participants at different line management levels had not been anticipated. This came about after development of the questionnaire and under the direction of the HR manager. Accordingly, to manage for this issue, participants were requested to include their job titles when completing the Ethics consent form. The HR managers, when distributing the questionnaire survey, interpreted the term 'subordinates' broadly to include anyone who reported to another person one level above them on site. The researcher subsequently categorised each position according to the job title provided by the participant and based on her knowledge of Thai corporate practice.

Although the original intention of the research was to gather information only from head office/assembly plant operative level employees, the participating organisations' decision to allow distribution to employees at other levels has allowed an additional analysis against level or type of employment. This has provided richer data than originally expected. As Cook, Health and Thompson (2000) noted, the representativeness of survey samples is much more significant than the response rate obtained. In particular, although the personal visits/contacts with each organisation assisted greatly in enabling this research to be conducted, it should be noted that the number of employees who participated was determined by the organisations, not the researcher. The HR managers within head offices/assembly plants and one of their dealer organisations would circulate the questionnaire to all employees which they considered to have had experience working with, and thus collaborating with, expatriate managers.

### **3.9 SUMMARY**

This chapter identified studies in the literature that framed the research questions, and the conceptual framework was developed to study the determinants for expatriate managers' success in Thailand's automotive MNCs. Accordingly, the methodology was determined, research methods defined and the cohort and sampling procedures adopted were explained and supported. Additionally, the research instruments for data collection and methods used to analyse the data were duly described. The process was then described commencing with ensuring data integrity before coding, the data from the questionnaire returns were analysed using SPSS and the interview transcripts were interpreted by content analysis. The results of these analyses are provided in the next chapter, Chapter 4.

## **CHAPTER 4**

### **DATA ANALYSIS AND RESEARCH RESULTS**

#### **4.1 INTRODUCTION**

The aim of this chapter is to present the results of analysis and interpretation of quantitative and qualitative data obtained empirically. The major objective is to present research findings in relation to key characteristics to complement requisite managerial and leadership attributes of Japanese expatriate managers for effectively managing their multinational subsidiary corporations in the Thai business context.

In order to test the assumptions constructed to answer the research questions, this chapter begins by presenting the details of survey respondents involved in this study. The second section presents the outcomes of analysing the data from the questionnaire survey returns based on Thai indigenous subordinates' perspectives of the key characteristics required and factors influencing their Japanese expatriate managers of MNCs operating in Thailand. The last section presents the outcomes of interpretation and analysis of the qualitative data collected from interviews with Japanese expatriate managers and Thai HR managers. A content analysis was undertaken by comparing what Japanese expatriate managers believed are essential for the successful management of MNCs and what Thai HR managers consider to be uniquely influential abilities for their expatriate managers to succeed in the Thai business environment. This analysis facilitated the categorisation of key characteristics and personal attributes.

Prior to commencing data analysis, as mention in section 3.7, appropriate actions were taken to ensure data integrity (see Appendix C). Results of the tests for normality showed that the data were considered to be normally distributed because, in accordance with what was proposed by Kline (2011) they had skewedness and kurtosis values ranging between 3 and 10 (see Appendix D.1). In this respect, it was considered appropriate to use the Independent-samples t-test and One-Way between-groups ANOVA to test the data for answers to the research questions.



## SECTION ONE:

### 4.2 ANALYSIS OF QUESTIONNAIRE SURVEY RETURNS

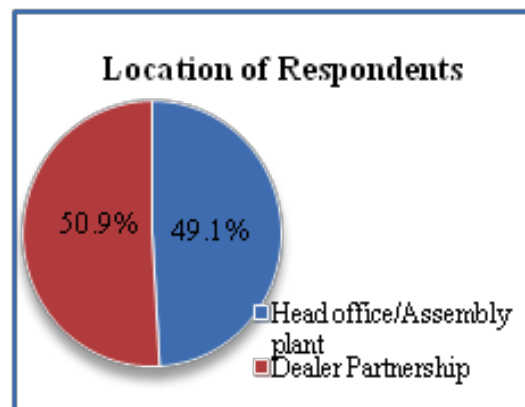
This section starts by presenting a breakdown of total response rates and percentages for the following:

#### 4.2.1 Questionnaire Response Rate

A total of 395 questionnaires were distributed to five automotive head offices/assemble plants and 151 of their dealer partnerships. An overview of respondent companies is presented in Table 4.1 below.

**Table 4.1: Summary of response rate based on location of respondents**

Location of Respondents	Frequency	%
Head office/Assembly plant	158	49.1
Dealer Partnerships	164	50.9
<b>Total</b>	<b>322</b>	<b>100.0</b>



As shown in Table 4.1, a total of 322 completed questionnaires were returned within three months of original dispatch and after follow up. These returns were based on 158 respondents from head offices/assembly plants (49.1%), and 164 respondents from dealer partnerships (50.9%). Questionnaire response rates represent a high overall rate of 81.52%, based on 157 from company A; 67 from company B; 35 from company C; 32 from company D, and 31 from company E as shown in Table 4.2 (next page).

**Table 4.2: Sampling and response rate**

Location of Respondents		Number of questionnaires		Response rate
		given out	Returned	
Company A	Head office or Assembly plant	80	78	97.50%
	Dealer 1	70	51	72.86%
	Dealer 2 – 31	30	28	93.33%
	<b>The total of Company A</b>	<b>180</b>	<b>157</b>	<b>87.22%</b>
Company B	Head office or Assembly plant	50	43	86.00%
	Dealer 1 – 30	30	24	80.00%
	<b>The total of Company B</b>	<b>80</b>	<b>67</b>	<b>83.75%</b>
Company C	Head office or Assembly plant	15	12	80.00%
	Dealer 1 – 30	30	23	76.67%
	<b>The total of Company C</b>	<b>45</b>	<b>35</b>	<b>77.78%</b>
Company D	Head office or Assembly plant	15	12	80.00%
	Dealer 1 – 30	30	20	66.67%
	<b>The total of Company D</b>	<b>45</b>	<b>32</b>	<b>71.71%</b>
Company E	Head office or Assembly plant	15	13	86.67%
	Dealer 1 – 30	30	18	60.00%
	<b>The total of Company E</b>	<b>45</b>	<b>31</b>	<b>68.89%</b>
<b>TOTAL NUMBER OF RESPONDENTS</b>		<b>395</b>	<b>322</b>	<b>81.52%</b>

Was the 81.52% response rate obtained from the combined population of respondents rather than just the primary target group, that is, the head offices/assembly plants alone as originally planned for the study sufficient to constitute a representative sample? A 60% response rate would have been acceptable, nevertheless a response rate of 70% would be preferred, especially with surveys intended to gather data explaining knowledge or behaviours (Gordon 2002). Christie, Gordon and Heller (1997) and Parashos, Morgan and Messer (2005) recommend examining a non-response rate below the range of 70% to 80%. Therefore, when compared against the highest recommended response rate in the literature of 80%, the overall response rate of 81.52% obtained for this study was considered to be a highly significant result that would support generating

accurate findings, based on responses from a group of respondents more likely to be representative of the entire population.

#### 4.2.2 Analysis of respondents

Table 4.3 below shows the summary profile of all respondents by gender, age, level of education, appointment, length of employment in current position and length of time for which they have had experience in cooperating with Japanese expatriate managers.

**Table 4.3: Respondent analysis by gender, age, level of education & appointment, & length of employment in current position**

Analysis of all respondents (Total =322)		Frequency	%	Cumulative %
Gender	Male	166	51.6	51.6
	Female	156	48.4	100.0
Age range	21-30 years	152	47.2	47.2
	31-40 years	88	27.3	74.5
	41-50 years	61	19.0	93.5
	51 years or older	21	6.5	100.0
Highest level of education achieved	Masters Degree	72	22.4	22.4
	Bachelor's degree	208	64.6	87.0
	Undergraduate Diploma	36	11.1	98.1
	Secondary Education	5	1.6	99.7
	Other Qualifications	1	0.3	100.0
Level of appointment	Top management	34	10.6	10.6
	Middle management	24	7.5	18.1
	First-level management	81	25.1	43.2
	Operative Employees	183	56.8	100.0
Period of working time in current position	1-5 years	199	61.8	61.8
	6-10 years	48	14.9	76.7
	11-15 years	36	11.2	87.9
	16-20 years	32	9.9	97.8
	More than 21 years	7	2.2	100.0
Period of time cooperating with expatriates	1-5 years	191	59.3	59.3
	6-10 years	55	17.0	76.3
	11-15 years	31	9.6	85.9
	16-20 years	30	9.4	95.3
	More than 21 years	15	4.7	100.0

The results show that the number of male and female responses was almost equal - 166 (or 51.6%) males and 156 (or 48.4%) females of a total of 322. Most respondents were between 21 and 30 years of age, and most had a Bachelor's degree. With respect to the level of appointment, 34 (or 10.6%) respondents were in top management positions while 24 (or 7.5%) respondents held middle management positions and 81 (or 25.1%) respondents were employed at first management level. The majority of the respondents were operative employees (183 or 56.8%).

In terms of years of service, the data in Table 4.3 show that 61.8% of the respondents have worked in their current position for 1 to 5 years, while 14.9% had spent 6-10 years, 11.2% 11-15 years and 9.9% 16-20 years in their current role. Among the respondents, 2.2% had worked for more than 21 years at their current level of appointment. The results indicate that Thai subordinates are not likely to spend a long period of time in one position.

As Thai employees spend more time being supervised by or working alongside Japanese head office staff currently on placement in Thailand, it could be expected that these local employees may become more accepting of the Japanese management style. It may also enable an increased awareness of the cultural differences that do at times lead to misunderstandings or even conflict. For that reason this research endeavoured to learn how long each respondent had worked with a Japanese expatriate manager. This has been referred to as 'cooperated with a Japanese expatriate manager' throughout the thesis. The relationship may at times be one of subordinate Thai employee and Japanese expatriate supervisor, however as it is now more than 20 years since Japanese automotive companies commenced operations in Thailand, it is possible that some Thai employees have been promoted and are now working with Japanese expatriate staff who are appointed at the same level, or some Japanese staff may now even report to a Thai national manager. In this instance they are peers, not supervisor and subordinate, thus, the term 'cooperated with' has been used to indicate any role and work relationship that would require interaction in order to complete a job. Some respondents may have worked with Japanese expatriates in a former role but not in their current role. For instance, they may have moved to a dealer partnership and no longer be working closely

with expatriate staff. However, the wording of the questionnaire enabled respondents to indicate the combined period of experience of working with Japanese expatriates.

Data show that the majority of the respondents (59.3%) have worked cooperatively with their Japanese expatriate managers for 1-5 years, 17% for 6-10 years, 9.6% for 11-15 years, and 9.4% for 16-20 years respectively. Only 4.7% of the respondents have cooperated with Japanese expatriate managers for more than 21 years. The results show that the longer respondents have worked for the organisation, the less likely they are to have worked cooperatively with Japanese expatriate managers (see Table 4.3).

***Descriptive data by gender and location of respondents***

Table 4.4 below provides a breakdown of questionnaire returns according to gender and employment location of respondents. The percentage of male respondents (46.8%) who work at head office/assembly plant was slightly less than that of female respondents (53.2%); whereas the percentage of male respondents (56.1%) who work at dealer partnerships was slightly higher than that of female respondents (43.9%).

**Table 4.4: Number and percentage of respondents by gender & location**

			Location of Respondents (LOR)		Total
			Head office/ Assembly plant	Dealer Partnership	
Gender	Male	Count	74	92	<b>166</b>
		% within location	46.8%	56.1%	51.6%
	Female	Count	84	72	<b>156</b>
		% within location	53.2%	43.9%	48.4%
Total		Count	158	164	<b>322</b>
		% within location	49.1%	50.9%	100.0%

Cross tabulation: Gender/Location

Results in Table 4.5 contain data for the total number of male and female subordinates who have only been employed a short periods of time (between 1-5 years) and show no significant difference between male and female respondents. Moreover, as can be seen from Table 4.5, the majority of both male and female Thai indigenous subordinate respondents have not worked for more than 5 years in their current role.

**Table 4.5: Number respondents by gender & length of time in current position**

		Length of time in current position (years)					Total
		1-5	6-10	11-15	16-20	> than 21	
Gender	Male	95	26	21	20	4	166
	Female	104	22	15	12	3	156
Total		199	48	36	32	7	322

Cross tabulation: Gender/Length of time in current position (years)

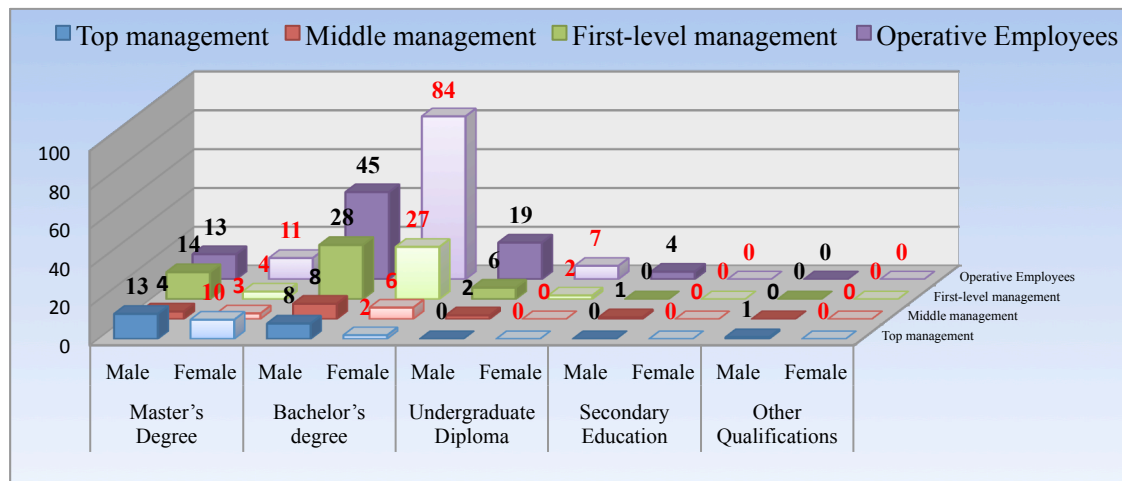
***Descriptive data by gender, level of education and level of appointment***

Figure 4.1 provides a graphical representation of the data contained in Table E1.1 in Appendix E.1, which shows the total number of male and female respondents at the various levels of employment at the head office/assembly plant and dealer partnership locations.

In regard to educational background, the figure shows that of a total of 322, 208 or 64.6% had a Bachelor's degree – 89 (42.8%) of whom were male and 119 (57.2%) female. Of the 129 operative employees with a Bachelor's degree, 45 were male (of a total 89 or 50.6%) and 84 were female (of a total 119 or 70.6%), followed by first-level management (28 of 89 or 31.5% of males, and 27 of 119 or 22.7% of females), middle management (8 of 89 or 9% of males, and 6 of 119 or 5% of females) and top management (8 of 89 or 9% of males, and 2 of 119 or 1.7% of females). This shows a concentration of women at lower levels of appointment despite a greater percentage of female respondents having a tertiary qualified.

With regard to educational background, the results of this study indicate that a Bachelor's degree has become a fundamental requirement for obtaining a job in the automotive industry in Thailand. This is supported by results which show that only 41 of 322 or 12.7% of respondents do not have a Bachelor's degree or higher qualification.

**Figure 4.1: Respondents' educational background by level of appointment**



Note: Other Qualification = a doctoral degree

For the 41 respondents whose highest level of education was below Bachelor's degree education, the results in Table 4.6 show that 32 were males (or 78%) and only 9 were females (or 22%). No female respondent in this study had only completed secondary education whilst one male respondent who had only completed secondary school worked at middle management level. The results show that males still dominate in higher level management positions. In other words, women remain under-represented in managerial positions, even though women have attained higher educational qualifications.

**Table 4.6: Respondents by gender, education level & management level**

Gender	Level of management	Highest education level achieved					Total
		Master's Degree	Bachelor's degree	Undergraduate Diploma	Secondary Education	Other Qual's	
Male	Top	13	8	0	0	1	22
	Middle	4	8	2	1	0	15
	First-level	14	28	6	0	0	48
	Operative	13	45	19	4	0	81
	Total	44	89	27	5	1	166
Female	Top	10	2	0	0	0	12
	Middle	3	6	0	0	0	9
	First-level	4	27	2	0	0	33
	Operative	11	84	7	0	0	102
	Total	28	119	9	0	0	156

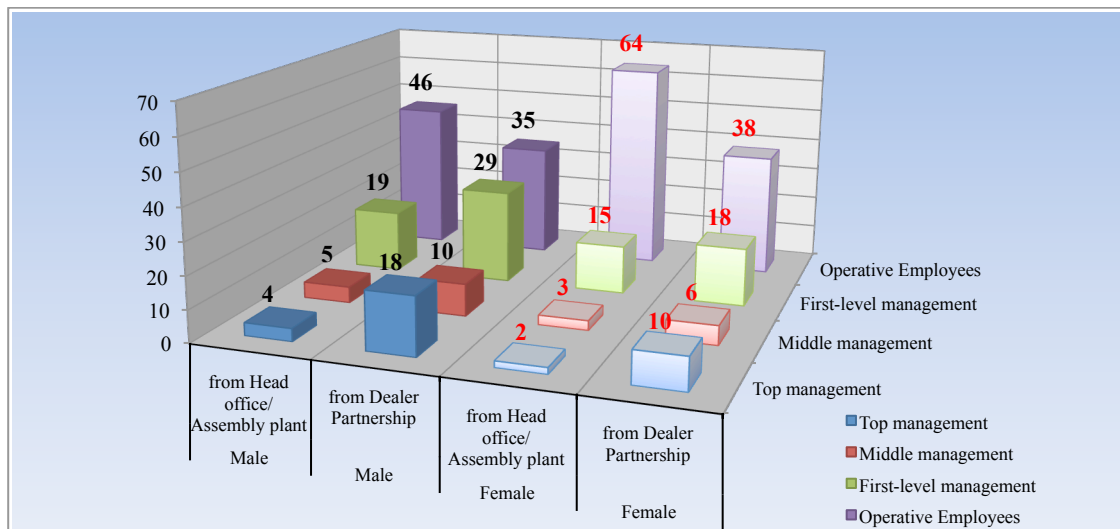
Cross Tabulation: Level of management/Highest education level achieved/Gender

In terms of the level of appointment, Figure 4.1 and Table 4.6 show that at top management level, 22 of 34 (64.7%) were male, and 12 of 34 (35.3%) were female. All those at the top management level had a Bachelor's degree or postgraduate qualification. At the middle management level, 15 of 24 (62.5%) were male, and 9 of 24 (37.5%) were female. All female middle managers were Bachelor's degree or postgraduate qualified. On the other hand, three of the 15 male middle managers did not have a university degree. At the entry management level, 48 of 81 (59.3%) respondents were male, and 33 of 81 (40.7%) were female. Six of the 48 (12.5%) male and two of the 33 (6%) female first level managers have undergraduate diplomas only. The largest number of respondents was at operative level with 183 of a total of 322 employees (56.8%); 81 (44.3%) were men and 102 (55.7%) women. The majority of female operatives (93.1%) hold a Bachelor's degree or postgraduate qualification, but 7 of the 102 (6.9%) female operatives had an undergraduate diploma only. Likewise, the majority of male operatives (71.7%) had a Bachelor degree or higher qualification, but 19 of the 81 (23.4%) male operatives had an undergraduate diploma only, and 4 of the 81 (4.9%) male operatives had secondary education only. The results show that female respondents, although having higher education qualifications than the male respondents, were under-represented at all management levels.

The data in Table E1.2 (Appendix E.1) and Figure 4.2 suggest a lack of equity in promotion. Fewer women respondents than men from head offices/assembly plants and dealer partnerships hold positions in the top, middle or first management level; but this trend is reversed at the operative level. There were 64 female operatives (of a total of 110, or 58.18%) from head office/assembly plant, while there were 46 male operatives (of a total of 110, or 41.82%). There were 38 female operatives (of a total of 73, or 52%) from dealer partnerships, while there were 35 male operatives (of a total of 73, or 47.95%).



**Figure 4.2: Graphical representation of number of respondents by location and level of appointment\***



\*See Appendix E.1 – Table E. 1.2

**Descriptive data by gender, level of education, level of appointment and length of time in current position**

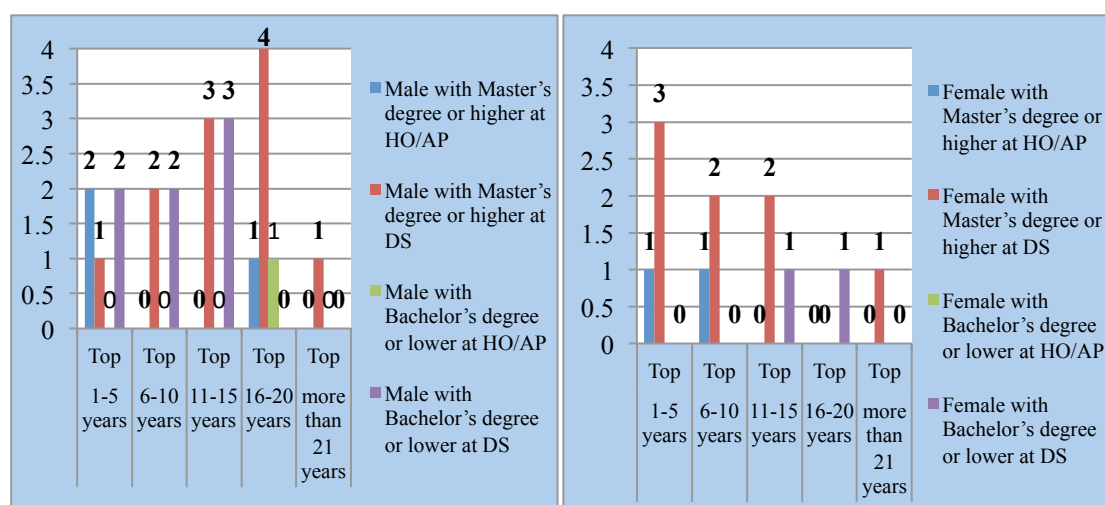
As shown in Table E1.3 (Appendix E.1), in terms of length of spent time in the current position, the results are explained as follows:

- The vast majority of respondents from all levels of appointment have worked in their position for 1-5 years only (33 or 10% respondents with a Master's degree or higher qualifications, 166 or 52% with a Bachelor's degree or lower);
- The number of people who have been employed for 6-10 years was 18 or 6% of respondents with a Master's degree or higher qualifications, and 30 or 9% respondents of those with a Bachelor's degree or lower;
- Of those employed for 11-15 years, 11 or 3% respondents hold a Master's degree or higher qualifications, and 25 or 8% a Bachelor's degree or lower;
- Of the thirty two or 10% of respondents who have spent 16-20 years in their current position nine, or 3%, had a Master's degree or higher qualifications, and 23 or 7% had a Bachelor's degree or lower qualification;
- For respondents who have spent the longest period, more than 21 years in their current role, 2 of 322 or 1% have a Master's degree or higher qualifications and 5 of 322 or 2% have a Bachelor's degree or lower qualification.

The findings show that the proportion of respondents in both groups has constantly reduced while respondents have spent time in their longer.

Figures 4.3–4.5 provide a graphical representation of the data in Table E1.3 (Appendix E.1). Figure 4.3 shows the profiles of male and female respondents with respect to their educational background and time employed in their current position. The data show that there were 14 men with a Master’s degree or higher qualifications and 8 men with a Bachelor’s degree or lower who were in top level management positions. Most male top-level executives with a Master’s degree or higher qualifications worked at dealer partnerships. Likewise, most male top-level executives with a Bachelor’s degree or lower qualification also worked as dealer partnerships. By comparison, there were 10 women with Master’s degrees or higher qualifications and two women with Bachelor’s degrees or lower qualifications who also worked in top-level roles. No woman in a top-level executive position at either location had only a Bachelor’s degree or lower qualification. The results in Figure 4.3 indicate that educational background is likely to be a major indicator for both male and female respondents of whether they were likely to work at the top management level in either head offices/assembly plants or dealer partnerships. The majority of respondents, irrespective of gender, who work in a top management position, hold a Master’s degree or higher qualification.

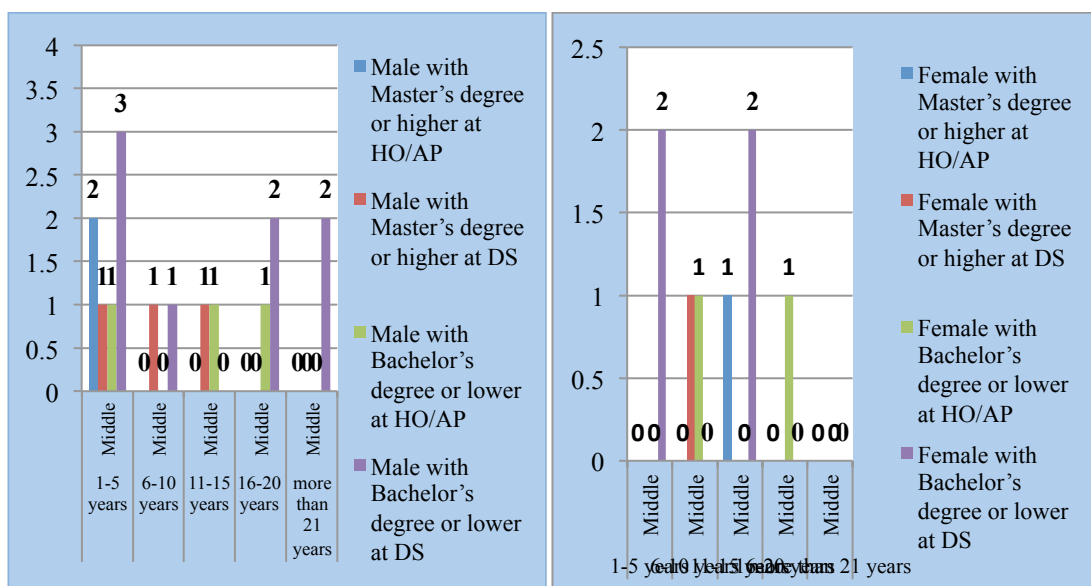
**Figure 4.3: Graphical representation of number of top-level respondents by gender, educational background and time in current position\***



\*see Appendix E.1 – Table E1.3

The data presented in Figure 4.4 show five men with a Master's degree or higher qualification – two of whom worked at the head office/assembly plant and three at the dealer partnership location. There were 11 men with a Bachelor's degree or lower qualification in top level management– three of the 11 worked at the head office/assembly plant and eight at the dealer partnership location. None of the men at middle-level with a Master's degree or higher qualification had worked at the head office/assembly plant in their current position for more than 5 years. At middle management level, there were only two women with a Master's degree or higher qualification and six women with a Bachelor's degree or lower qualification. None of the women at middle management level, neither those who were educated to Bachelor's degree level or below nor those educated to or above Master's degree level, had worked for head office/assembly or a dealer partnership in their current position for more than 21 years. The majority of respondents who work in a middle management position hold a Bachelor's degree or lower qualification indicating that obtaining a post graduate qualification does not appear to be the main requirement for either men or women to progress to that level (see Figure 4.4 below).

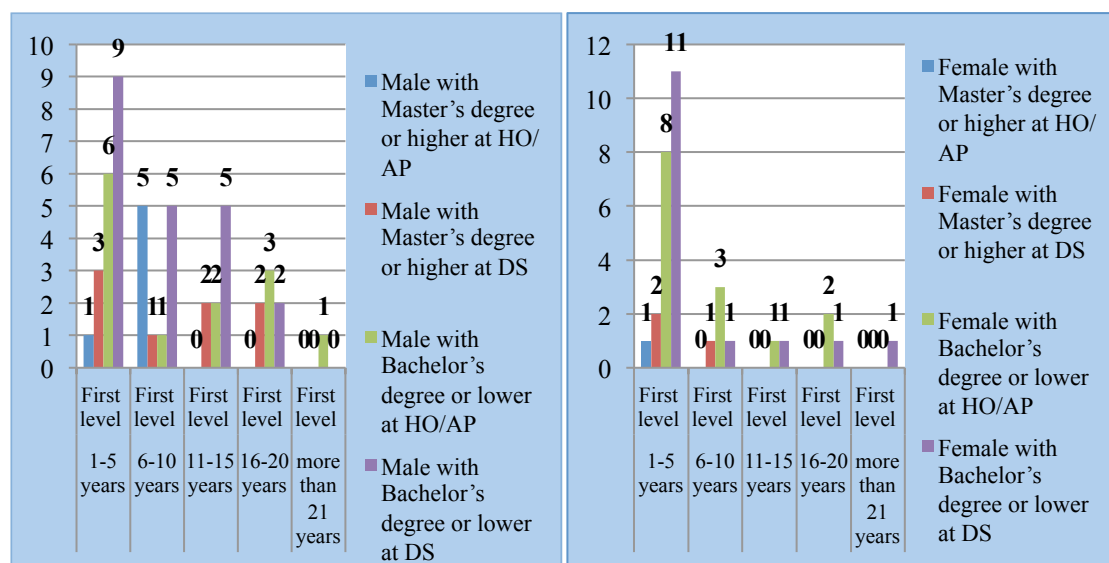
**Figure 4.4: Graphical representation of number of middle-level respondents by gender, educational background and time in current position\***



\*(See Appendix E.1-Table E1.3)

The data in Figure 4.5 show that the majority of male respondents at first-level management had a Bachelor's degree or lower qualification (34 of 48 or 71%). Twenty nine per cent of males at first-level positions had a Master degree or higher qualification. The majority of women first-level respondents had a Bachelor degree or lower qualification (29 of 33 or 88%). Twelve per cent of women at first-level had a Master's degree or higher qualification. No women at first-level with a Master's degree or higher qualification worked at the head office/assembly plant location and all had worked in her current position for over 5 years. The results in Figure 4.5 indicate that similar to middle level employees, level of education is not to the main requirement for employees to move to first-level management positions.

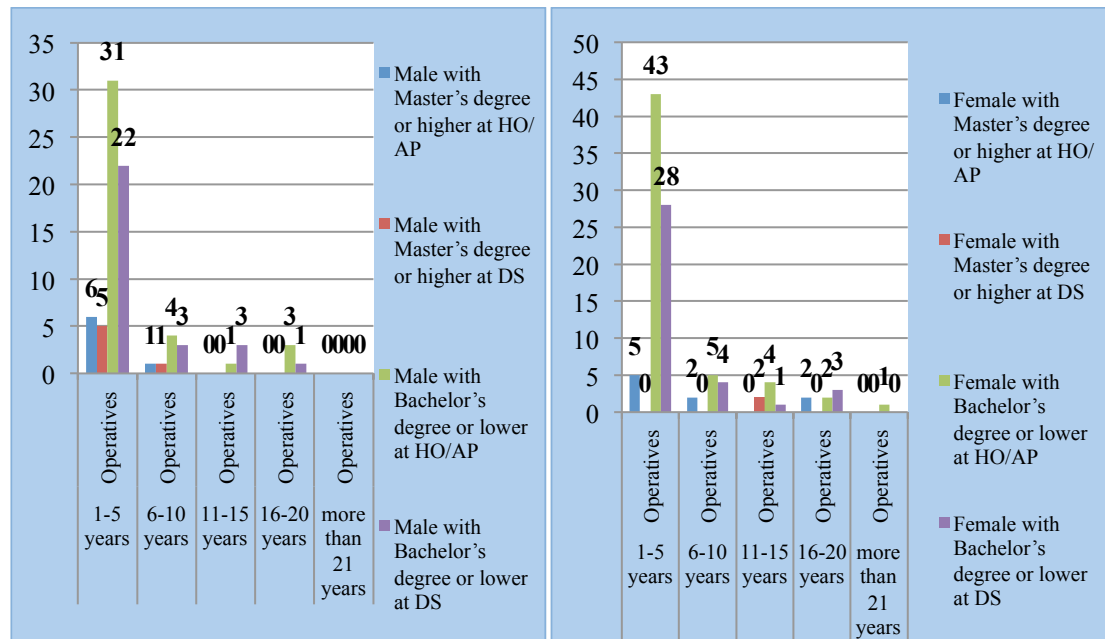
**Figure 4.5: Graphical representation of number of first-level respondents by gender, educational background and time in current position \***



\*(See Appendix E.1-Table E1.3)

The results in Figure 4.6 (next page) show that that the majority of male respondents at the operative level have a Bachelor's degree or lower qualification (68 of 81 or 84%). Sixteen per cent (13 of 81) of male operative respondents had a Master's degree or higher qualification. No male operative respondent with a Bachelor's degree or a Master's degree had worked in their current position for over 21 years at either the head office/assembly plant or dealer partnership location.

**Figure 4.6: Graphical representation of operative respondents by gender, education, and time in current position\***



\* see Appendix E.1 – Table E1.3

The majority of women operative respondents were also qualified at a Bachelor's degree level or lower (91 of 102 or 89%). Eleven per cent (11 of 102) of female operative respondents had a Master's degree or higher qualification. In relation to length of time spent operatives had spent in their current position, only one Bachelor's degree-qualified female operative had worked at the head office/assembly plant in the same position for 21 years or more. Most male and female operative respondents working at either location with either a Bachelor's degree or a Master's degree had been in their current position for 1-5 years.

The results indicate that female respondents are more likely to be loyal into the company than are their male counterparts. The total number of female operatives who had worked for six years and up to 21 years was greater than for male operatives. However, this may indicate that the male operatives are more likely to gain promotion to a higher position than are their female counterparts. Four males (5%) had remained in entry, or operative, level roles for 16 years or more and eight females (8%) had been in

an operative position for 16 years or more. This raises issues in relation to equity in promotion procedures which will be raised elsewhere.

## **SECTION TWO:**

### **4.3 KEY CHARACTERISTICS FOR EXPATRIATE MANAGER SUCCESS**

To explore the characteristics that Japanese expatriate managers believe are needed to deal with on-site challenges in MNC subsidiaries and effectively move the subsidiaries forward in the Thai automotive industry, the 10 key distinctions between leadership and managerial attributes (adapted from Kotter 1990 and 2001) were used to guide the semi structured interview format used with Thai subordinates of the Japanese expatriate managers. Leadership attributes adopted from Kotter (a) setting a direction; (b) focusing on people; (c) motivating; (d) possessing a long-range perspective and (e) developing, originating and creating change. Managerial attributes are (a) planning and budgeting; (b) focusing on systems and structures; (c) controlling and problem solving; (d) possessing a short-range view and (e) performing and creating stability.

As mentioned in Chapter 3, section 3.4.5, in the process of analysis for this study, the independent-sample T-test and Analysis of Variance (ANOVA) were used as instruments for comparing the perceptions of Thai subordinates between different locations, gender, levels of appointment, length of time in current position, and length of time for cooperating with expatriate managers. The independent-sample t-test was conducted to compute the mean scores of two different groups in terms of whether or not there was a statistically significant difference between the participant groups. The Analysis of Variance (ANOVA) was then used to determine whether or not there were any significant differences between the means of three or more independent groups. All hypotheses in this study were tested with p-value less than 0.05.

Firstly, the independent-sample T-test was used to conduct responses from Thai subordinates to identify any dissimilarity with respect to location, gender and level of appointment of the different respondents detailed as follows.

#### ***4.3.1 Ranking of Characteristics and Employment Location***

In terms of the subordinates' perspective of the characteristics influencing the effectiveness of Japanese expatriate managers in Thai automotive businesses, the results shown in Table F1.1 (Appendix F.1) indicate that there was no statistically significant difference in ranking of each of Kotter's key characteristic between respondents who worked at either the head office/assembly plant or dealer partnership (accept  $H_0: p > 0.05$ ). In other words, the data show that Thai employees from both locations similarly ranked the importance of Kotter's characteristics.

While there was no significant difference in the mean scores for Kotter's ten key characteristics, the data comparing the mean ranks (see Table 4.7) indicate that irrespective of the location at which the employee worked, 'setting a direction' and 'controlling and problem solving skills' were rated as the most important characteristics required for Japanese expatriate managers in the Thai working environment. Employees from both work locations considered the characteristics 'creating stability', 'focusing on people's needs' and 'possessing a short-range perspective' to be of least importance for Japanese expatriate managers to function effectively in the Thai automotive industry.

Although the Thai subordinates from both work locations had a similar viewpoint on the most and least needed attributes of their Japanese expatriate managers, the employees who worked at the head offices/assembly plants generally focused on leadership attributes, ranking them in the top five attributes required for success as shown in Table 4.7, whereas employees from the dealer partnerships considered that both leadership and managerial attributes were important for expatriate success in Thai business, ranking those skills in the top-five positions.

**Table 4.7: Rank order of importance of characteristics: head office/assembly plant and dealer partnership respondents**

Rank Order	Key characteristics Management (M) or leadership(L) attributes	Head Office/ Assembly plant		Key characteristics Management (M) or leadership(L) attributes	Dealer partnership	
		M or L	Mean		M or L	Mean
1	Setting a direction	L	4.24	Setting a direction	L	4.33
2	Controlling and problem solving skills	M	4.2	Controlling and problem solving skills	M	4.24
3	Developing, originating and creating change	L	4.19	Possessing a long-range perspective	L	4.17
4	Possessing a long-range perspective	L	4.18	Developing, originating and creating change	L	4.14
5	Motivating employees to excellence	L	4.06	Having planning and budgeting skills	M	4.12
6	Focusing on systems and structures	M	4.04	Motivating employees to excellence	L	4.09
7	Having planning and budgeting skills	M	3.99	Focusing on systems and structures	M	4.09
8	Performing in a manner that creates stability	M	3.97	Performing in a manner that creates stability	M	4.02
9	Focusing on people's needs	L	3.75	Focusing on people's needs	L	3.73
10	Possessing a short-range perspective	M	3.67	Possessing a short-range perspective	M	3.69

#### 4.3.2 Ranking of Characteristics and Gender

Ranking by male and female subordinates of the characteristics needed for Japanese expatriate managers (shown in Table F1.2 of Appendix F.1) indicate that there was no statistically significant difference between responses of men and women. The data thus show that males and females in general considered Kotter's characteristics to be an accurate reflection of the requirements for Japanese expatriate managers to successfully manage in the Thai environment. Also, the data shown in Table 4.8 indicate that both male and female subordinates viewed 'setting a direction', 'controlling and problem solving skills', 'developing, originating and creating change' and 'possessing a long-range perspective' to be very important attributes for Japanese expatriate managers to contribute effectively to their Thai operations.



The attributes of ‘performing in a manner that creates stability’, ‘possessing a short-range perspective’ and ‘focusing on people's needs’ were ranked lower by both men and women subordinates. However, when the attributes most needed were taken into consideration, the data in Table 4.9 shows that male subordinates considered that their Japanese expatriate managers required a balanced blend of both management and leadership attributes to be effective expatriate managers, whereas the women took different view on this issue. The mean scores for Kotter’s ten key characteristics, ranked by women subordinates (Table 4.8), show that leadership attributes were ranked in the top-five positions, and managerial attributes were ranked lower.

**Table 4.8: Rank order of importance of characteristics: male & female respondent perspectives**

Rank Order	<i>Key characteristics Management (M) or leadership(L) attributes</i>	Male		<i>Key characteristics Management (M) or leadership(L) attributes</i>	Female	
		M or L	Mean		M or L	Mean
1	Setting a direction	L	4.3	Controlling and problem solving skills	M	4.29
2	Controlling and problem solving skills	M	4.16	Setting a direction	L	4.27
3	Developing, originating and creating change	L	4.15	Possessing a long-range perspective	L	4.21
4	Possessing a long-range perspective	L	4.14	Developing, originating and creating change	L	4.18
5	Focusing on systems and structures	M	4.11	Motivating employees to excellence	L	4.11
6	Having planning and budgeting skills	M	4.05	Having planning and budgeting skills	M	4.06
7	Motivating employees to excellence	L	4.05	Focusing on systems and structures	M	4.02
8	Performing in a manner that creates stability	M	4.01	Performing in a manner that creates stability	M	3.99
9	Possessing a short-range perspective	L	3.69	Focusing on people's needs	L	3.8
10	Focusing on people's needs	M	3.67	Possessing a short-range perspective	M	3.67

#### **4.3.3 Ranking Characteristics and Level of Appointment of Respondents: Management and Operative levels**

The t values presented in Table 4.9 indicate that there were significant differences between the responses of management and operative staff with respect to the

characteristics ‘having planning and budgeting skills’ ( $t = 3.053$ ,  $p = .002$ ), ‘motivating employees to excellence’ ( $t = 3.488$ ,  $p = .001$ ), ‘developing, originating and creating change’ ( $t = 3.148$ ,  $p = .002$ ) and ‘controlling and problem solving skills’ ( $t = 2.067$ ,  $p = .040$ ). Also, the data indicate in general that with respect to their viewpoint on the attributes of ‘setting a direction’ ( $t = 1.773$ ,  $p = .077$ ) and ‘focusing on systems and structures’ ( $t = 1.722$ ,  $p = .086$ ), the differences between the views of management and operative staff were relatively minor, even where statistical significance existed between responses.

The data thus show that Thai managers identified ‘planning and budgeting’, ‘setting a direction’, ‘motivating’, ‘developing’, ‘focusing on structures and controlling’, and ‘problem solving skills’ as being highly desirable characteristics for Japanese managers to exhibit in order to succeed in the Thai automotive industry. The positive  $t$  values indicate that the means for these characteristics for the management-level group were significantly higher than the means for the operative-level group. The mean score of each characteristic, standard deviation and  $t$  values are reported in Table F1.3 (Appendix F.1).

**Table 4.9: Mean, standard deviation & t-test value of characteristics needed for Japanese expatriate managers: comparing management & operative responses**

Key Characteristics and Personal Attributes for Expatriate Manager Success in Thai Automotive industry	Management Level N = 139		Operative Level N = 183		t-value	P (2-tailed)
	Mean	SD	Mean	SD		
Having planning and budgeting skills	4.20	.693	3.95	.783	3.053	.002***
Setting a direction	4.37	.661	4.22	.755	1.773	.077*
Motivating employees to excellence	4.28	.799	3.92	.986	3.488	.001***
Developing, originating and creating change	4.32	.724	4.04	.837	3.148	.002***
Focusing on systems and structures	4.15	.721	4.01	.774	1.722	.086*
Controlling and problem solving skills	4.33	.756	4.14	.853	2.067	.040**

\*\*\*  $P < 0.01$  level, \*\*  $P < 0.05$  level and \*  $P < 0.1$  level (two-tailed test)

The data in Table 4.10 show that Thai managers considered leadership attributes were the most important characteristics for Japanese expatriate managers in the Thai automotive industry, whereas operative level employees considered that Japanese expatriate managers needed to have not only leadership attributes, but also to demonstrate managerial attributes, which they ranked in the top five positions. Although this result shows that Thai managers and operatives had a slightly different perception of the requisite characteristics for expatriate managers, both managers and operatives concurred that ‘setting a direction’, and ‘controlling and problem solving skills’ were the most needed skills whereas ‘focusing on people's needs’ and ‘possessing a short-range perspective’ were considered less important for expatriate managers to exhibit.

**Table 4.10: Rank order of characteristics needed: management & operative level respondent perspective**

Rank Order	<i>Key characteristics Management (M) or leadership (L) attributes</i>	<i>Management Level</i>		<i>Key characteristics Management (M) or leadership(L) attributes</i>	<i>Operative Level</i>	
		<i>M or L</i>	<i>Mean</i>		<i>M or L</i>	<i>Mean</i>
1	Setting a direction	L	4.37	Setting a direction	L	4.22
2	Controlling and problem solving skills	M	4.33	Controlling and problem solving skills	M	4.14
3	Developing, originating and creating change	L	4.32	Possessing a long-range perspective	L	4.11
4	Motivating employees to excellence	L	4.28	Developing, originating and creating change	L	4.04
5	Possessing a long-range perspective	L	4.26	Focusing on systems and structures	M	4.01
6	Having planning and budgeting skills	M	4.2	Having planning and budgeting skills	M	3.95
7	Focusing on systems and structures	M	4.15	Performing in a manner that creates stability	M	3.95
8	Performing in a manner that creates stability	M	4.06	Motivating employees to excellence	L	3.92
9	Focusing on people's needs	L	3.78	Focusing on people's needs	L	3.7
10	Possessing a short-range perspective	M	3.69	Possessing a short-range perspective	M	3.67

#### **4.3.4 *Ranking of Characteristics and Length of Time in Current Position: 1-5 years, and more than 5 years***

With respect to the length of employment in current position, the data in Table 4.11 show that there were highly significant differences ( $p < 0.01$ ) between the response of subordinates who had worked for less than 5 years in their current position and the responses of those who had been in their current job for more than 5 years in terms of the characteristic ‘having planning and budgeting skills’ ( $t = -2.782$ ,  $p = .006$ ). The negative  $t$  value indicates that the means for this characteristic shows that those who had worked in their position for 5 years or less saw it as significantly less important for expatriate success than did those who had worked in their current role for more than 5 years. Subordinates who had worked in their role for more than 5 years considered that ‘having planning and budgeting skills’ was essential for expatriate success in the Thai automotive industry, while employees who had worked for less than 5 years in their role were less certain that expatriate managers needed this characteristic to work in the Thai environment.

There were significant differences at the 0.05 confidence level for the attributes ‘setting a direction’ ( $t = -2.211$ ,  $p = .028$ ), ‘possessing a short-range perspective’ ( $t = -2.017$ ,  $p = .045$ ) and ‘controlling and problem solving skills’ ( $t = -2.190$ ,  $p = .029$ ). The data show that the average score for those who had worked longer than 5 years indicated that ‘on setting a direction’, ‘possessing a short-range perspective’, and ‘controlling and problem solving’ skills were viewed to be markedly more important attributes than of those who had worked in their role less than 5 years. Employees who had worked for longer than 5 years considered that ‘setting a direction’, ‘possessing a short-range perspective’, and ‘controlling and problem solving skills’ were more important to a successful career for expatriates in the Thai automotive industry than did those who had worked for less than 5 years in their current role.

There were significant differences at the 0.1 confidence level in relation to the attributes ‘motivating employees to excellence’ ( $t = -1.797$ ,  $p = .073$ ), ‘focusing on systems and

structures' ( $t = -1.924$ ,  $p = .055$ ) and 'possessing a long-range perspective' ( $t = -1.879$ ,  $p = .061$ ) between the two groups of subordinates with different lengths of employment. The data show that in considering 'motivation skills' and 'systems and structures' for expatriate managers success, subordinates who had worked longer than 5 years considered these matters to be more significant than those who had worked for less than 5 years. The mean score for each characteristic, standard deviation and t value were reported in Table F1.4 (Appendix F.1).

**Table 4.11: Mean, standard deviation and t-test value of characteristics needed by Japanese expatriate managers: comparing responses according to length of time in current position**

Key Characteristics and Personal Attributes for Expatriate Manager's Success in Thai Automotive industry	Between 1-5 years N = 199		more than 5 years N = 123		t-value	P (2-tailed)
	Mean	SD	Mean	SD		
Having planning and budgeting skills	3.96	.774	4.20	.701	-2.782	.006***
Setting a direction	4.22	.786	4.39	.582	-2.211	.028**
Motivating employees to excellence	4.01	.956	4.20	.865	-1.797	.073*
Focusing on systems and structures	4.01	.813	4.17	.636	-1.924	.055*
Possessing a long-range perspective	4.11	.852	4.28	.730	-1.879	.061*
Possessing a short-range perspective	3.60	.989	3.81	.890	-2.017	.045**
Controlling and problem solving skills	4.15	.861	4.35	.724	-2.190	.029**

\*\*\*  $P < 0.01$  level, \*\*  $P < 0.05$  level and \*  $P < 0.1$  level (two-tailed test)

The data shown in Table 4.12 indicate that subordinates who have worked 1-5 years considered that leadership attributes were the most important skills while those who had worked more than 5 years considered both leadership and managerial attributes were needed for expatriates, ranking them in the top five positions. However, the data show that both subordinate groups concurred that 'setting a direction' is the most needed skill whereas 'performing in a manner that creates stability', 'focusing on people's needs' and 'possessing a short-range perspective' were considered to be of less importance for the expatriate managers.

**Table 4.12: Rank order of importance of characteristics: comparing responses from those who have worked 1-5 years & more than 5 years in current role**

Rank Order	Key characteristics Management (M) or leadership(L) attributes	worked 1-5 years		Key characteristics Management (M) or leadership(L) attributes	worked > 5 years	
		M or L	Mean		M or L	Mean
1	Setting a direction	L	4.22	Setting a direction	L	4.39
2	Developing, originating and creating change	L	4.16	Controlling and problem solving skills	M	4.35
3	Controlling and problem solving skills	M	4.15	Possessing a long-range perspective	L	4.28
4	Possessing a long-range perspective	L	4.11	Having planning and budgeting skills	M	4.2
5	Motivating employees to excellence	L	4.01	Motivating employees to excellence	L	4.2
6	Focusing on systems and structures	M	4.01	Developing, originating and creating change	L	4.18
7	Having planning and budgeting skills	M	3.96	Focusing on systems and structures	M	4.17
8	Performing in a manner that creates stability	M	3.96	Performing in a manner that creates stability	M	4.05
9	Focusing on people's needs	L	3.68	Focusing on people's needs	L	3.83
10	Possessing a short-range perspective	M	3.6	Possessing a short-range perspective	M	3.81

#### 4.3.5 Ranking of Characteristics and Length of Time Cooperating with Expatriate: 1-5 years, and more than 5 years

With regard to the results in Table 4.13, it is apparent that the mean difference is significant at the 0.001 level on the scales for 'having planning and budgeting skills' ( $t = -2.837$ ,  $p = .005$ ) and 'setting a direction' ( $t = -2.641$ ,  $p = .009$ ) between employees who had been cooperating with expatriate managers between 1-5 years and those with more than 5 years experience. The results indicate that Thai subordinates who had been cooperating with an expatriate manager for more than 5 years believed that 'having planning and budgeting skills' and 'setting a direction' were *important* for success in the Thai automotive industry while Thai subordinates who had been cooperating with expatriate managers for 1-5 years paid less attention to these matters.

There were significant differences at the 0.05 confidence level in relation to 'possessing a short-range perspective' ( $t = -2.255$ ,  $p = .025$ ) and at the 0.1 confidence level on the scales for 'performing in a manner that creates stability' ( $t = -1.738$ ,  $p = .083$ ) and

‘possessing a long-range perspective’ ( $t = -1.657$ ,  $p = .098$ ) between employees who had been cooperating with expatriate managers between 1-5 years and those who had done so for more than 5 years. In other words, the results show a statistically significantly higher mean score for employees who had cooperated with expatriate managers for more than 5 years on ‘possessing a short-range perspective’ (3.82) than for those with between 1-5 years experience (3.58).

Employees with more than 5 years experience of working with expatriate managers recorded a higher mean score for ‘performing in a manner that creates stability’ (4.08) and for ‘possessing a long-range perspective’ (4.27) than did those with only 1-5 years experience whose scores were 3.54 and 4.12 respectively.

The mean score for each characteristic, the standard deviations and t values are provided in Appendix F.1 in Table F1.5.

**Table 4.13: Mean, standard deviation and t-test value of characteristics influencing expatriate manager success in Thai business: comparing responses according to length of time cooperating with expatriates**

Key Characteristics and Personal Attributes for Expatriate Manager’s Success in Thai Automotive industry	Between 1-5 years N = 191		more than 5 years N = 131		t-value	P (2-tailed)
	Mean	SD	Mean	SD		
Having planning and budgeting skills	3.96	.739	4.20	.759	-2.837	.005***
Setting a direction	4.20	.741	4.41	.666	-2.641	.009***
Performing in a manner that creates stability	3.94	.730	4.08	.765	-1.738	.083*
Possessing a long-range perspective	4.12	.813	4.27	.802	-1.657	.098*
Possessing a short-range perspective	3.58	.969	3.82	.924	-2.255	.025**

\*\*\*  $P < 0.01$  level, \*\*  $P < 0.05$  level and \*  $P < 0.1$  level (two-tailed test)

The results in Table 4.14 (next page) indicate that respondents who worked had with expatriates for between 1 and 5 years responded similarly to those respondents who had worked for more than 5 years in a position that involved cooperating with expatriates in relation to the need to possess leadership attributes more than managerial attributes.

Importantly, all respondents, whether they have cooperated with expatriates for less than or more than 5 years, indicated a high level of concern for the need for leadership and managerial attributes. The results also indicate that both respondent groups agree that setting a direction, and controlling and problem solving skills are the most needed skills, whereas performing in a manner that creates stability, focusing on people's needs and possessing a short-range perspective are again rated lower as required skills for expatriate staff members.

**Table 4.14: Rank order of importance of characteristics: respondents who have worked with an expatriate 1-5 years & more than 5 years**

Rank Order	Key characteristics Management (M) or leadership(L) attributes	Cooperating 1-5 years		Key characteristics Management (M) or leadership(L) attributes	Cooperating > 5 years	
		M or L	Mean		M or L	Mean
1	Setting a direction	L	4.2	Setting a direction	L	4.41
2	Controlling and problem solving skills	M	4.16	Controlling and problem solving skills	M	4.31
3	Developing, originating and creating change	L	4.15	Possessing a long-range perspective	L	4.27
4	Possessing a long-range perspective	L	4.12	Having planning and budgeting skills	M	4.2
5	Motivating employees to excellence	L	4.03	Developing, originating and creating change	L	4.19
6	Focusing on systems and structures	M	4.02	Motivating employees to excellence	L	4.15
7	Having planning and budgeting skills	M	3.96	Focusing on systems and structures	M	4.14
8	Performing in a manner that creates stability	M	3.94	Performing in a manner that creates stability	M	4.08
9	Focusing on people's needs	L	3.72	Possessing a short-range perspective	M	3.82
10	Possessing a short-range perspective	M	3.58	Focusing on people's needs	L	3.76

#### **4.3.6 Ranking of Characteristics and Educational Background: Postgraduate, Bachelor's degree and Below Bachelor's degree**

Respondents were grouped into three education levels according to their highest qualification, with a postgraduate education representing the highest level, then Bachelor's degree, and below Bachelor's degree. These are the main independent variables used to investigate whether or not respondents who had different educational



backgrounds held different views on the required characteristics for expatriate manager success on international assignments in the Thai automotive industry. Because the educational backgrounds involved three independent groups, Analysis of Variance (ANOVA) was used to determine whether or not there were any significant differences between these three groups.

Additional details of the results are provided in Appendix F.1 in Table F1.6 and show that there are significant differences in characteristics required across respondents according to the highest level of education they had attained. At the 0.01 significance level, results for ‘developing, originating and creating change’ differed significantly across the three sample groups:  $F(2,319) = 6.949$ ,  $p = .001$  and ‘controlling and problem solving skills’ differed significantly across the three sample groups:  $F(2,319) = 7.491$ ,  $p = .001$ . At the 0.1 significance level, results for ‘possessing a long-range perspective’ differed significantly across the three sample groups:  $F(2,319) = 2.329$ ,  $p = .099$ .

At the 0.05 significance level, results for ‘motivating employees to excellence’ differed significantly across the three groups:  $F(2,319) = 3.013$ ,  $p = .051$  and ‘focusing on systems and structures’ also differed significantly across the groups:  $F(2,319) = 3.843$ ,  $p = .022$ . However, the ANOVA table only indicates a significant difference (Sig. values  $< 0.01$ ,  $0.5$  or  $0.1$ ) somewhere among the mean scores on three levels of educational background of respondent variable, but it does not indicate between which groups this variation occurs. Therefore, multiple comparisons, which provide the results of the Post Hoc tests, were used to present the differences between each pair of groups as shown below in Table 4.15. The results indicate that there are significant differences in characteristics that Thai employees identify as influencing expatriate managers’ abilities to succeed in Thai business for the three qualification groups as follows:

There are significant differences in the mean scores for ‘having planning and budgeting skills’, ‘setting a direction’, ‘developing, originating and creating change’ and ‘controlling and problem solving skills’ between respondents who hold a postgraduate

qualification and a Bachelor's degree, and between respondents who hold postgraduate qualifications and those whose highest qualification is at below Bachelor's degree level. With regards to 'having planning and budgeting skills', the difference between the mean for respondents who hold a postgraduate qualification and those with a Bachelor's degree is .259, and this difference was statistically significant ( $p = .029$ ), while the difference between the mean for those who hold a postgraduate qualification and a below Bachelor's degree is .507 and  $p = 0.002$ .

For 'setting a direction', the means for respondents who have completed postgraduate education and those with a Bachelor's degree is .340, and this difference was statistically significant ( $p = .001$ ), while the difference between the means for those with postgraduate education and those with qualifications below Bachelor's degree level is .551 and  $p = .000$ .

For 'developing, originating and creating change', the means for respondents who hold a postgraduate qualification and those with a Bachelor's degree is .248, and this difference was statistically significant ( $p = .055$ ), while the difference between the means of those who have completed a postgraduate education and those qualified below Bachelor's degree level is .568 and  $p = .001$ .

For 'controlling and problem solving skills', the means for postgraduate education respondents and those with a Bachelor's degree is .352, and this difference was statistically significant ( $p = .004$ ), while the difference between the means for those who are postgraduate qualified and those with below Bachelor's degree qualifications is .545 and  $p = .002$ . For 'motivating employees to excellence', 'focusing on systems and structures' and 'possessing a long-range perspective' there are significant differences in mean scores between respondents who had a postgraduate education and those whose highest qualification was at below Bachelor's degree level. In particular with 'motivating employees to excellence,' the difference between the means of these two groups is .439, and this difference is statistically significant ( $p = .040$ ). The mean score for postgraduate qualified respondents was different from those holding a below Bachelor's degree qualification for focusing on systems and structures (Mean difference

= .393, p= .020) and for 'possessing a long-range perspective' (Mean difference = .329.158, p= .094) (see appendix F.1 in Table F1.7).

**Table 4.15: Post Hoc test for characteristics influencing expatriate manager success: respondents with postgraduate education, Bachelor's degree & below Bachelor's degree - Multiple Comparisons**

Dependent Variable	(I) Education level achieved	(J) Education level achieved	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Having planning and budgeting skills	Postgraduate	Bachelor's degree	.259*	.101	<b>.029**</b>	.02	.50
		Below Bachelor's degree	.507*	.145	<b>.002***</b>	.17	.85
Setting a direction	Postgraduate	Bachelor's degree	.340*	.095	<b>.001***</b>	.12	.56
		Below Bachelor's degree	.551*	.137	<b>.000***</b>	.23	.87
Motivating employees to excellence	Postgraduate	Below Bachelor's degree	.439*	.180	<b>.040**</b>	.02	.86
Developing, originating and creating change	Postgraduate	Bachelor's degree	.248	.107	<b>.055*</b>	.00	.50
		Below Bachelor's degree	.568*	.154	<b>.001***</b>	.21	.93
	Bachelor's degree	Below Bachelor's degree	.320*	.135	<b>.047**</b>	.00	.64
Focusing on systems and structures	Postgraduate	Below Bachelor's degree	.393*	.146	<b>.020**</b>	.05	.74
Possessing a long-range perspective	Postgraduate	Below Bachelor's degree	.329	.158	<b>.094*</b>	-.04	.70
Controlling and problem solving skills	Postgraduate	Bachelor's degree	.352*	.109	<b>.004***</b>	.10	.61
		Below Bachelor's degree	.545*	.156	<b>.002***</b>	.18	.91

Postgraduate education = 73; Bachelor's degree = 208; below Bachelor's degree = 41

Difference between Groups = 2; Within Groups = 319 and total = 321

\*\*\* P< 0.01 level, \*\* P< 0.05 level and \* P< 0.1 level

The results clearly show that the higher the respondent's level the more strongly they supported the need for expatriate managers to possess all of the characteristics. The results in Table 4.16 indicate that respondents across the three levels of education agree that 'setting a direction', and 'controlling and problem solving skills' are the most important skills for an expatriate manager to possess, whereas 'performing in a manner that creates stability', 'focusing on people's needs' and 'possessing a short-range perspective' were rated as less important skills for expatriate managers to possess by respondent from all three groups.

**Table 4.16: Rank order of importance of characteristics: respondents with postgraduate Bachelor's degree & below Bachelor's degree education**

<i>Key characteristics</i>	<i>postgraduate education</i>			<i>Bachelor's degree</i>			<i>below Bachelor's degree</i>		
	<i>Rank Order</i>	<i>M or L</i>	<i>Mean</i>	<i>Rank Order</i>	<i>M or L</i>	<i>Mean</i>	<i>Rank Order</i>	<i>M or L</i>	<i>Mean</i>
Setting a direction	1	L	4.58	1	L	4.24	1	L	4.02
Controlling and problem solving skills	2	M	4.52	2	M	4.17	3	M	3.98
Developing, originating and creating change	3	L	4.4	4	L	4.15	5	L	3.83
Possessing a long-range perspective	4	L	4.33	3	L	4.16	2	L	4
Having planning and budgeting skills	5	M	4.29	7	M	4.03	7	M	3.78
Focusing on systems and structures	6	M	4.25	6	M	4.05	4	M	3.85
Motivating employees to excellence	7	L	4.22	5	L	4.09	7	L	3.78
Performing in a manner that creates stability	8	M	4.11	8	M	3.99	6	M	3.83
Focusing on people's needs	9	L	3.71	9	L	3.75	9	L	3.71
Possessing a short-range perspective	10	M	3.71	10	M	3.69	10	M	3.56

#### 4.4 KEY FACTORS IMPACTING EXPATRIATE MANAGER SUCCESS

In order to verify which factors were viewed by respondents as affecting the abilities of Japanese expatriate managers to work effectively in automotive industry in Thailand,

four-factor groupings, identified from the literature, were used: personal characteristics; other individual related factors; organisational factors, and environmental factors. The questionnaire was designed to elicit the extent to which these groups of factors were perceived by Thai subordinates to be important and this was done by recording their responses using a Likert scale where 1 = strongly disagree through to 5 = strongly agree, as mentioned in Chapter 3, section 3.4.5.

T-tests were conducted on Thai subordinates' responses to investigate any similarities or dissimilarities between responses, and particularly the strength indicated by score of the need for expatriate managers to possess the characteristic, according to location, gender or level of appointment.

#### ***4.4.1 Ranking of Factors Impacting and Employment Location***

'Location of respondent' is the first variable discussed. T-tests were conducted to identify any difference in the factors viewed as affecting Japanese expatriate manager success in the Thai automotive business according to the location of respondents. These locations are: who worked at head office/assembly plant and their dealer partnership.

The statistical results (means, standard deviations and t values) for all factors and sub-factors are shown in Appendix F.2 in Table F2.1. With regards to the t values of individual related factors ( $t = -1.982$ ,  $p = 0.48$ ) and its sub-factors: having experience in facilitating cross-border work ( $t = .327$ ,  $p = .744$ ); marital status ( $t = -1.975$ ,  $p = .049$ ); and gender ( $t = -2.707$ ,  $p = .007$ ) shown in Table 4.17, the results indicate that significant differences exist between the sub-factors: marital status and gender.

The responses from dealer partnerships record a statistically significant higher mean score on marital status factor (3.07) than head office or assembly plant (2.85) responses, and a higher mean score on gender factor (3.12) than head office or assembly plant (2.80) responses. Statistical tests show that Thai subordinates who hold a position at the dealer partnerships have beliefs that the potential influence of marital status and gender on expatriate manager performance whereas head office/assembly plant staff do not.

In terms of an overview of personal characteristics factors, organisational factors and environmental factors, the results indicate that the mean of each factor ( $t = .517$ ,  $p = .605$ ,  $t = -.060$ ,  $p = .952$  and  $t = 228$ ,  $p = .820$  respectively) as shown in Table 4.17, no significant differences were found at the 0.05 significant level between head office or assembly plant and dealer partnerships responses.

The  $t$  values of sub-factors of each factor also show no statistically significant differences were discovered (accept  $H_0$ :  $p > 0.05$ ). Nevertheless, a significant difference was found on an overview of other individual related factors ( $t = -1.982$ ,  $p = .048$ ).

The results show that Thai employees who hold a position at dealer partnerships concern that the other individual related factors, in particular for marital status and gender factor have an impact on the abilities to work in MNCs automotive industry in Thailand whereas head offices/ assembly plants do not concern these sub-factors as important.

**Table 4.17: Mean, standard deviation & t-test for factors influencing expatriate manager success in Thai business; comparing head office or assembly plant & dealer partnership responses.**

Factors influencing the success of expatriate managers in Thai business	Head office/ Assembly plant N = 158		Dealer Partnership N = 164		t-value	P (2-tailed)
	Mean	SD	Mean	SD		
<b><u>OTHER INDIVIDUAL RELATED FACTORS</u></b>						
Having experience in facilitating cross-border work	3.89	.856	3.86	.933	.327	.744
Marital status	2.85	.992	3.07	.998	-1.975	<b>.049**</b>
Gender	2.80	1.075	3.12	1.036	-2.707	<b>.007***</b>
Personal characteristics factors	4.1114	.66753	4.0720	.69913	.517	.605
Other individual related factors	3.1793	.73689	3.3476	.78443	-1.982	<b>.048**</b>
Organisational Factors	4.0332	.69065	4.0381	.75464	-.060	.952
Environmental Factors	4.1055	.73829	4.0874	.68369	.228	.820

\*\*\*  $P < 0.01$  level and \*\*  $P < 0.05$  level

From the perspective of respondents from respondents who work in different location, it was apparent that personal characteristics factors are the highest factors that they believed have greatest impact on Japanese expatriate abilities to succeed in Thai business; and other individual related factors, such as marital status and gender differences have least impact.

#### ***4.4.2 Ranking of Factors Impacting and Gender***

The variable ‘gender of respondent’ is second variable to discuss with respect to factors influencing the success of expatriate managers based on the results of tests conducted by T-tests.

The results shown in Table 4.18 were calculated from Thai subordinates’ rating the four factors separately according to gender. The t values for the four factors were personal characteristics factors,  $t = -.645$  ( $p = .519$ ); other individual related factors,  $t = .778$  ( $p = .437$ ); organisational factors,  $t = -1.069$  ( $p = .286$ ); environmental factors,  $t = -1.677$  ( $p = .094$ ). These results indicate that no significant differences were found in responses from male or female respondents for all four factors at the 0.05 significant level.

Two sub-factors: having communicative language ability and participating effectively in multicultural teams ( $t = -2.305$ ,  $p = .022$  and  $t = -2.060$ ,  $p = .040$  respectively) show significant differences between male and female respondents. In other words, female respondents viewed having communicative language ability more important (4.12) than did male respondents (3.88), and females also rated higher the sub-factor: participating effectively in multicultural teams to (4.14) than did males (3.96). This is apparently that females are more sensitive to possible cultural causes of conflict and differing national standards on business performance, and also they were more concerned about having communicative language ability than males were. The statistical results (means, standard deviations and t values) for all factors and sub-factors are completely provided in Appendix F.2 in Table F2.2.

**Table 4.18: Mean, standard deviation & t-test for factors influencing success of expatriate managers in Thai business: Comparing male & female responses**

Factors influencing the success of expatriate managers in Thai business	Male N = 166		Female N = 156		t-value	P (2-tailed)
	Mean	SD	Mean	SD		
<b><u>ORGANISATIONAL FACTORS</u></b>	3.92	.966	3.97	.929	-.498	.619
Having cross-cultural knowledge management						
Having a strategic awareness and providing support	4.17	.794	4.12	.811	.663	.508
Having communicative language ability	3.88	.983	4.12	.897	-2.305	<b>.022**</b>
Facilitating organisational change and creating learning systems	4.00	.794	4.11	.767	-1.251	.212
<b><u>ENVIRONMENTAL FACTORS</u></b>	4.07	.795	4.17	.788	-1.210	.227
Adaptability in new environmental situations						
Participating effectively in multicultural teams	3.96	.773	4.14	.823	-2.060	<b>.040**</b>
Sensitivity and openness to other cultures	4.07	.775	4.18	.799	-1.222	.223
Personal characteristics factors	4.0675	.70550	4.1167	.65960	-.645	.519
Other individual related factors	3.2972	.77331	3.2308	.75692	.778	.437
Organisational Factors	3.9940	.73079	4.0801	.71391	-1.069	.286
Environmental Factors	4.0321	.69653	4.1645	.71991	-1.677	<b>.094*</b>

\*\*\*P<0.01 level, \*\*P<0.05 level and \*P<0.1 level

From the perspective of respondents from both males and females, it was apparent that personal characteristics factors are the highest factors that they believed have greatest impact on Japanese expatriate abilities to succeed in Thai business; and other individual related factors have least impact.

#### ***4.4.3 Ranking of Factors Impacting and Level of Appointment of Respondents: Management and Operative Level***

The next variable addressed is 'level of appointment of respondent'. T-tests were conducted on whether any dissimilarity appeared between the points of view on factors



affecting on Japanese expatriate manager's success in relation to management and operative level responses.

The results shown in Table 4.19 were calculated among Thai subordinates' who work for management and operative level.

**Table 4.19: Mean, standard deviation and t-test for factors influencing success of expatriate managers in Thai business: Comparing management and operative level responses**

Factors influencing the success of expatriate managers in Thai business	Management N = 139		Operative N = 183		t-value	P (2-tailed)
	Mean	SD	Mean	SD		
<b><u>PERSONAL CHARACTERISTICS FACTORS</u></b>						
Sociability, activity, assertiveness and positive attitude	4.14	.870	3.96	.876	1.836	<b>.067*</b>
Good natured, co-operative and trusting	4.22	.805	4.01	.889	2.132	<b>.034**</b>
Responsible, prioritising tasks, thinking before acting, following norms and rules, planning, budgeting and organising	4.42	.712	4.29	.831	1.533	.126
Emotional stability	4.06	.926	4.02	.940	.460	.646
Imaginative, independent minded and having divergent thinking	4.06	.814	3.85	.831	2.271	<b>.024**</b>
<b><u>ORGANISATIONAL FACTORS</u></b>						
Having cross-cultural knowledge management	4.07	.960	3.85	.929	2.070	<b>.039**</b>
Having a strategic awareness and providing support	4.34	.728	4.00	.825	3.829	<b>.000***</b>
Having communicative language ability	4.14	.945	3.89	.939	2.441	<b>.015**</b>
Facilitating organisational change; providing pre-departure training	4.17	.701	3.96	.828	2.416	<b>.016**</b>
Personal characteristics factors	4.1799	.64169	4.0240	.70716	2.037	<b>.042**</b>
Other individual related factors	3.2542	.74057	3.2732	.78487	-.221	.825
Organisational Factors	4.1817	.68088	3.9249	.73578	3.203	<b>.001***</b>
Environmental Factors	4.1343	.69588	4.0674	.72101	.837	.403

\*\*\* P< 0.01 level, \*\* P< 0.05 level and \* P< 0.1 level

The results indicate that there is a statistically significant difference between the mean personal characteristics factors ( $t = 2.037$ ,  $p = .042$ ) and organisational factors ( $t = 3.203$ ,  $p = .001$ ). In other words, management level or managers responses have a statistically significantly higher mean score on personal characteristics factors (4.1799) than do operative level employees (4.0240) and on organisational factors (4.1817) than do operative level employees (3.9249). This indicates that management staff were more aware than were operative staff about the effect of personal characteristics factors, especially the sub-factors ‘good natured, co-operative and trusting’ ( $t = 2.132$ ,  $p = .034$ ) and ‘imaginative, independent minded and having divergent thinking’ ( $t = 2.271$ ,  $p = .024$ ), and organisational factors, particularly including all sub-factors ( $t = 2.070$ ,  $p = .039$ ;  $t = 3.829$ ,  $p < 0.01$ ;  $t = 2.441$ ,  $p = .015$  and  $t = 2.416$ ,  $p = .016$  respectively) than were operative respondents. Appendix F.2 in Table F2.3 is provided completely the statistical results (means, standard deviations and  $t$  values) for all factors and sub-factors.

From the perspective of respondents from both management and operative level, it was apparent that personal characteristics factors are the highest factors that they believed have greatest impact on Japanese expatriate abilities to succeed in Thai business; and other individual related factors have least impact.

### **SECTION THREE:**

#### **4.5 INTERVIEW PARTICIPANT ANALYSIS**

As mentioned in the preceding chapter, a semi-structured interview process was conducted with a total 6 expatriate managers and a total 7 of Thai managers. In each group of participants, the participants were asked the same questions in sequence. The questions are principally open, providing the participants with an opportunity to share an opinion.

Firstly, the semi-structured interview for expatriate managers endeavoured to bring or draw out information by asking questions relating to them, particularly on the following themes:

- Details of family;
- Their career paths;
- Their experience of selection process and previous international assignment;
- Verifying attributes for success in Thailand and any influencing factor.

Secondly, the semi-structured interview for Thai managers attempted to gather information by asking questions relating to their experiences in cooperating with the Japanese expatriate managers, specifically on the following themes:

- Verifying attributes for expatriate managers' success in Thailand;
- Verifying factors as influencing attributes expatriate managers' attributes for success in Thailand.

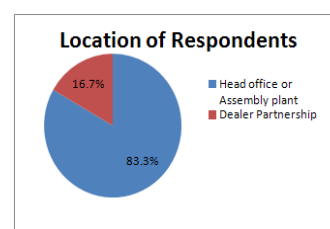
These can be presented as follow:

#### 4.5.1 *Expatriate Managers*

Six interviews were conducted with five Japanese expatriate managers who work at head offices/assembly plants and one with a dealer partnership. The overall response rate was 100% based gathered from 83% of head office/assembly plant and 16% of dealer partnerships as shown in Table 4.20.

**Table 4.20: Summary of interview responses based on location of respondents**

Location of Respondents	Frequency	%
Head office/ Assembly plant	5	83.3
Dealer Partnership	1	16.7
Total	6	100.0



Each interviewee was asked the same questions, beginning with details of family, career paths, their selection process experience, and problems experienced in order to share basic personal information and reduce stress and tension between researcher and the interviewee. The results in Table 4.21 show that all of the participants were male Japanese expatriates. Five expatriates (or 83.3%) are married and one of them

(or 16.7%) is single. The majority of interviewees (or 66.67%) had worked in their position between 2 to 5 years. There are only 33.33% or 2 of a total 6 interviewees who had worked in their position more than 5 years.


**Table 4.21: Analysis of Japanese expatriate managers by gender, marital status & length of service**

		Frequency	%	Cumulative %
Gender	Male	6	100.0	100.0
	Female	0	0	100.0
	Total	6	100.0	
Marital Status	Single	1	16.7	16.7
	Married	5	83.3	100.0
	Total	6	100.0	
Length of Service	Between 2 to 5 years	4	66.67	50.0
	more than 5 years	2	33.33	100.0
	Total	6	100.0	

However, an unclear indication was obtained from the number of partners/ or dependent children who accompanied the Japanese managers and the number in which remained in Japan. This may be due to asking about accompanying partners/ or children in the one question. It is possible that managers may live in Thailand without their partner and children, or live in Thailand with their partner only as they either have no children, no dependent children or have left children in Japan with a relative or attending boarding school. Therefore, this question may not show any interesting result. However, a possible explanation of this might be that of six managers three or four brought family members (partner and/or dependent children) with them.

With regards to an experience based on selection process, six Japanese expatriate managers were asked whether any specific assessment methodology, particularly for personality type test has been tested before they were sent to function in an MNC in Thai automotive industry. The results in Table 4.22 show that all Japanese expatriates did not conduct any personality test to measure their suitability.

**Table 4.22: Percentage of expatriates who completed a personality-type test**

Q3: Were any personality type test conducted to measure your suitability?			
		Frequency	%
Yes		0	0
No		6	100.0
Total		6	100.0

Although the results show that six Japanese managers did not were not tested before commencing their placement in Thailand, one Japanese manager pointed out t that:

*“... all employees in the parent company in Japan have to do personality test to verify what skills that they are good as, and what departments or suitable positions that they should work for”*

Although testing was not conducted, three 3 of a total six Japanese interviewees mentioned that they have had other international assignment experiences, detailed as follow:

***International Management Experience:***



<b>Expatriate Manager1:</b>	<i>None</i>
<b>Expatriate Manager2:</b>	<i>4-years experience working as a managing director in a carpet manufacturer in Thailand during 1993-1997.</i>
<b>Expatriate Manager3:</b>	<i>None</i>
<b>Expatriate Manager4:</b>	<i>Other international work experience in India, Indonesia, and Thailand.</i>
<b>Expatriate Manager5:</b>	<i>None.</i>
<b>Expatriate Manager6:</b>	<i>5-years experience at Asian Honda Motor Co., Ltd. Thailand.</i>

With regards to their experiences of the selection process and pervious international assignment, it seems that these two factors are not likely to be of concern for parent companies in Japan. However, all Japanese expatriate managers mentioned that when

they are confronted with obstacles and problems, they can ask for help from colleagues and subordinates.

According to their responses in relation to cultural issues, the results in Table 4.23 show that 66.7% of Japanese expatriates believed that cultural differences are a major problem when functioning in Thailand thus only 33.3% of them believed that cultural differences are not a major problem.

**Table 4.23: Percentage of expatriate responses identifying cultural issues as a problem**

Q4: Are cultural differences a major problem when functioning in Thailand?			
		Frequency	%
Yes		2	33.3
No		4	66.7
Total		6	100

#### 4.5.2 Thai HR Managers

Seven interviews were conducted, five with Thai HR managers who work at head offices/assembly plants and two with a dealer partnership. As can be seen in Table 4.24, the results show that all of the participants were male. Three Thai HR managers (or 43%) hold a Master's degree and four of them (or 57 %) hold a Bachelor's degree. The majority of interviewees (or 71%) had worked in their position and cooperating with Japanese managers more than 5 years. Only 2 (29%) of the 7 interviewees had worked in their position and cooperated with the Japanese managers for less than 5 years.

**Table 4.24: Number/percentage of Thai manager participants by gender, education, length employment & of time working with an expatriate manger**

		Frequency	%	Cumulative %
<b>Gender</b>	Male	7	100.0	100.0
	Female	0	0	100.0
	Total	7	100.0	
<b>Qualifications</b>	Master's Degree	3	43.0	43.0
	Bachelor's Degree	4	57.0	100.0
	Total	7	100.0	
<b>Length of Service</b>	Between 2 to 5 years	2	29.0	29.0
	more than 5 years	5	71.0	71.0
	Total	7	100.0	
<b>Period of cooperating with Expatriates</b>	Between 2 to 5 years	2	29.0	29.0
	more than 5 years	5	71.0	71.0
	Total	7	100.0	

#### 4.6 SEMI- STRUCTURED INTERVIEW ANALYSIS

The in-depth interviews were conducted using a semi-structured interview format. The interviewees were carried out with six Japanese expatriate managers and seven Thai national HR managers in the Thai automotive industry to identify the significant qualities that expatriate managers need in order to succeed. Results were then used to enable the factors that Thai HR managers consider as crucial elements influencing expatriate managers' abilities to succeed in this industry to be examined. Although only six Thai national HR managers were originally targeted for interview in this study, seven Thai HR managers indicated their willingness to participate by providing ideas and honest feedback for the interview survey. After gaining permission from these respondents, individual face-to-face interviews were taped, and later were transcribed and translated from Thai into English. They were then back-translated into Thai to ensure that the English version correctly captured the full meaning. Additionally, as the Japanese expatriate managers could not speak Thai, a qualified Japanese-Thai translator assisted during their interviews.

The interview transcripts of both Thai national HR manager and Japanese expatriate managers were subsequently analysed using a content analysis technique (see Chapter 3, Section 3.4.4.6) to classify the key characteristics and personal attributes considered to be the uniquely required by expatriate managers to effectively operate MNCs in Thailand. Content analysis was also used to determine the factors that Thai HR managers identify as influencing expatriate managers' abilities to succeed in the Thai automotive business.

The following section presents the interview results regarding the required characteristics of expatriate managers firstly according to the Thai HR managers, and then according to the Japanese expatriate managers. These were then summarised and compared and contrasted. Finally, factors that Thai HR managers identify as influencing expatriate managers' abilities are presented.

#### ***4.6.1 Results for Required Characteristics of Expatriate Managers' Success***

Six Japanese expatriate and seven Thai HR managers were asked, using a semi-structured interview process, to identify key characteristics and personal attributes required so that expatriate managers might contribute to effective functioning of MNC operations in Thailand. In particular, Thai HR managers were asked to address all aspects of key characteristics, mainly to meet indigenous expectations of abilities and requirements. The findings of interview results can be interpreted and categorised into three major attributes: management, leadership and personal attributes as shown in Tables 4.25 - 4.27 below.

With regard to each concept and theme, the sub-categories were aimed at using the attributes discussed in the literature review as required for successful expatriate management. How each term was interpreted by the participants is provided under the headings 'Japanese Expatriate Managers' and 'Thai HR managers' in each of the Tables 4.25 - 4.27. These interpretations, by the Japanese or Thai respondents, are based on their individual understandings developed through experience over time. Thus, the descriptions may vary slightly, but overall the intention behind the description has enabled these to be clustered against a particular sub category within a category. Results



of the content analysis were used to break these categories down in to sub-categories to clearly identify the characteristics required of successful Japanese expatriate managers in the Thai automotive industry. The participants' comments show the strength of their views in relation to the importance of each of the elements.

#### ***Content Analysis Managerial Attributes***

When comparing the interpretations of non-Thai (Japanese) managers and of Thai HR managers, many interesting similarities and differences were found as shown by the concepts and themes for managerial attributes detailed under 'Interview results' in Table 4.25.

**Table 4.25: Concepts and Themes for managerial attributes**

Concepts and Themes		Interview results	
Category	Sub Category	Japanese Expatriate Managers	Thai HR Managers
managerial attributes	<u>Job knowledge</u>	<ul style="list-style-type: none"> <li>Basic requirement: a clear understanding of job and work role helping clarify responsibilities, resulting in a significant positive impact on worker motivation, satisfaction and performance.</li> </ul>	
	<u>Problem solving</u>	<ul style="list-style-type: none"> <li>Ability to overcome obstacles, make future plans and act simultaneously in a fast changing global environment.</li> </ul>	<ul style="list-style-type: none"> <li>Lack of problem solving skills, leading to stress for expatriates and conflict with colleagues and subordinates.</li> </ul>
	<u>Planning and Controlling</u>	<ul style="list-style-type: none"> <li>Controlling skills needed in Thailand to manage problems and prevent delays;</li> <li>Allowing more time to finish projects in Thailand to account for unexpected delays, and because production processes in Thailand are slower than in Japan.</li> </ul>	<ul style="list-style-type: none"> <li>Cost forecasting skills needed;</li> <li>Implementation, monitoring and follow up skills required for expatriates to manage projects in Thailand.</li> </ul>
	<u>Short-range perspective</u>		<ul style="list-style-type: none"> <li>Necessary for Japanese expatriate managers to change and adapt plan to a new</li> </ul>

		situation.
<u>Responsibility and prioritisation of tasks</u>		<ul style="list-style-type: none"> <li>• Needed for expatriates to take responsibility, anticipate problems, and prioritise tasks.</li> </ul>
<u>Time Management</u>		<ul style="list-style-type: none"> <li>• Limited period of time for overseas assignments demands good time management skills of Japanese expatriate managers.</li> </ul>

The findings of this study firstly demonstrate that both the Japanese expatriate and Thai HR managers consider managerial attributes based on ‘problem solving skills’ and ‘planning and controlling’ as essential in order to effectively perform the role of an expatriate manager in an automotive MNC in Thailand. One of the Japanese expatriate managers commented in relation to problem solving skills that:

*“If anything goes wrong or not according to plan, I have to be able to solve it immediately and consider how the business can survive in this global environment by making future plans and acting simultaneously.”*

Similarly, a Thai HR manager demonstrated the same belief:

*“Certainly, working in different countries can lead to misunderstandings and conflicts. Especially, the conflicts can cause stress among expatriates, colleagues and subordinate ... Expatriate managers might feel helpless, unable to concentrate on tasks, and unable to control negative thoughts, hampering performance. Therefore, when expatriate managers work in Thai business, they truly need problem solving skills and may sometimes need to seek for help... opening his/her mind to the new culture and having positive thinking are a good starting point for solving problems”*

Additionally, two Japanese expatriates and two Thai HR managers believed that to effectively function in Thailand, planning and controlling is essential.

**Japanese Expats-** *“Controlling skills are needed here (in Thailand) to control each process and to ensure that there are no problems or delays happening.”*

*“An unexpected delay might occur during a process ... the production processes here are slower than in Japan as a result of the Thai working style ... planning and controlling skills help me to motivate, prioritise,*

*control and complete the projects reliable and punctual.”*

**Thai HR managers-** *“In work situations, we definitely need people who are responsible, have good planning skills and who think before they act ...”*

*“Not only are expatriate managers responsible for implementation, they also need to monitor and follow up whole projects ... expatriate managers do require planning and budgeting skills to be able to perform cost estimates for the project budgeting and plan ahead and react in time.”*

One Japanese expatriate manager, further pointed out that ‘job knowledge’ was a key component, because he believed a clear understanding of the job description would enable him to outline responsibilities and drive work motivation, satisfaction and performance as mentioned by a Japanese expatriate:

*“... Every employee must have a clear understanding of how their job fits within the organisation. Moreover, an understanding of the work role can significantly positively impact on work motivation, satisfaction and performance ... Therefore, if I would like to demonstrate that I am competent in my position, I need to prove that I have knowledge on my job duties”*

In addition to the aforementioned, Thai HR managers believed that a ‘short-range perspective’, ‘responsibility and prioritisation of tasks’ and ‘time management’ are considered crucial in order to effectively perform the role of an expatriate manager in a MNC as mentioned by them:

*“The expatriate manager should have short-range perspective in order to change and adapt the previous plan to a new situation.”*

*“Being responsible and prioritising tasks is a crucial attribute for accomplishment of the expatriate managers’ tasks. If expatriate managers have no responsibility for their job, the business might be ruined ...”*

*“... The expatriates who work in Thailand should have skills to manage timely completion of tasks. Because of the limited period of time, good planning could greatly help expatriates to accomplish goals during their stay.”*

### **Discussions regarding managerial attributes**

Both Japanese expatriate and Thai HR managers regarded problem solving skills as important to possess in order to avoid stress and conflict with colleagues and subordinates. Furthermore, Thai HR personnel particularly highlighted the importance of an open-minded attitude to the new culture as well as beginning to tackle problems by asking themselves what the problems are, where the problems came from, and then discussing those problems with someone. This was seen as a good starting point for solving problems. Two Japanese expatriate and two Thai HR managers also believed that planning and controlling were necessary to manage projects in Thailand. In particular, for Japanese managers planning and controlling was viewed by interviewees as required in the Thai working environment. This is because Thai production processes are slower than those in Japan.

One Japanese expatriate manager described job knowledge as being a key component to prove himself to his subordinates as being competent in his position. This is because a clear understanding of the job requirements would ensure the manager understood all the responsibilities such that he/she could drive worker motivation, satisfaction and performance. However, Thai HR managers do not appear to pay great attention to this attribute. As opposed to the Japanese managers, Thai HR managers pointed out that in uncertain situations and under time pressure a ‘short-range perspective,’ ‘responsibility and prioritisation of tasks’ and ‘time management’ are considered necessary characteristics for Japanese managers to effectively perform their role in a Thai work environment.

#### ***Content Analysis Leadership Attributes***

In relation to leadership attributes, the similar and different sub attributes clarified by Japanese expatriate managers and Thai HR managers are presented under “Interview results’ in Table 4.26 (next page).

**Table 4.26: Concepts & Themes for leadership attributes**

Concepts and Themes		Interview results	
Category	Sub Category	Japanese Expatriate Managers	Thai HR Managers
leadership attributes	<u>Setting a direction</u>	<ul style="list-style-type: none"> <li>Giving directions and helping subordinates to carry out their tasks as the key to success in Thai business.</li> </ul>	<ul style="list-style-type: none"> <li>Facilitating expatriate managers leading toward the direction set, as well as ensuring that all subordinates are working in line with the plan.</li> </ul>
	<u>Possessing a long-range perspective</u>	<ul style="list-style-type: none"> <li>Setting a vision for future growth as 5-year plans being required in Thailand.</li> </ul>	<ul style="list-style-type: none"> <li>Having a long-range perspective being required for expatriate managers.</li> </ul>
	<u>Motivation skills</u>	<ul style="list-style-type: none"> <li>Motivating Thai subordinates to follow me as important;</li> <li>Being able to motive and lead subordinates to grow by sharing knowledge;</li> <li>To get subordinates to perform their duties and responsibilities well, motivation skills being essential.</li> <li>Motivation skills needed to encourage subordinates to do their best, leading to cooperative relationship.</li> </ul>	<ul style="list-style-type: none"> <li>Need to first learn to understand what their subordinates' desire in order to motivate them</li> </ul>
	<u>Coaching &amp; mentoring skills</u>	<ul style="list-style-type: none"> <li>Being willing to train, mentor and lead by example to support and develop subordinates.</li> </ul>	<ul style="list-style-type: none"> <li>Taking on the challenge of coaching and mentoring expatriates' team and identifying how their work performance contributes to the achievement;</li> <li>Needed to work with subordinates by monitoring, distributing power from top-down and using information from bottom-up;</li> <li>Following up and monitoring whole projects as required;</li> </ul>
	<u>Co-operation &amp; trust</u>	<ul style="list-style-type: none"> <li>Building trust and acceptance being a vital part in managing people and also helping to lead a high-performing organisation;</li> <li>Along with other business associations, developing trust and cooperation amongst peers</li> </ul>	<ul style="list-style-type: none"> <li>Assisting the expatriates to create a better working environment;</li> <li>Co-operation and trust being the essential elements to getting along with subordinates.</li> </ul>

	being required.	
<u>Team building skills</u>	<ul style="list-style-type: none"> <li>• Team building being an important attribute that can help to get to know the people quicker.</li> </ul>	
<u>Creativity skills</u>		<ul style="list-style-type: none"> <li>• Possessing creativity skills being called for expatriate managers to work under different business situations.</li> </ul>
<u>Decision making skills</u>		<ul style="list-style-type: none"> <li>• Making good decisions -a skill needed in Thailand</li> </ul>

Based on requisite leadership attributes to perform the role of expatriate manager in MNCs in the Thai automotive industry, the findings show that both Japanese expatriate and Thai HR managers considered ‘setting a direction’, ‘possessing a long-range perspective’, ‘motivation skills’, ‘coaching and mentoring skills’ and ‘co-operative and trust’ as important elements.

With regard to ‘setting a direction’, both Japanese expatriate and Thai HR managers believed that without a vision and direction, no one could run an organisation effectively. This is because ‘setting a direction’ primarily is an ability to envision the future, and determine a company's destiny. Therefore, having a direction was one of the most important required attributes for leading business successfully, as mentioned by a Japanese manager and a Thai HR manager:

**Japanese Expats-** *“... As an expatriate manager in Thailand ... giving directions and motivating subordinates to carry out their tasks is the key to success ... to complete all projects here, I have to ensure that subordinates truly understand the project concepts in which I would like them to perform, and what they need to follow up.”*

**Thai HR managers-** *“Setting a direction is the most important skill that expatriate managers require to succeed in Thai business ... they should be able to create a powerful vision, and able to share and translate his/her vision straightforwardly to colleagues and subordinates. The process of setting the direction can assist expatriate managers to focus on the plan that has been set ... expatriate managers have to ensure that all colleagues and subordinates are working in line with the plan. If colleagues and subordinates proceed in the wrong direction, expatriate managers need to*

*be good navigators with an ability to lead them to achieve the desired results.”*

More interestingly, an important finding was that Japanese expatriate managers need to ‘possess a long-range perspective’ with a 5-year plan, even though they have to follow the plan/direction that has been set by previous expatriate managers. With respect to the plan that organised by them, it intended to be a guideline for next expatriate managers who are sent to take all responsibilities. A Japanese manager referred to ‘possessing a long-range perspective’ that:

*“In relation to my existing successful outcomes, I could say that the previous expatriate managers have brought me all these. I only clarified, followed, controlled, reported and solved problems ... in relation to my plans, results will be revealed when the next expatriate manager comes to follow me in the role. However, I would have also to set a vision for future growth ...”*

Although the plan that has been set by current Japanese expatriate managers will have subsequent outcomes in the following 5 year, ‘possessing a long-range perspective’ still consider as crucial for the expatriate managers to perform their role in the Thai automotive industry as supported and suggested further by a Thai HR manager:

*“It is very important to look into the future in a systematic way. Having a long-range perspective is required of expatriate managers so they may be aware of future implications and the impact of present decisions on the future...however, business today is always fluctuating...expatriate managers need to be able to adapt the plan.”*

In addition, the finding show not only do high skill attributes which Japanese expatriate managers need to lead the business to survive in global environment are needed, but also attributes that can help them to support their subordinates, such as ‘motivation skills’ and ‘coaching and mentoring skills’, are important. One Thai HR manager suggested that the Japanese expatriates need to learn to understand Thai subordinates’ expectations. The expatriate manager then should have a capacity to motivate their

subordinates to perform at a high level. Therefore, ‘motivation skills’ is basically required for expatriate managers as mentioned by a Thai HR manager:

*“... Expatriate managers must first learn to understand what their subordinates’ desire in order to motivate them.”*

Similarly to that Thai HR manager, four Japanese expatriate managers confirmed that ‘motivation skills’ were needed to work effectively with Thai subordinates particularly for supporting and encouraging them to well perform their duties and responsibilities:

*“... I should know how to motivate subordinates to follow me. I must become a leader in the team. Being only a consultant or guide is not enough ...”*

*“Not only have I been good at my job, but I also have to be able to motive and lead subordinates to grow by sharing my knowledge.”*

*“To get subordinates to perform their duties and responsibilities well, motivation skills are essential...”*

*“I need to motivate the subordinates to do their best, and cooperate with them to put their suggestions into action.”*

Besides motivating Thai subordinates to perform in their duties, one Japanese expatriate manager further confirmed that:

*“Coaching is a skill or technique that helps me to develop my subordinates ... For me, coaching is more like training, mentoring or leading by example. As a coach, it is important to act in a way that has a strong influence on my subordinates ... Moreover, as a coach in Thai business, I can not only empower my subordinates to develop their own actions for high performance and ensuring the job is done, but I also have to seek knowledge and improve myself constantly.”*

The requirements as mentioned by three Thai HR managers supported those of the Japanese manager concerning ‘coaching and mentoring skills’. For instance, one of HR manager pointed out that:

*“Expatriate managers should work with subordinates by monitoring, distributing power from top-down and using information from bottom-up which would lead to*



*expatriate managers understanding the real situation and being able to solve problems on time.*

The last similar required attribute is ‘co-operation and trust’. Two Japanese and two Thai HR managers considered this attribute was a vital part in managing people along with when dealing with other business associates. For example, a Japanese manager and a HR manager mentioned that:

**Japanese Expats-** *“... I believe that where a failure of trust exists, communication will break down. If this occurs, I also cannot possibly leverage the power of the team. This could indicate that I might have failed as a manager.”*

**Thai HR managers-** *“Good expatriate managers must be cooperative and reliable. This will create a better working environment where there is high trust and respect for others.”*

The aforementioned perspectives clearly show that there are many unique attributes considered as fundamental for Japanese expatriate managers to effectively run their MNCs. Nevertheless, from the view point of Thai HR managers, Japanese expatriate managers also required ‘creativity skills’ and ‘decision making skills’ to work with Thai subordinates. As suggested by a Thai HR manager:

*“Under different business situations and high competitions, expatriate managers need to possess creativity skills, and simultaneously need to support and promote creativity in their subordinates so it will occur across the organisation.”*

Clearly, from the perspective of a Thai HR manager, creativity skills have become vital for business in order to create a competitive advantage. However, if the expatriates make a poor decision, the results might lead to the risk of failure. Accordingly, in the position as a leader, expatriate managers required good critical analytical and reasoning skills upon which good decision making is based leading to effective leadership ability. A Thai HR manager strongly mentioned that:

*“Making good decisions is another skill that is absolutely imperative for expatriate managers to possess. If expatriates are afraid to make a decision, they might not be able to lead a team to impressive performance levels.”*

As opposed to Thai HR managers, a Japanese manager was drawn attention to ‘team building skills’. A Japanese manager believed that people from different backgrounds often have different working styles. ‘Team building skills’ was an important attribute that facilitates getting acquainted with people quicker. Furthermore, team building can support excellent organisational performance by ensuring that everyone is working toward the same goal, motivating team work, and ensuring effective cooperation between team members, as mentioned by a Japanese manager.

### **Discussion of leadership attributes**

Firstly from the view point of both Japanese and Thai HR managers, ‘setting a direction’, ‘possessing a long-range perspective’, ‘motivation skills’, ‘coaching and mentoring skills’ and ‘co-operation and trust’ are mandatory attributes for Japanese expatriate managers to work in MNCs in the Thai automotive industry. More importantly, the results demonstrate that ‘motivation skills’ is the most frequently mentioned by Japanese expatriate managers. Several Japanese managers believed that in addition to focusing on their full range of work responsibilities, or scope of command, in Thailand they have also to be an efficient co-worker to motivate Thai subordinates to carry out their tasks in the desired manner. However, Thai HR managers believed that ‘coaching skills’, the attribute they most frequently mentioned, can facilitate their Japanese managers to take on the challenge of coaching and mentoring their team and of identifying how their work performance contributes to the achievement of the determined vision. The Japanese managers did not see this as so important.

Secondly, another interesting result came from one Japanese manager who pointed out that ‘setting a direction’ and ‘possessing a long-range perspective’ are crucial attributes for their position, even though the results of what they did will not usually be seen until after the arrival of the next expatriate manager. A Thai HR manager confirmed that to perform an expatriate role in Thailand, these two attributes are compulsory. Nevertheless, the Thai HR manager still believed that expatriate managers should be able to adapt the plan under uncertain business situations. Furthermore, building trust and acceptance is a vital part in managing people in different cultures, as mentioned by both Japanese and Thai HR managers.

Lastly, according to Japanese expatriate managers, the attribute ‘team-building skills,’ is considered as an important attribute in order to more quickly develop a good relationship with Thai subordinates. In contrast to the perspective of Japanese managers, Thai HR managers believed that “creativity skills’ and ‘decision making skills’ are necessary.

### ***Content Analysis Interpersonal Attributes***

Individual comments of non-Thai (Japanese) managers and Thai national HR managers show both similar and different concepts and themes in relation to interpersonal attributes as detailed under ‘Interview results’ in Table 4.27 below.

**Table 4.27: Concepts and Themes for interpersonal attributes**

Concepts and Themes		Interview results	
Category	Sub Category	Japanese Expatriate Managers	Thai HR Managers
Inter-personal attributes	<u>Communication skills and language ability</u>	<ul style="list-style-type: none"> <li>• Being one of the basic requirements for working effectively with Thai subordinates;</li> <li>• Being required to communicate effectively and interact efficiently with co-workers;</li> <li>• Communication skills regarded as important as helping to explain clearly and give reasons to support ideas to the subordinates;</li> <li>• Communication skills being needed when giving commands, as well as language ability needed to ensure that the translators interpret the commands correctly to subordinates;</li> </ul>	<ul style="list-style-type: none"> <li>• Basic language skills facilitating the Japanese expatriates to communicate easily, resulting in resolution of conflict and misunderstanding quicker;</li> <li>• Helping to avoid problems in the workplace;</li> <li>• Language ability enabling expatriate to communicate simply with their subordinates;</li> <li>• Helping the expatriates to effectively express their messages;</li> </ul>
		<ul style="list-style-type: none"> <li>• Motivating subordinates to follow the plan required language ability.</li> </ul>	<ul style="list-style-type: none"> <li>• Leading to smooth the progress of transferring vision;</li> <li>• Facilitating in giving orders and distributing tasks without difficulties.</li> </ul>
	<u>Social awareness skill</u>	<ul style="list-style-type: none"> <li>• Needed to learn how to understand thoughts and feelings of subordinates and colleagues with attempting to</li> </ul>	

	be a part of them.	
<u>Cultural awareness skill</u>	<ul style="list-style-type: none"> <li>• Cultural awareness skills regarded as so important due to cultural differences leading to directly dissimilar ways what people's seeing, interpreting and evaluating things;</li> <li>• Functioning in a new place, need to learn about the new culture;</li> <li>• Helping to obtain a better understanding of Thai staff;</li> <li>• Stepping outside one's own country allowing to fully comprehending what impact culture has on behaviours, beliefs and acts.</li> </ul>	<ul style="list-style-type: none"> <li>• Needed to learn to listen to other opinions and express their points, as well as to be aware of the impact of results on others;</li> <li>• Learning the Thai culture, leading to adjust and adapt to work with Thai employees;</li> <li>• Opening to the Thai culture as a bridge to create a good relationship between colleagues with facilitating to the achievement of goals easier.</li> </ul>
<u>Patience</u>	<ul style="list-style-type: none"> <li>• Required for dealing with barriers.</li> </ul>	
<u>Adaptability skill</u>	<ul style="list-style-type: none"> <li>• Adaptability skills being very important when things change.</li> </ul>	<ul style="list-style-type: none"> <li>• With adaptability skills, facilitating expatriates to avoid facing cultural shock and return quickly;</li> <li>• Understanding local market and customer needs turning into be one of the basic attributes needed for expatriate managers for overseas assignments;</li> <li>• Being successful needed to open to other cultures and be happy to accept others' ideas;</li> <li>• Helping expatriate managers to get along with Thai subordinates.</li> </ul>
<u>Listening skill</u>	<ul style="list-style-type: none"> <li>• Listening to colleagues' ideas, resulting in a good relationship.</li> </ul>	
<u>Emotional stability</u>	<ul style="list-style-type: none"> <li>• Working together under stressful circumstances required ability to maintain emotional stability.</li> </ul>	

With respect to the particular interpersonal attributes as shown in the Table 4.27, the results demonstrate that ‘communication skills and language ability’ was the most frequently mentioned attribute by both Japanese expatriate managers and Thai HR managers. Five Japanese expatriate managers judged ‘communication skills and language ability’ to be very important for their responsibilities in the MNC’s Thai subsidiary. This is because when a command was given to subordinates, these communication and language skills were required to effectively explain by giving samples and reasons to support their ideas. One expatriate manager further commented that although there are Thai-Japanese translators provided in the workplace, he still needed language ability to ensure that the explanation of commands was correctly translated to subordinates, ensuring that what they meant was communicated by the translators. For example, two expatriate managers mentioned that:

*“... if I need to ask subordinates to follow my instructions, I have to explain and give them reasons why they have to do that ... and to get someone respect and follow my commands required me to express clearly and concurrently give some examples for them to easy to understand.”*

*“Language skills are extremely important ... even though translators are provided in the working place. In my opinion, I believe translating Japanese into Thai or Thai words into Japanese takes time ... one Japanese word has one meaning in the Thai language and another could have more than ten meanings. We cannot just translate Japanese words into Thai words directly. ... I also need to have Thai language skills, especially when giving commands to subordinates. By using a translator... I have to ensure that they translate my words into the meaning that I want communicated. If not, I would need to explain again and again in order to avoid future mistakes that would happen from misunderstanding in the language”*

The requirements as believed by Thai HR managers were in agreement with those of the Japanese managers. Six Thai HR managers believed that ‘communication skills and language ability’ was required for Japanese managers to transfer their views, give orders and distribute tasks to subordinates. Furthermore, possessing this attribute would facilitate the Japanese managers in resolving conflict and misunderstandings more quickly. For example, the Thai HR managers mentioned:

*“To be able to transfer the vision ... the Japanese expatriate manager’s role entails communication skills and language ability.”*

*“... language skills can help the expatriates to more easily communicate with subordinates ... make resolution of conflict and misunderstandings quicker and easier, and reduce the likelihood of communication problems with each other.”*

*“We cannot leave communication out of any working places. Good communication skills can help the expatriate manager to avoid conflict in working places ... also the Thai language ability could help the expatriates to be easily understood, to avoid conflict and to solve problems”*

In addition to ‘communication skills and language ability’, other attributes clearly identified as important were ‘cultural awareness’ and ‘adaptability skills’ that are regarded as necessary by both Japanese expatriate managers and Thai HR managers. There are several explanations as follows: Firstly, cultural differences are a direct result of people’s seeing, interpreting and evaluating things in different ways as mentioned by several Japanese expatriate managers. Therefore, in order to avoid different perspectives and conflicts arising, one Japanese expatriate manager, for instance, pointed out:

*“When I have been assigned as an expatriate manager to function in a new environment, learning about the culture in the new country has been my first priority. I must ensure that the way I act or the words I speak do not upset my Thai colleagues and subordinates ... never forces them to believe what they doubt or what I believe...”*

Similarly, Thai HR managers have the same belief that cultural awareness becomes fundamental and important when interacting with people from different cultures. In particular, two HR managers pointed out that:

*“Not only should the expatriate know how to communicate or express their feelings, needs, and thoughts to their subordinate, but they also have to learn to interpret other people’s feelings, needs and thoughts in turn ... As most actions and messages can be interpreted in diverse ways, their behaviour might be misunderstood in a way that could harm their relationship with others...”*

*“Working with the people in different countries, expatriate managers need to adapt and be open to a new culture in order to create good working relationships with other staff...”*

With regard to preventing the stress experienced by cultural differences, another Thai HR manager suggested that Japanese managers should be taught about Thai culture

prior to being transferred to Thailand. This is because having an understanding of Thai culture as well as the nature of Thai people could help expatriate managers to easily adjust themselves to the workplace. However, as one Thai HR manager pointed out, as Japan and Thailand are both Asian countries, and most people in both countries believe in Buddhism, this can help Japanese managers to easily understand Thai people and culture.

‘Adaptability skills’ was another attribute which both Japanese expatriate and Thai HR managers were regarded as necessary for Japanese expatriate managers to successfully complete their assignments. As mentioned by one Japanese expatriate manager that:

*“People who live in different countries, generally, have different behaviours, norms, values, beliefs and approaches to life. Coping with a new environment can be complicated for everyone. Especially in Thailand, Thai people certainly have a polite manner of interaction and prefer to follow authority. Functioning with Thai subordinates, I should ensure my working style avoids sending any conflicting messages. Adaptability skills are very important for flexibility and adaptability when things change.”*

The requirements of four Thai HR managers’ supported the understanding of the Japanese managers that having ‘adaptability skills’ can facilitate Japanese managers to get along with Thai subordinates. However, Japanese managers needed to open themselves to a new culture. More importantly, despite being compatible with local staff, “understanding local market and customer needs turned into be one of the basic attributes needed for expatriate managers for overseas assignments” as mentioned by one Thai HR manager.

Despite the similar perspectives of both Japanese expatriate and Thai HR managers, Japanese expatriates further suggested that ‘social awareness skills’, ‘patience skills’, ‘listening skills’ and ‘emotional stability’ are considered as crucial in order to effectively perform the role of an expatriate manager in an MNC as mentioned by them that:

*“Social awareness skills are the most important skill for success when working in Thailand. I have to learn how to become closer to my subordinates and colleagues; understand their thoughts and feelings, and know how to adapt myself to Thai’s culture.”*

*“To succeed working in Thailand, I have to open my mind and listen to the opinions of subordinates and colleagues. This also can motivate the subordinates and colleagues to give ideas and open their mind to me and that in turn can lead to a good relationship between each other”*

*“Conflict can happen at any time when working among people, especially with people who come from different cultures. Therefore, for success on most overseas assignments, emotional stability is fundamental. When working together under stressful circumstances it is necessary to maintain emotional balance ...”*

### **Discussions for interpersonal attributes**

Firstly from both perspectives of Japanese and Thai HR managers, cultural differences can lead to working style differences between Japanese expatriate managers and Thai indigenous subordinates. Under this situation, ‘adaptability skills’ is inarguable required. More importantly, the results demonstrate that ‘communication skills and language ability’ is the most frequently mentioned attributes by both Japanese expatriate managers and Thai HR managers. Findings of this study, therefore, confirmed that the ‘communication skills and language ability’ is very important for Japanese expatriate managers to succeed in the Thai automotive industry.

Secondly, another interesting result came from one Thai HR manager who commented that sharing the same knowledge and understanding of Buddhism can facilitate in better comprehension in the Thai culture and business management. Furthermore, Buddhism has a strong positive impact on personnel perspectives and activities. In agreement, one Japanese manager gave a strong fitting support on the perspective of that Thai HR manager. He confirmed that having an understanding of Buddhism led him to get better understanding of the nature of Thai people who have a polite manner of interaction and prefer to follow authority. As a result, to effective functioning in an MNC automotive in Thailand, this Japanese manager suggested that avoiding giving conflicting messages is very important. Similarly, providing evidence based on clearly explaining, rather than trying to force Thai subordinates to believe what they doubt can lead to good working relationships with each other. Eventually, the more a good relationship is built, the more the goals and objectives of the company can be achieved.



Lastly, according to Japanese expatriate managers, ‘social awareness skills’, ‘patience skills’, ‘listening skills’ and ‘emotional stability’ are considered as crucial in order to effectively perform their role. As conflicts and misunderstandings can happen at any time, Japanese managers believed that these interpersonal attributes are required to succeed working in Thailand. In particular, when working under stressful circumstances, it is necessary to maintain emotional balance. Likewise, listening to others opinions and developing a good relationship in the workplace can also motivate the Thai subordinates to share their ideas.

#### **4.7 SUMMARY**

This chapter demonstrated three major findings in relation to the analysis of participants’ questionnaire survey returns and interview survey as well as the finding from the analysis of statistics, such as T-test and ANOVA on key characteristics and factors influencing Japanese expatriate managers for effectively managing their multinational subsidiary corporations in the Thai business context. Additionally, a number of recommendations to enhance the extent what characteristics and factors would be considered being uniquely required for expatriate managers and to what degree managerial and leadership attributes are critical to the goals and priorities as indicated by Japanese expatriate assignees and Thai HR managers were presented in this chapter. The summary of results, conclusions and implications will be discussed in the next chapter.

## **CHAPTER 5**

### **SUMMARY AND CONCLUSION**

#### **5.1 INTRODUCTION**

The aim of this chapter is to summarise findings of this study and to justify conclusions based on the literature reviewed in Chapter 2. Significant similarities or differences between the key characteristics and factors perceived to influence expatriate management in general and those found in this research as specifically relating to Japanese expatriate managers in the Thai business context are discussed. This chapter is divided into seven sections. This introduction provides an overview of the chapter, Sections 5.2 and 5.3 summarise the results of questionnaire and interview responses respectively. Section 5.4 presents the results of the assumption testing and consequently discusses the research outcomes, arising from both the quantitative and qualitative analyses. Section 5.5 focuses on the implications of those key characteristics and factors found to most strongly influence manager success in the research setting. Section 5.6 highlights the research contributions. The limitations and implications for further research are presented in the last section, Section 5.7.

#### **5.2 SUMMARY OF QUESTIONNAIRE RESPONSES**

The outcome of data analysis, as presented in section 4.2 of Chapter 4, revealed four elements of major interest. Firstly, the number of responses from each location inferred that there glass ceiling for women is breaking down in MNCs within the participant automotive organisations in Thailand, at least to the extent that responses indicated similar numbers of males and females across the research organisations. Moreover, higher education would drive the increase of gender equality. The result shows that women with a higher educational qualification would access similar levels of employment to males. Secondly, responses indicate that at the research organisations the requirement for securing an entry level job now appears to be a Bachelor's degree. Although it could be expected that higher level qualifications would support career advancement, the data highlighted that in the participant MNCs gender also played a

role. Thirdly, the results also show low staff turnover indicating a high level of loyalty in the workplace. Lastly, Thai operative employees in the participant Thai operations of automotive MNCs were found to be the group that had most frequently had experience working with Japanese expatriate managers, however middle and higher level managers have also had some experience in cooperating with expatriate managers. These elements are discussed in further detail as follows:

***An analysis of responses from each location:***

*Working with Japanese expatriates:* The percentage of Thai subordinates who had experience in cooperating with Japanese expatriate managers, was almost equal at head offices/assembly plants (49.1%) and at the dealer partnerships (50.9%). The percentage of men and women responding to the questionnaire survey was almost the same: 51.6% for men and 48.4% women.

*Gender:* With respect to employment location of male and female employees, the distribution shows that 53.2% of the respondents from the participating head offices/assembly plants were women, which was slightly more than for men at 46.8%. On the other hand, the distribution of women and men respondents at the dealer partnership locations was 43.9% for women, being slightly less than for men at 56.1%. Although the outcome shows a differential gender distribution of employees according to workplace location, the overall picture of female participation in the Thai automotive operations participating in this research might at first be taken to represent equal access to employment in the Thai automotive industry. Others have found that women may be more likely to complete surveys than men (Yu, Jannasch-Pennell, DiGangi, Kim & Andrews 2007). Data on gender breakdown for their total staff of the research organisations were not available. The rate of female participation as shown by the responses may not represent the gender breakdown across the research organisations or within the Thai automotive industry. Unfortunately, the Thai Industry Sector Association does not keep a gender breakdown of employees in the automotive industry thus national employment figures according to gender were also not available. However, responses do provide the views of both male and female employees of the

research organisations in close to equal numbers enabling differences in viewpoints according to gender to be analysed.

The similar number of responses from males and females, notwithstanding the tendency for females to participate in greater numbers than males in surveys (Yu, etl al. 2007), do suggest there may be no great barriers preventing women from gaining an entry-level job in the Thai automotive industry. Thai women workers have been readily accepted into and offered more opportunities in the workplace (ILO 2004a) and the outcome of this study is in line with the findings in that ILO report. Although returns indicate employee numbers in the research organisations are made up of approximately equal proportions of male and female employees, the questionnaire returns cannot, without the industry and/or participating research organisation data, be said to represent the entire employee population.

*Level of Appointment:* The overall respondent population when divided into two groups according to level of appointment resulted in 139 (43.2%) questionnaires completed by management level employees and 183 (56.8%) by operative level personnel indicating the data obtained were from approximately equal proportions of management and operative level employees. The literature suggests spans of control of varying sizes across organisations from five to six employees in family firms in Ghana (Forkuoh & Osei 2012) up to 32 (Smeets & Warzynski 2008) in large European organisations in the high technology manufacturing industry where increases were observed in recent years (Smeets & Warzynski 2008). Accordingly it could therefore be expected that the number of operative employees would be approximately 10 times that of management level employees. The research organisations do not make available employee numbers broken down into level of employment or gender however returns indicate a proportionately higher rate of responses from management level employees than from operatives. However, again without overall employee numbers, broken down according to gender and level of employment at all of the participating research organisations no conclusions can be drawn in relation to level of employment and response rates. A high level of responses from management level provided reliable data on the attributes

required to manage, as these are the employees with the greatest understanding of what is required in their organisation to manage effectively.

***A base requirement for obtaining a job or promotion opportunity:***

Most respondents in this study were between 21 and 30 years of age and most had a Bachelor's degree. This finding suggests that a Bachelor's degree is a base requirement for obtaining a job in the automotive industry in Thailand. Only 41 of 322 or 12.73% of the respondents did not have a Bachelor's degree. Moreover, a professional qualification is seemingly associated with career development for both male and female employees for career advancement to top management positions at the head offices/assembly plants and dealer partnership locations in the Thai automotive industry. This was shown by those in top management positions in this study having a Bachelor's or Master's degree. These results are consistent with The ILO (2007a) report which highlighted that as the global marketplace develops, many industries generally require more highly skilled workers. This study found that in the research organisations the majority of respondents had a Bachelor's degree or a higher qualification. There were three males of whom two had only an undergraduate diploma (2 of 322) and one had only completed secondary education (1 of 322) that worked in middle management positions. For females, the data revealed that they tended to have higher level qualifications than their male peers. All female respondents in middle management positions had at least a Bachelor's degree. At first management and at operative level, 29 of 322 (or 9%) males had as their highest qualification either an undergraduate diploma or lower qualification, whereas the highest qualification of only nine (of 322, or 2.8%) females was an undergraduate diploma. This study found that women tended to need a higher educational qualification to access similar levels of employment to males.

Although it could generally be assumed that a higher qualification would enable an employee to gain promotion to a management level role, the outcome of this study showed that though more highly educated, women remained less represented than men in top, middle and first-level management positions. Only 54 of 139 or 39% were female respondents worked in management positions whereas male respondents

accounted for 85 of 139 or 61% of management positions. If, as Yu et al. (2007) found, higher numbers of females than males did respond to the survey, in reality the difference may even be greater. In addition, the results show that no female respondent in this study had only secondary education, whilst one male respondent who had completed secondary school education only worked at middle management level. All female respondents in either middle or top management equivalent positions held a qualification beyond undergraduate diploma. Therefore, the findings of the present study agree with those of Boon (2003) and ILO (2004a) that the discriminatory cultural and social attitudes towards women in the workplace, particularly in Asian countries, are the reasons women not receiving as much attention as men in employment. The reasons that women were not being promoted to higher levels were not explored in this research, but the figures obtained suggest that women in the automotive industry in Thailand may be being discriminated against in relation to promotion as their higher levels of education have not led to equal representation at senior levels in the organisations surveyed.

### ***Job mobility:***

In terms of length of employment in current role, or job mobility, the results show that 61.8% of the respondents have worked in their respective current position for 1 to 5 years only, while 14.9% 6-10 years, 11.2% 11-15 years and 9.9% 16-20 years. Among these respondents, 2.2% have worked more than 21 years at their current level of appointment. The results indicate that Thai subordinates are not likely to remain at the same level of appointment for a long period of time.

Female employees were more likely to have remained with the company for longer than had the men. Of women operatives, 26 of 183, or 14% had worked from six to 20 years, whereas of men operatives 17 of 183, or 9% had remained for that period of time. One female operative had worked at the head offices/assembly plants location in her current position for over 21 years. This may be taken as an indication that the male operatives were promoted faster and to higher positions than were the female operatives. This suggests an area for future research in relation to equity in employment for women because, as already mentioned, despite higher levels of education, women were not

being promoted to more senior management levels at the same rate as even men with lower levels of education.

According to the breakdown of respondents by length of service, there are significant differences between the numbers according to group. Therefore, in order to test the research assumptions based on length of service of Thai subordinates, the returned questionnaires were re-divided into two groups:

- 199 or 62% were completed by respondents who had worked in their current position for 1 to 5 years only, and
- 129 or 38% were completed by respondents who had worked in their current position for more than five years.

When responses were divided into the two groups slight differences between the groups were highlighted.

### ***Working with Japanese Expatriate Managers:***

The opportunity to gain experience working with, and thus cooperating with an expatriate manager, as shown in Chapter 4, Table 4.3, reveals that operative employees (183 of a total 322 or 57%) had been more likely to have worked cooperatively with expatriates, followed by first level managers (81 of a total 322 or 25%) and top level managers (34 of a total 322 or 11%). Middle level managers have had the least opportunity to cooperate with expatriates with only 7% having done so. It might have been expected because Japanese automotive MNCs have operated in Thailand for more than 20 years, that those in higher level positions and who have been with the organisation for more than five years would have been more likely to have worked with Japanese staff than more recent and lower level employees. For this reason, the 'length of cooperating' was then divided into only two groups according to length of service: 1 to 5 years, and more than 5 years in an attempt to better understand the results. Most respondents (191 of 322, or 59%) had experienced working with expatriates for between one and five years. Forty one per cent (131 of 322) of respondents had experienced working with Japanese expatriate managers for more than five years. The results after

regrouping could be seen to better represent the entire respondent population because the groups are of a similar size and thus more easily compared (see Table 4.3 for breakdown of numbers). The results show that the longer respondents have worked for their organisation, the less chance they have had to cooperate with Japanese expatriate managers. Further research may also be required to explain this situation.

### **5.3 SUMMARY OF INTERVIEW RESPONSES**

As reported in Chapter 4, semi-structured interviews were conducted with a total six Japanese expatriate and seven Thai HR managers. This section examines responses from the Japanese expatriate interviewees.

In terms of demographics, all Japanese expatriate managers were male; five were married and one single. Four of the six Japanese interviewees had worked in their position for 2 to 5 years, and two had worked in their positions for more than 5 years.

In relation to the selection process for Japanese expatriate candidates to function effectively in Thailand, the information obtained from the six Japanese interviewees indicated that international management experience is not likely to be considered by their parent company in Japan and accordingly 50% of the interviewees had not had a previous overseas assignment. Furthermore, the findings confirm that in Japanese companies, personality tests are not routinely used in the selection process for international assignments. No Japanese expatriate manager interviewed had been required to complete a personality test before they were sent on assignment to Thailand. This compares with the comment that all employees in the parent company in Japan are required to undergo personality testing before being promoted to a higher position as mentioned by one of the interviewees. Personality testing to specifically support decisions regarding suitability for overseas assignments does not occur despite the availability of tests (e.g. MBTI, The Keirsey Temperament Sorter and the Big Five) and research demonstrating the particular suitability of the Big Five Personality Test for expatriate management selection decision making (Kun et al. 2010; Holopainen & Björkman 2005; Judge et al. 2002; Caligiuri 2000a). Relying on test results for selection



into home country roles may not provide the information required for good expatriate selection.

The literature highlighted that selection processes in other parts of the world included preparing family members for international placements however that was not the practice in Japan. Indeed Stroh et al. (2005, p. 50) noted that “*the family is not an issue in the selection process*” in Japanese companies. In this study four of the interviewees indicated that they had been accompanied by their spouse/children however all four stated that their organisation had not provided preparation for their family members. Thus, Stroh et al.’s (2005) findings are supported by this research.

The results of the semi-structured interviews with six Japanese expatriate managers showed that the parent companies in Japan may be viewed as conducting inadequate selection processes for choosing appropriate expatriate manager candidates such that they might have the potential to effectively accomplish an overseas assignment. The results of questionnaire surveys provide more evidence to support this argument and these are discussed in detail later in this chapter.

## **5.4 ASSUMPTION TESTING**

Two parallel data gathering techniques were used: a questionnaire and an interview, in order to investigate the questions as follows:

### *Research Question #1:*

What are the key characteristics and personal attributes required for expatriate managers of automotive MNCs operating in Thailand to manage their business effectively?

### Research Question #2:

What are the factors that expatriate managers and host national subordinates identify as impacting expatriate managers to succeed in Thai automotive businesses?

The study involved three experimental conditions, including T-tests, ANOVA and content analysis. In the first, five different variables: respondent (1) employment location, (2) gender, (3) level of appointment, (4) length of time in current role and (5) length of time spent cooperating with an expatriate manager were tested by t-test statistics. This was done in order to compute the mean scores of two different groups in terms of whether or not there was a statistically significant difference between the groups. Analysis of Variance (ANOVA) was then used to determine whether there were any significant differences between the means of three or more independent groups of respondents based on their highest qualification: postgraduate, Bachelor's degree and below Bachelor's degree. The quantitative instruments were designed to reveal the degree of agreement on the key characteristics needed for Japanese expatriate managers to succeed and the factors influencing their ability to work in Thailand. Additionally, analyses of interview data were designed to uncover the unique attributes for success in the Thai business environment and the factors that contribute to Japanese expatriate adaptation to the Thai automotive industry environment such that it leads to them ensuring the MNC's objectives are achieved.

To answer the above research questions, results address the nine assumptions. Results are used to classify the key characteristics (in section 5.4.1) required of expatriate managers and the factors influencing (in section 5.4.2) their ability to operate effectively in MNCs in Thailand. These are detailed as follows.

#### **5.4.1 Assumption Testing for Research Question # 1**

The results of assumption testing for research question#1 are presented in Table 5.1 below:

**Table 5.1: Testing assumptions 1 - 6 for key characteristics and personal attributes required of expatriate managers**

Assumptions and results for research question #1
<p><b>Assumption 1:</b></p> <p>Mean scores for responses from those who work at head offices/assembly plants and dealer partnerships will differ significantly in terms of key characteristics and personal attributes for expatriate manager success in the Thai automotive industry.</p> <p><b>Results show that:</b></p> <p>There was no statistically significant difference in mean scores of responses from head offices/assembly plants and dealer partnerships groups in relation to each key characteristic. (Accept <math>H_0</math>: <math>p &gt; 0.05</math>).</p>
<p><b>Assumption 2:</b></p> <p>Mean scores of responses from males and females will differ significantly in terms of the key characteristics and personal attributes believed to contribute to expatriate manager success in the Thai automotive industry.</p> <p><b>Results show that:</b></p> <p>There was no statistically significant difference found between male and female responses for each key characteristic. (Accept <math>H_0</math>: <math>p &gt; 0.05</math>).</p>
<p><b>Assumption 3:</b></p> <p>Mean scores for responses from those who work at management and operative levels will differ significantly in terms of key characteristics and personal attributes for expatriate manager success in the Thai automotive industry.</p> <p><b>Results show that:</b></p> <p>The positive t-values indicate that the means for responses from those who work at management-level in relation to key characteristics and personal attributes were higher than the means for the operative-level group. The p-values indicate the level of significance of each effect was considered to be highly statistically and slightly significantly different at 0.01, 0.05 and 0.1 respectively.</p> <p><b>There were highly significant differences at the 0.01 confidence level as following:</b></p> <ul style="list-style-type: none"> <li>• Having planning and budgeting skills (<math>t = 3.053</math>, <math>p = .002</math>)</li> <li>• Motivating employees to excellence (<math>t = 3.488</math>, <math>p = .001</math>)</li> <li>• Developing, originating and creating change (<math>t = 3.148</math>, <math>p = .002</math>)</li> </ul> <p>There were highly significant differences between the scores for respondents who work at management level and at operative level in terms of the characteristics ‘having planning and budgeting skills’, ‘motivating employees to excellence’ and ‘developing, originating and creating change’. Management-level group identified these three characteristics to be highly desirable for Japanese expatriate managers to succeed in the Thai automotive industry.</p>

**There were statistically significant differences at the 0.05 confidence level as following:**

- Controlling and problem solving skills ( $t = 2.067$ ,  $p = .040$ )  
There were statistically significant differences between the responses of those who work at management level and at operative level in terms of the characteristic ‘controlling and problem solving skills’. Management-level group believes that ‘controlling and problem solving skills’ are important and required of Japanese expatriate managers for success in the Thai automotive industry, while the operative-level group paid less attention to these matters.

**There were slightly significant differences at the 0.1 confidence level as following:**

- Setting a direction ( $t = 1.773$ ,  $p = .077$ )
- Focusing on systems and structures ( $t = 1.722$ ,  $p = .086$ )  
There were slightly different perceptions of the requisite characteristics for expatriate managers between the responses of those who work at management level and at operative level in terms of the characteristic ‘setting a direction’ and ‘focusing on systems and structures’. However, the differences between their views were relatively minor even where statistical significance existed between responses from management- and operative-level employees.

#### **Assumption 4:**

Mean scores for respondents who had worked for between 1 and 5 years and those who had been in their current job for 5 years will differ significantly in terms of key characteristics and personal attributes for expatriate manager success in the Thai automotive industry.

**Results show that:**

- The negative  $t$  values indicate that the mean for these characteristics for expatriate success for the group who have worked in his/her position no longer than 5 years is significantly lower than the mean for those who have worked longer than 5 years.

**There were highly significant differences at the 0.01 confidence level as following:**

- Having planning and budgeting skills ( $t = -2.782$ ,  $p = .006$ )  
There were highly significant differences ( $p < 0.01$ ) between the responses of subordinates who had worked less than 5 years and the responses of those who had been in their current job for more than 5 years in terms of the characteristic ‘having planning and budgeting skills’. Respondents who had worked in their role for more than 5 years considered that ‘having planning and budgeting skills’ was highly essential for expatriate success in the Thai automotive industry, while respondents who had worked for less than 5 years in their role felt less certain that expatriate managers needed this characteristic to work in the Thai environment.

**There were statistically significant differences at the 0.05 confidence level as following:**

- Setting a direction ( $t = -2.211$ ,  $p = .028$ )
- Possessing a short-range perspective ( $t = -2.017$ ,  $p = .045$ )
- Controlling and problem solving skills ( $t = -2.190$ ,  $p = .029$ )  
There were statistically significant differences ( $p < 0.05$ ) between the responses of subordinates who had worked in their role for less than 5 years and the responses of those who had been in their current job for more than 5 years in terms of the characteristics ‘setting a direction’, ‘possessing a short-range perspective’ and ‘controlling and problem

solving skills'. These indicate that respondents who had worked for longer than 5 years considered that these characteristics were more important to a successful expatriate career in the Thai automotive industry than did those who had worked for less than 5 years in their current role.

**There were slightly significant differences at the 0.1 confidence level as following:**

- Motivating employees to excellence ( $t = -1.797$ ,  $p = .073$ )
- Focusing on systems and structures ( $t = -1.924$ ,  $p = .055$ )
- Possessing a long-range perspective ( $t = -1.879$ ,  $p = .061$ )

There were slightly significant differences between the responses of subordinates who had worked for less than 5 years in their role and the responses of those who had been in their current job for more than 5 years in terms of the characteristics 'motivating employees to excellence', 'focusing on systems and structures' and 'possessing a long-range perspective'.

These characteristics are considered more important for expatriate manager success by respondents who had worked longer than 5 years in their role than those who had worked for less than 5 years.

#### **Assumption 5:**

The mean scores for responses of those who have been cooperating with expatriates for between 1 and 5 years and those who have worked with expatriates for more than 5 years will differ significantly in terms of key characteristics and personal attributes for expatriate manager success in the Thai automotive industry

#### **Results show that:**

The negative  $t$  values indicate that the mean score for these characteristics required for expatriate success for the group of employees that have cooperated with expatriates for between 1 and 5 years is significantly less than the mean for those who have worked with expatriates for more than 5 years.

**There were highly significant differences at the 0.01 confidence level as following:**

- Having planning and budgeting skills ( $t = -2.837$ ,  $p = .005$ )
- Setting a direction ( $t = -2.641$ ,  $p = .009$ )

It is apparent that the mean difference is significant at the 0.01 level for 'having planning and budgeting skills' and 'setting a direction' between employees who have collaborated with expatriate managers between 1-5 years and those with more than 5 years' experience. The results indicate that respondents who have cooperated with an expatriate manager for more than 5 years believe that 'having planning and budgeting skills' and 'setting a direction' are important for success in the Thai automotive industry while those who have worked with expatriate managers for 1-5 years paid less attention to these matters.

**There were statistically significant differences at the 0.05 confidence level as following:**

- Possessing a short-range perspective ( $t = -2.255$ ,  $p = .025$ )

There were significant differences at the 0.05 confidence level in relation to 'possessing a short-range perspective' between employees who had collaborated with expatriate managers for between 1-5 years and those with more than 5 years' experience. The results indicate that respondents who have worked with expatriate managers for more than 5 years believe that 'possessing a short-range perspective' is important for success in the Thai automotive

industry while those who have cooperated with expatriate managers for 1-5 years paid less attention to this matter.

**There were slightly significant differences at the 0.1 confidence level as following:**

- Performing in a manner that creates stability ( $t = -1.738$ ,  $p = .083$ )
  - Possessing a long-range perspective ( $t = -1.657$ ,  $p = .098$ )
- There were significant differences at the 0.1 confidence level for ‘performing in a manner that creates stability’ and ‘possessing a long-range perspective’ between employees who had worked with expatriate managers for between 1-5 years and those who had done so for more than 5 years. In other words, respondents with more than 5 years’ experience of working with expatriate managers recorded a slightly higher mean score for these two characteristics than did those with only 1-5 years’ experience.

**Assumption 6:**

There will be a difference in characteristics that Thai employees identify as influencing an expatriate manager’s ability to succeed in Thai business for each of the three qualification groups: postgraduate, Bachelor’s degree and below Bachelor’s degree

**Results show that:**

The level of difference in mean scores between a range of groups, as detailed below, is provided showing that those with a higher level of education expected more of expatriate managers than those with less education.

**There were highly significant differences at the 0.01 confidence level as following:**

- ‘Having planning and budgeting skills’  
A difference was found between the mean scores of respondents with a postgraduate qualification and those whose highest qualification was below Bachelor's degree level (mean difference = .507,  $p = 0.002$ ).  
Respondents whose highest level of education was a postgraduate qualification identified ‘planning and budgeting skills’ to be highly desirable for Japanese expatriate managers to succeed in the Thai automotive industry; rating it higher than did those whose highest qualification was below Bachelor's degree level.
- ‘Setting a direction’  
A difference was found between the mean scores of respondents who hold a postgraduate qualification and those with a Bachelor's degree only (mean difference = .340,  $p = .001$ ), and those who hold a postgraduate qualification and those whose highest level qualification is below Bachelor's degree level (mean difference = .551,  $p = .000$ ).  
Respondents whose highest qualification was at postgraduate level identified ‘setting a direction’ to be more highly desirable for Japanese expatriate managers to succeed in the Thai automotive industry than those whose highest qualification was either a Bachelor's degree or below Bachelor's degree level.
- ‘Developing, originating and creating change’  
A difference was found between the mean scores of those who hold a postgraduate qualification and those whose highest qualification was below Bachelor's degree level (mean difference = .568,  $p = .001$ ).  
Respondents whose highest qualification was at a postgraduate level identified ‘developing, originating and creating change’ to be more highly desirable for Japanese expatriate managers

to succeed in the Thai automotive industry than those whose highest qualification was below Bachelor's degree level.

- 'Controlling and problem solving skills'

A difference was found between the mean scores of respondents who hold a postgraduate qualification and those who hold a Bachelor's degree (mean difference = .352,  $p = .004$ ), and those who hold a postgraduate qualification and those whose highest qualification is at below Bachelor's degree level (mean difference = .545,  $p = .002$ )

Respondents whose highest qualification was at postgraduate level identified 'controlling and problem solving skills' to be more highly desirable for Japanese expatriate managers to succeed in the Thai automotive industry than did those whose highest qualification was either a Bachelor's degree or below Bachelor's degree level.

**There were statistically significant differences at the 0.05 confidence level as following:**

- 'Having planning and budgeting skills'

A difference was found between the mean scores for those respondents who hold a postgraduate qualification and those with a Bachelor's degree (mean difference = .259,  $p = .029$ ).

Respondents whose highest qualification was at postgraduate level identified 'having planning and budgeting skills' as more important for Japanese expatriate managers to succeed in the Thai automotive industry than did those whose highest qualification was below Bachelor's degree level.

- 'Motivating employees to excellence'

A difference was found between the mean scores for respondents who hold a postgraduate qualification and those whose highest level qualification was at below Bachelor's degree level (mean difference = .439,  $p = .040$ ).

Respondents whose highest qualification was at postgraduate level identified 'motivating employees to excellence' as more important for Japanese expatriate managers to succeed in the Thai automotive industry than did those whose highest qualification was below Bachelor's degree level.

- 'Developing, originating and creating change'

A difference was found between the mean scores for respondents who hold a postgraduate qualification and those with a Bachelor's degree (mean difference = .248,  $p = .055$ ).

Respondents whose highest qualification was at postgraduate level identified 'developing, originating and creating change' as more important for Japanese expatriate managers to succeed in the Thai automotive industry than did those whose highest qualification was at Bachelor's degree level.

- 'Focusing on systems and structures'

A difference was found between the mean scores for respondents who hold a postgraduate qualification and those with a below Bachelor's degree (mean difference = .393,  $p = .020$ ).

Respondents whose highest qualification was at postgraduate level identified 'focusing on systems and structures' as more important for Japanese expatriate managers to succeed in the Thai automotive industry than did those whose highest qualification was below Bachelor's degree level.

**There were slightly significant differences at the 0.1 confidence level as following:**

- ‘Possessing a long-range perspective’

The mean score for respondents who hold a postgraduate qualification differed from those who hold a below Bachelor's degree (mean difference =.329, p=.094).

There were slightly different perceptions of the requisite characteristics for expatriate managers between the responses from those whose highest qualification was at postgraduate level and those whose highest qualification was below Bachelor's degree in terms of the characteristic ‘possessing a long-range perspective’. However, the differences between their views were relatively minor between these two groups.

In the case of each of attribute tested the null assumption:  $0.05 < P\text{-value} < 0.1$  meaning “reject  $H_0$ ” the analysis of the findings (from Table 5.1) is summarised in Table 5.1a below.

**Table 5.1a: Summary of Table 5.1 Findings**

Key Characteristics for Expatriate success in the Thai Automotive Industry	Employment location	Gender	Level of appointment	Length of time in current role	Length of time co-operating	Qual's group
<b>PERSONAL ATTRIBUTES</b>						
Having planning and budgeting skills	Accept $H_0$	Accept $H_0$	ML > OL	5 years ↑ > ↓ 5years	5 years ↑ > ↓ 5years	PG > B PG > BB
Setting a direction	Accept $H_0$	Accept $H_0$	ML > OL	5 years ↑ > ↓ 5years	5 years ↑ > ↓ 5years	PG > B PG > BB
Focusing on people's needs	Accept $H_0$	Accept $H_0$	Accept $H_0$	Accept $H_0$	Accept $H_0$	Accept $H_0$
Motivating employees to excellence	Accept $H_0$	Accept $H_0$	ML > OL	5 years ↑ > ↓ 5years	Accept $H_0$	PG > BB
Developing, originating and creating change	Accept $H_0$	Accept $H_0$	ML > OL	Accept $H_0$	Accept $H_0$	PG > B PG > BB
Focusing on systems and structures	Accept $H_0$	Accept $H_0$	ML > OL	5 years ↑ > ↓ 5years	Accept $H_0$	PG > BB
Performing in a manner that creates stability	Accept $H_0$	Accept $H_0$	Accept $H_0$	Accept $H_0$	5 years ↑ > ↓ 5years	Accept $H_0$
Possessing a long-range perspective	Accept $H_0$	Accept $H_0$	Accept $H_0$	5 years ↑ > ↓ 5years	5 years ↑ > ↓ 5years	PG > BB
Possessing a short-range perspective	Accept $H_0$	Accept $H_0$	Accept $H_0$	5 years ↑ > ↓ 5years	5 years ↑ > ↓ 5years	Accept $H_0$
Controlling and problem solving skills	Accept $H_0$	Accept $H_0$	ML > OL	5 years ↑ > ↓ 5years	Accept $H_0$	PG > B PG > BB



**Legend:**

Qual's	Qualifications
ML	= Management level
OL	= Operative level
↓ 5years	= Respondents who had worked/cooperated between 1 and 5 years
5 years↑	= Respondents who had worked/cooperated more than 5 years
PG	= Respondents whose highest qualification was at a postgraduate degree
B	= Respondents whose highest qualification was a bachelor's degree
BB	= Respondents whose highest qualification was a below Bachelor's degree
X > Y	= X > Y indicates respondents were more concerned that the attribute be required for Japanese expatriate manager success than Y (e.g. ML(X) > OL(Y) = the management-level group believes that individual related factors are important and required of Japanese expatriate managers for success, while the operative-level group paid less attention to these matters.

The findings for research question #1 were as follows:

1. Ranking of Kotter's key characteristics (Kotter 2001; 1990) for importance in expatriate success, when analysed according to employment location, revealed that there was no statistically significant difference for any one of the characteristics between responses from the head offices/assembly plants or the dealer partnerships groups. Similarly, when analysed according to gender, no significant difference was found between male and female responses in relation to any one of Kotter's key characteristics for achieving expatriate manager success from participants located at either location.
2. The results show that Thai managers considered leadership attributes were the most important characteristic for Japanese expatriate managers to work effectively in the Thai automotive industry, whereas operative level employees considered that Japanese expatriate managers needed to have not only leadership attributes, but also to demonstrate managerial attributes. They ranked highest three leadership and two management attributes.

More specifically, the results show that Thai managers believed that 'planning', 'setting a direction' 'motivating', 'developing and creating change', 'focusing on systems', and 'controlling and problem solving skills' are important characteristics

for Japanese expatriate managers. Operatives had a different perception of the requisite characteristics for expatriate managers, in that these characteristics were considered less important for expatriate managers to exhibit (see Table 5.1a).

3. Different lengths of time cooperating with Japanese expatriate managers did not greatly influence the perception of requisite characteristics for expatriate managers when comparing responses according to level of appointment, education and length of employment in current position. The results did however show that respondents with more than 5 years' experience working with expatriate managers recorded higher mean scores for five attributes 'planning', 'setting a direction', 'performing in a manner that creates stability', 'possessing a long and short-range perspective' than those with only 1-5 years' experience (see Table 5.1a).
4. The results demonstrate that differences in highest level of education and length of employment in current position had a great impact on a respondent's perspective in relation to key characteristics required for expatriate managers of MNCs operating in Thailand in order to manage their business effectively. In particular, the results show that employees with higher-level qualifications and having more experience in their current role believed that each of Kotter's key characteristics was important for expatriate management success. Indeed they rated the need for each of these characteristics significantly higher than did those who with lower level education and a shorter length of employment in their current position.

Although more differences of opinion were found between those with differing level of appointment, length of service in their current role, length of time cooperating with expatriate managers, and qualification groups, when comparing the mean rankings, (in Chapter 4, Tables 4.7, 4.8, 4.10, 4.12, 4.14 and 4.16) it was found that certain aspects of requisite characteristics were identified by respondent groups as an accurate reflection of attributes needed for Japanese expatriate manager success. In particular, the leadership attribute, 'setting a direction' and the managerial attribute, 'controlling and problem solving skills' were considered as the most important characteristics for success in the Thai work environment by all

respondent groups. The characteristics ‘performing in a manner that creates stability’, ‘focusing on people's needs’ and ‘possessing a short-range perspective’, were deemed less important for the Thai business environment by all respondent groups (these are shown in Chapter 4, Tables 4.7-4.16). The results show the differences of employees’ gender, education, background, experience, their level of appointment and role in the organisation, as well as the length of time cooperating with Japanese expatriates have little or no effect on what Thai employees believed as the key characteristics and personal attributes required for expatriate managers of automotive MNCs operating in Thailand to manage their business effectively. Therefore, the outcomes of this study provide insights into the cultural attributes that expatriate managers need to develop the leadership attribute, ‘setting a direction’ and the managerial attribute, ‘controlling and problem solving skills’ were considered as the most important characteristics for success in the Thai work environment by all respondent groups. Similarly, the results lead to an appropriate selection for Japanese expatriate candidates in other automotive companies in Thailand, guided by better designed and more stringent selection criteria beyond those used for the traditional standard qualifications in the parent companies.

### ***Results of semi-structured interviews:***

Based on the findings of the semi-structured interview conducted with six Japanese expatriate and seven Thai HR managers, analysis of the interview transcripts helped to identify the key characteristics as shown in Table 5.2 on the next page.

**Table 5.2: Summary of concepts & themes for desirable managerial & leadership attributes based on interview data**

Concepts and Themes		Total	
Category	Sub Category	Japanese Managers (N=6)	Thai HR Managers (N=7)
Managerial attributes	Job knowledge	1	-
	Problem solving	1	1
	Planning and Controlling	2	2
	Short-range perspective	-	1
	Responsibility and prioritisation of tasks	-	1
	Time Management	-	1
Leadership attributes	Setting a direct	1	1
	Possessing a long-range perspective	1	1
	Motivation skills	4	1
	Coaching and mentoring skills	1	3
	Cooperation and trust	2	2
	Team building skills	1	-
	Creativity skills	-	1
	Decision making skills	-	1

Findings support the results obtained from the quantitative analysis performed, as follows:

1. Both Japanese expatriate and Thai HR managers regarded managerial attributes ‘problem solving’, ‘planning and controlling’, as well as leadership attributes ‘setting a direction’, ‘possessing a long-range perspective’, ‘motivation skills’, ‘coaching and mentoring’, and ‘cooperation and trust’ as essential to effectively perform the role of expatriate manager in an MNC in the automotive industry in Thailand.
2. ‘Motivation skills’ were regarded as the most needed attribute; they were the most frequently mentioned attribute by Japanese expatriate managers. Japanese expatriate managers believed that ‘motivation skills’ were needed to work effectively with Thai subordinates, particularly for supporting and encouraging them to perform their duties and responsibilities well. However, Thai HR managers, as opposed to

Japanese managers, pointed out that ‘coaching skills’ were regarded as the most needed attribute; they were the most frequently mentioned attribute. Thai HR managers believed that ‘coaching skills’ might facilitate their Japanese managers to take on the challenge of coaching and mentoring their team and identify how their work performance contributes to the achievement of the determined vision. Coaching could be viewed to encompass interactions that encourage, or support motivation (Petison & Johri 2008).

3. The managerial attribute ‘Planning and controlling’ and the leadership attribute ‘cooperation and trust’ were second in importance for both Japanese expatriate and Thai HR managers. Two Japanese expatriates and two Thai HR managers believed that to effectively function in Thailand, ‘planning and controlling skills’ were essential. In relation to ‘cooperation and trust’, two Japanese and two Thai HR managers considered this vital in successfully managing people.
4. In addition, expatriate managers indicated they believed that people from different backgrounds often have different working styles. ‘Team building skills’ were rated as an important attribute to facilitate becoming acquainted with people quicker. Furthermore, team building can support excellent organisational performance by ensuring that everyone is working toward the same goal, motivating team work, and practising effective cooperation with team members have been found to positively influence working relationships and performance (Morgensen et al. 2010) and this was mentioned by a Japanese manager. Likewise, one Japanese expatriate manager also mentioned that ‘job knowledge’ was a key component to working in MNCs, because he believed a clear understanding of the job description would enable him to outline responsibilities and drive work motivation, satisfaction and performance. Petison and Johri (2008) found this in relation to managing local employees and Chandrasekar (2011) also found knowledge and clarity of job requirements linked to performance in the public sector.
5. One Thai HR manager believed that in uncertain situations and under time pressure, the managerial attributes ‘short-range perspective,’ ‘responsibility and prioritisation

of tasks’ and ‘time management’, as well as the leadership attributes ‘creativity skills’ and ‘decision making skills’ are necessary characteristics for Japanese managers to effectively perform their role in a Thai work environment.

#### 5.4.2 Assumption Testing for Research Question # 2

The results of assumption testing for research question#2 are presented in Table 5.3 below:

**Table 5.3: Testing assumptions 7 - 9 for factors influencing expatriate manager ability to succeed in Thai business**

Assumptions and results for research question #2
<p><b>Assumption 7:</b> The mean scores for responses from those who work at head offices/assembly plants and dealer partnerships will differ significantly in terms of factors influencing expatriate manager success in the Thai automotive industry.</p> <p><b>Results show that:</b> The negative t-values indicate that the means, for respondents who work at dealer partnerships, for factors influencing expatriate manager success in the Thai automotive industry were higher than the means for respondents who work at head offices/ assembly plants. The p-values indicate the level of significance of each effect to be highly statistically and slightly significantly difference at 0.01, 0.05 and 0.1 respectively.</p> <p><b>There were significant differences at the 0.01 and 0.05 confidence level as following:</b></p> <ul style="list-style-type: none"> <li>• Individual related factors (<math>t = -1.982</math>, <math>p = 0.048</math>) and its sub-factors: marital status (<math>t = -1.975</math>, <math>p = .049</math>); and gender (<math>t = -2.707</math>, <math>p = .007</math>).</li> </ul> <p>A significant difference was found on individual related factors (<math>t = -1.982</math>, <math>p = .048</math>). Thai employees who hold a position at dealer partnerships are concerned about individual-related factors, in particular they indicated that marital status and gender factors have an impact on the ability of expatriate managers to work in MNCs in the automotive industry in Thailand whereas staff at head offices/assembly plants do not see these sub-factors as important. Dealer partnership employees recorded a statistically significant higher mean score on the factor marital status (3.07) than did head office or assembly plant (2.85) responses, and a higher mean score on the gender factor (3.12) than head office or assembly plant (2.80) responses.</p> <p><b>Assumption 8:</b> Mean scores for males and females will differ significantly in terms of factors viewed as influencing expatriate manager success in the Thai automotive industry.</p>

**Results show that:**

The negative t-values indicate that the means for female respondents for factors influencing expatriate manager success in the Thai automotive industry were higher than the means for male respondents.

**There were significant differences at the 0.05 and 0.1 confidence level as following:**

- The sub-factor within organisational factor: having communicative language ability ( $t = -2.305$ ,  $p = .022$ )
- Responses of females record a statistically significant higher mean score on having communicative language ability (4.12) than male respondents (3.88).
- Environmental factors ( $t = -1.677$ ,  $p = .094$ ) and its sub-factor: participating effectively in multicultural teams ( $t = -2.060$ ,  $p = .040$ ).

A significant difference was found on environment factors. Female respondents are more concerned about environment factors, in particular ‘participating effectively in multicultural teams’ was believed to have an impact on an expatriate managers’ ability to work in MNCs in the automotive industry in Thailand whereas male respondents viewed these sub-factors as less important.

Females recorded a statistically significant higher mean score on ‘participating effectively in multicultural teams’ (4.14) than did males (3.96).

**Assumption 9:**

Management and operative level respondents’ mean scores will differ significantly in terms of factors influencing for expatriate manager success in the Thai automotive industry.

**Results show that:**

The positive t-values indicate that the means for management level respondents for factors influencing expatriate manager success in the Thai automotive industry were higher than the means for operative level respondents.

**There were significant differences at the 0.05 and 0.1 confidence level as following:**

Direct effect between:

- Personal characteristics factor ( $t = 2.037$ ,  $p = .042$ ) and its sub-factors: sociability, activity, assertiveness and positive attitude ( $t = 1.836$ ,  $p = .067$ ), good natured, co-operative and trusting’ ( $t = 2.132$ ,  $p = .034$ ), imaginative, independent minded and having divergent thinking ( $t = 2.271$ ,  $p = .024$ ).

A significant difference was found on the personal characteristics factor. There is a statistically significant difference between the mean for personal characteristics between the management-level group and the operative-level group. In other words, management level responses have a statistically significantly higher mean score on personal characteristics factors (4.1799) than do operative level employees (4.0240). This indicates that management respondents were more aware than were operative staff of the effect of personal characteristics factors, especially the mean score on the sub-factors ‘sociability, activity, assertiveness and positive attitude’ (4.14) ‘good natured, co-operative and trusting’ (4.22) and ‘imaginative, independent minded and having divergent thinking’ (4.06) which were higher than those for operative level respondents (3.96, 4.01 and 3.85 respectively).

**There were significant differences at the 0.01 and 0.05 confidence level as following:**

- Organisational factors ( $t = 3.203$ ,  $p = .001$ ), particularly including all sub-factors: ‘having cross-cultural knowledge management’ ( $t = 2.070$ ,  $p = .039$ ), ‘having a strategic awareness and providing support’ ( $t = 3.829$ ,  $p = .000$ ), ‘having communicative language ability’ ( $t = 2.441$ ,  $p = .015$ ) and ‘facilitating organisational change and providing pre-departure training’ ( $t = 2.416$ ,  $p = .016$ )
- There is a highly significant difference between the mean organisational factors. In other words, management level or managers responses have a highly significantly higher mean score on organisational factors (4.1817) than do operative level employees (3.9249). This indicates that management respondents were more aware than operative staff about the effect of organisational factors, especially the mean score on all sub-factors ‘having cross-cultural knowledge management’ (4.07), ‘having a strategic awareness and providing support’ (4.34), ‘having communicative language ability’ (4.14) and ‘facilitating organisational change and providing pre-departure training’ (4.17) higher than operative respondents (3.85, 4.00, 3.89 and 3.96 respectively).

In the case of each attribute tested the null assumption:  $0.05 < P\text{-value} < 0.1$  meaning “reject  $H_0$ ” the analysis of the findings (from Table 5.3) can be summarised as Table 5.3a below.

**Table 5.3a: Summary of Table 5.3 Findings**

Factors Influencing Expatriates’ success in Thai Automotive Industry	Employment location	Gender	Level of appointment
Personal characteristics	DS > HO	Accept $H_0$	ML > OL
Other individual related factor	Accept $H_0$	Accept $H_0$	Accept $H_0$
Organisational Factors	Accept $H_0$	Accept $H_0$	ML > OL
Environmental Factors	Accept $H_0$	F > M	Accept $H_0$

**Legend:** HO = Head Office DS = Dealership  
M = Male respondent F = Female respondent  
M = Management level O = Operative level  
 $X > Y$  =  $X > Y$  indicates respondents were more concerned that the attribute be required for Japanese expatriate manager success than Y (e.g. ML(X) > OL(Y) = the management-level group believes that individual related factors are important and required of Japanese expatriate managers for success, while the operative-level group paid less attention to these matters.

The results for research question # 2 were as follow:



1. Statistical tests show that Thai subordinates who hold a position at dealer partnerships are concerned that other individual related factors, in particular marital status and gender factors, have an impact on the ability of expatriate managers to work in MNCs in the automotive industry in Thailand, whereas head offices/assembly plants staff did not view these sub-factors as important.
2. Females recorded a statistically significantly higher mean score in relation to environment factors, including 'having communicative language ability' than did the male respondents. Moreover, females had a higher mean score for 'participating effectively in multicultural teams' than did males.
3. Respondents who worked at management level had a statistically significantly higher mean score on personal characteristics factors and on organisational factors than did operative level employees. This indicates that management staff were more aware than were operative staff of the possible effect of personal characteristic factors, especially the sub-factors 'sociability', 'good natured, co-operative and trusting' and 'imaginative, independent-minded and having divergent thinking', and of organisational factors, particularly all sub-factors, than were operative respondents.
4. Comparison of the mean scores demonstrated that all respondents agreed that personal characteristic factors were the attributes that had the greatest impact on the ability of Japanese expatriates to succeed in Thai business; and that other individual related factors, such as marital status and gender differences, have the least impact (these are shown in Chapter 4, Tables 4.17-4.19).

### ***Results of a semi-structured interview:***

Based on the findings, the outcome of analysis of the interview transcripts of the semi-structured interview conducted with Japanese expatriate and Thai HR managers supports the results obtained from the questionnaire survey as detailed below:

**Table 5.4: Summary of concepts & themes for interpersonal skills from interview survey**

Concepts and Themes		Total	
Category	Sub Category	Japanese Managers (N=6)	Thai HR Managers (N=7)
Interpersonal skill	Communication skills and language ability	5	6
	Social awareness skills	1	-
	Cultural awareness skills	4	3
	Patience	1	-
	Adaptability skills	1	4
	Listening skills	1	-
	Emotional stability	1	-

With respect to the particular interpersonal attributes shown in the Table 5.4, the results demonstrate that ‘communication skills and language ability’ is the most frequently mentioned attribute by both Japanese expatriate managers and Thai HR managers. Findings of this study, therefore, confirm that having communication skills and Thai language ability is very important for Japanese expatriate managers to succeed in the Thai automotive industry. Moreover, ‘cultural awareness and adaptability skills’ are both regarded as important by Japanese expatriate managers and by Thai HR managers. In addition, expatriate managers believe that social awareness, patience, listening skills and emotional stability are also crucial components for successfully operating a Thai subsidiary.

## 5.5 IMPLICATIONS FOR THEORY AND PRACTICE

As mentioned in Chapter 2, a multitude of studies have attempted to identify factors that support success and the difficulties that are experienced by Japanese offshore manufacturers in Thailand (Onishi & Mondejar 2011; Petison & Johri 2008; Brimble & Urata 2006; Sriussadaporn 2006; Swierczek & Onishi 2003; Katayama et al. 1999) including the areas of culture and conflict. However, these studies were not generally designed to address the types of attributes that are significant for MNC expatriate

managers to equip themselves to be capable of resolving cultural conflicts on foreign sites. It has been established that excellence in management and leadership is vital for business success (Naquin & Holton 2006; Svensson & Wood 2006). Therefore, the purpose of this research was to add to earlier research in the area by attempting to ascertain the key characteristics and personal attributes required for expatriate managers, especially those attributes that will best enable them to match indigenous employee requirements by exhibiting those factors that local employees identify as influencing expatriate manager abilities to succeed in MNCs.

#### ***5.5.1 Key Characteristics for Expatriate Managers' Success***

Bush and Coleman (2001) found that the functions of leadership and management seem to overlap to an extent and to be carried out within the same role. In particular, studies of Bhaskar-Shrinivas et al. (2005), Lii and Wong (2008), and Peterson and Thomas (2007) confirm that when the parent company directs the expatriate manager in the MNC's Thai operations to take certain actions these contradict culturally acceptable practice the host-country, role conflict may arise as a result of the different expectations of the Thai nationals and corporate headquarters. Moreover, Toor and Ofori (2008) pointed out that vague explanations of 'leadership' and 'management' can create confusion which in turn can lead to difficulties in developing clear criteria to guide selecting, training and promoting employees in organisations. Consequently, this leads to an increasing interest in building strategic awareness in terms of leadership and management for both the transferring expatriates and the subsidiary's local employees because this can help to avoid role conflict and facilitate adaptation to the new working conditions for both parties.

The purpose of this study was to investigate certain management and leadership attributes and their effects on the ability of Japanese expatriate managers to contribute to effective performance in MNCs in the automotive industry in Thailand. Hence, this raises questions for the host-country's HR managers and subordinates about what qualities are needed by Japanese expatriate managers to effectively deal with their onsite local challenges in the Thai context.

The findings of this study led to the following conclusions in relation to Japanese expatriate manager success in the Thai automotive industry as follow:

All groups of respondents viewed both management and leadership attributes as crucial for an expatriate position. In particular, setting a direction, and controlling and problem solving skills are significant positively related with tailored attributes to fit the Thai automotive business environment.

With regard to ‘setting a direction’, both Japanese expatriate and Thai HR managers considered that without a vision and direction, no one could run an organisation effectively. This is because ‘setting a direction’ primarily is an ability to envision the future, and determine a company's destiny. From Kotter’s viewpoint (1990), setting a direction is an important attribute, resulting in developments and changes by creating a pathway for future change. Nevertheless, the process of direction setting is time-consuming, requiring a 3 to 20-year long-term planning schedule. This direction will have been set before the expatriate manager takes up their overseas appointment. During their time heading up the Thai operations, one to five-year strategy plans will need to be developed to support achievement of the long term vision. In this regard, it is reasonable to infer that the process of direction setting in the subsidiary, is the strongly influenced by the expatriate staff sent from parent companies to run overseas business operations. As a result of the knowledge they gain of local conditions their shorter term (1-5 year) plans feed local information into the head office planning process, though the extent to which this influences the overall direction setting of the MNC is questionable. Effective expatriation also has become a vital trigger for parent companies to pay more attention to managing employee performance and development in their home country to provide suitable expatriates for assignment in their MNC’s host countries (Dowling & Welch 2004; Varner & Palmer 2002).

With regard to ‘problem solving skills’, the findings of this study demonstrate that both the Japanese expatriate and Thai HR managers consider problem solving as essential features in order to effectively perform the role of an expatriate manager in an automotive MNC in Thailand. This is because working in different countries can lead to

misunderstandings and conflicts (Caligiuri 2006). Thus being able to solve the problems immediately can reduce conflicts and stress among Japanese expatriate managers, colleagues and subordinates that may lead to unhappiness and premature return of the expatriate managers. More specifically, one Thai HR manager suggested that opening his/her mind to the new culture and having positive thoughts are a good starting point for solving problems.

The attributes ‘performing in a manner that creates stability’, ‘focusing on people's needs’ and ‘possessing a short-range perspective’, were deemed less important requirements in the Thai business environment. In contrast to the findings from questionnaire data, a short-range perspective was mentioned as a vital attribute for Japanese expatriate managers by Thai HR managers while the results of the questionnaire reveal that it is one of lesser-required skills for the expatriates. This may also be because most participants of the questionnaire survey were operative level employees who are working with Japanese managers on a production line. Therefore, working together on a daily basis may lead them to be more concerned about the attributes and how to cooperate and solve problems, and less concerned on how to adapt plans in the short run. Nevertheless, clearly changes in global demand and unpredictable business environments have greatly affected every country. As a result, to become better and more effective business leaders both locally and internationally, each organisation now needs to create new prospective business opportunities, find more potential resources, bring in cheaper labour forces, and improve the competencies of employees (Gourevitch et al. 2000). At the time of this research, it was apparent that Thailand was facing significant challenges as a result of the aftermath of natural disasters and of current political unrest (Maliwan & Mujtaba 2012). Thus, Thai HR personnel may have been significantly concerned about the ability to be flexible and constantly alert when confronted with unexpected situations that require a short-term change in plans.

### **5.5.2 Key Factors Impacting on Expatriate Managers' Success**

Research in the 1990s and early 2000s (Huang et al. 2005; Guthrie et al. 2003; Caligiuri 2000b; Ones & Viswesvaran 1999; Coverdill & Finlay 1998) suggested that personality

characteristics are reliable factors in predicting whether or not an expatriate manager candidate would have the potential to effectively accomplish an overseas assignment. Likewise, having job and country-related knowledge, relational skills, having an appropriate level of motivation to succeed, language skills, experience in facilitating cross-border work, and having family support, can also be used to predict the likelihood of expatriate manager success.

Results of this study have firstly confirmed that cultural differences can lead to working style differences between Japanese expatriate managers and Thai subordinates (Harzing 2003). Under this situation, ‘adaptability skills’ would arguably be required. The results demonstrated that ‘communication skills and language ability’ was the most mentioned attribute by both Japanese expatriate managers and Thai HR managers. Findings of this study, therefore, confirm that ‘communication skills and language ability’ is a very important element for Japanese expatriate managers to succeed in the Thai automotive industry. This study produced results that corroborate that the communication process needs to make use of social signs and etiquette that underline when to talk and how to engage each other in conversation for successful cross cultural communication. Moreover, messages spoken, especially in public places, might be communicated implicitly without being expressed directly since it could cause ‘loss of face’ and an uncomfortable feeling for Thai people. This is often the case in order to show concern for the other person (Petison & Johri 2008).

Secondly, another interesting point came from one Thai HR manager who commented that sharing a knowledge and understanding of Buddhism might facilitate better comprehension of the Thai culture and business management. Furthermore, Buddhism has a strong positive impact on personnel perspectives and behaviours. One Japanese manager gave a strong affirmation of the perspective expressed by the Thai HR manager. He confirmed that having an understanding of Buddhism led him to gain a better understanding of the nature of Thai people. This meant that he learned to conduct exchanges with Thai people in a polite manner in all interpersonal interactions and to acknowledge their preference to follow orders from those in authority. As a result, for effective functioning in an automotive MNC in Thailand, this Japanese manager

suggested that avoiding giving conflicting messages was very important. Similarly, providing evidence based on clearly explaining, and encouraging cooperation rather attempting to force compliance by Thai subordinates. By building the confidence of Thai employees, Japanese expatriates can reduce their self-doubt leading to good working relationships between Thai employees and their Japanese manager. Eventually, the better the relationship that is built the more likely that the goals and objectives of the company will be achieved, or exceeded. Indeed, Niffenegger et al. (2006) found that obtaining an understanding of Buddhism can be a highly effective way of approaching cultural challenges that investors in Thailand may be confronted with. This is because possessing knowledge of Buddhism facilitates an understanding of Thai culture that in turn has the potential to have a strong positive impact on business dealings in Thailand.

Thirdly, according to Japanese expatriate managers, ‘social awareness skills’, ‘patience’, ‘listening skills’ and ‘emotional stability’ were considered as crucial in order to effectively perform their roles. As personal conflicts and misunderstandings can happen unexpectedly and unintentionally, Japanese managers believed that these interpersonal attributes were required to succeed in Thailand. In particular, when working under stressful circumstances, it is necessary to maintain emotional balance. One Japanese manager stated that listening to others’ opinions can lead to developing a good relationship in the workplace, and it can also motivate Thai subordinates to share and contribute their ideas on improving the business operations. Women are generally regarded as exhibiting more of these skills and capabilities required to succeed in international assignments (Guthrie et al. 2003) than do men. Despite this their appointment to expatriate management roles, although improving slowly, remains considerably behind that of men (Tungli & Peiperl 2009). It is not surprising that women excel on international assignments when research has highlighted their positive leadership behaviours in general (Eagly 2007). However, no female expatriate managers were employed in the participant organisations indicating an area for further research in relation to the reluctance of Japanese MNCs in the automotive industry to benefit from the advantages of employing females in expatriate roles as identified by others.

Next, while personal characteristics have frequently been researched in the field of international relations (Holopainen & Björkman 2005; Selmer & Leung 2003; Judge et al. 2002; Suutari & Brewster 2001; Caligiuri 2000a; Coverdill & Finlay 1998; Hogan & Shelton 1998; Pucik & Saba 1998; Webb 1996; Arthur & Bennett 1995), Caligiuri (2000b) and Holopainen and Björkman (2005) found that US companies believe that interpersonal skills are significant in the selection of suitable overseas manager candidates. In contrast to earlier findings, personal characteristic testing is not part of the selection process before Japanese expatriates are sent overseas. However, the results demonstrated that all respondents agreed that personal characteristics factors are the most important factor that they believe has the greatest impact on Japanese expatriate ability to succeed in Thai business.

Lastly, with regards to other individual related factors, in particular marital status and gender factors, statistical tests show that head offices/assembly plants do not view these sub-factors as important. However, despite this tendency towards greater gender equality, there are still significant entry barriers to women being selected into senior positions in male dominated work fields, such as senior expatriate roles (Guthrie et al. 2003). Despite possessing many attributes suiting them to work internationally, the majority of female workers have been found to be less likely to gain promotion due to having their career advancement blocked mainly because of traditional cultural and social attitudes towards gender, particularly in Thailand (ILO 2004a; Boon 2003).

## **5.6 CONCLUSIONS**

Based on insights gained in this study, the following recommendations are offered in order to minimise incompatibilities between Japanese expatriate managers and Thai subordinates.

Firstly, in the workplace, cultural differences between workers in multinational teams are a main source of misunderstandings, disagreements and conflicts for the MNCs. Thus, generating an understanding of the host country's cultural background is a necessary and valuable tool to avoid conflicts and to assist with making appropriate



decisions (Chevrier 2003; Swierczek & Onishi 2003; DiStefano & Maznevski 2000). This study acknowledged the belief that cultural differences are a major source of misunderstanding and disagreement, which in turn could negatively influence cooperation between multinational teams. To avoid this, an understanding of Thai culture is required by Japanese expatriate managers. However, sharing the same knowledge and understanding of Buddhism, which has a strong positive impact on Thai business, facilitates better comprehension of the Thai culture as supported by Kulviwat and Engchanil (2006).

Secondly, Japanese expatriate managers, Thai HR managers and subordinates viewed both management and leadership attributes as crucial for an expatriate position (Cappellen & Janssens 2010). In particular, setting a direction, and controlling and problem solving skills are significant positively related with tailored attributes to fit the Thai automotive business environment. Moreover, communication skills and language ability, cultural awareness skills and adaptability skills are important for Japanese expatriate managers to adjust and integrate with the Thai subordinates.

Lastly, the results of this study support the view that personality characteristics are one indicator impacting Japanese expatriate managers' achievement. Those interpersonal attributes that both Japanese expatriates and Thai HR managers believe as essential to effectively perform the role of an expatriate manager in Thailand's MNCs fit with the major components of the big five personality characteristics. Therefore, regarding the selection of suitable Japanese expatriate managers to be transferred to fit within the Thai business context, the home parent companies in Japan may find use of personality testing to match these personality characteristics to fit the job of their expatriate staff in the future valuable. More importantly, in relation to selection, training and development, and for repatriation of expatriates after international assignments, MNCs need to evaluate the abilities of all employees to ensure the best qualified and those with personality characteristics that will best suit them to the role are chosen. This will lead to identification of females with the potential to fill expatriate roles and, based on this, changes to policy in relation to allocation of expatriate assignments will in the future avoid gender bias.

## **5.7 LIMITATIONS AND IMPLICATIONS FOR FURTHER RESEARCH**

One of the major aims of this study was to highlight the need for parent companies to pay more attention to better developing employees in their home country in an effort to provide suitable expatriates for assignments in their MNC's host countries. However, no interviews were performed with operative level employees. Doing so may have provided an additional perspective on the key skills required of Japanese expatriate managers or need to be trained in order to successfully operate the subsidiary.

Interviews with Japanese expatriate and Thai managers provided evidence from those who have had experience due to length of employment in their role and experience in working, or cooperating, with expatriate managers. Because currently only male expatriate managers were available for interview, research findings relative to other questions (for instance those gathered via interview) were based on only male responses and therefore can be beneficial in understanding the issues from a male perspective only.

Questionnaires only asked the respondents about the length of time that they have been in their current position, but a question about length of time that they actually spent in the organisation has not been involved in this study. How long an employee has been in their current role may not indicate how long they have been with the company, or at the location they are currently at, with that company. Rather, it may indicate how well they perform and whether they are being promoted on performance. It could be a really good issue for discussion in other papers around the questions that may need to be asked in future research in relation to criteria upon which people are promoted in the automotive industry in Thailand. It may highlight inequities in the treatment of females and males, or maybe at some social strata level. These findings have significant implications for the development of promotion procedures which may warrant further investigation to learn whether employees are being promoted based on qualifications and ability to perform at the required level, or whether other factors, including gender, may be clouding good recruitment and promotion selection decision making.

There are numerous predictive factors leading to successful overseas assignments, such as personal characteristics and other factors related to the individual and their capabilities; organisational support factors, and cultural and environmental factors. Depending on the particular situation, however, there is uncertainty about which factors can reliably predict successful outcomes in international assignments. In order to choose suitable overseas candidates, the Japanese parent company may wish to consider adjusting its selection process; it should consider using the Big Five personality test as mentioned in chapter 2, because it has been trialled by others for this purpose. Such testing could more accurately predict a candidate's chance of success. This is important, because results obtained from the questionnaire highlighted the importance of personal characteristics, such as those measured by the Big Five personality test, as factors influencing an expatriate's performance.

As the prior research on expatriate management showed that cross-cultural adjustment can lead the expatriates to possess different personal characteristics and better manage by applying suitable management and leadership capabilities, future studies should move beyond the requisite characteristics and personal attributes of expatriate managers, and to deeply appreciate the factors that were identified as influencing expatriate managers' abilities to succeed in Thai business. Perhaps, it should focus to examine the effect of cross-cultural adjustment on possessing different personal characteristics and better managing by applying suitable management and leadership capabilities in Thai automotive operations.

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## **APPENDIX A**

### **QUESTIONNAIRE & INTERVIEW SURVEY**

## Appendix A.1: Questionnaire for Thai Subordinates

### Thai Subordinate Questionnaire\*

\*This questionnaire was translated into the Thai language, as described in Chapter 3.

#### **Characteristics to complement requisite managerial and leadership attributes to effectively manage a multinational corporation: A study based in the Thai automotive industry**

**Explanation:** This questionnaire is divided into 3 sections as the following:

**SECTION ONE:** Demographics of Thai subordinate participants

**SECTION TWO:** Factors that you identify as influencing expatriate managers' abilities to succeed in Thai business.

**SECTION THREE:** The uniquely required characteristics of expatriate managers to effectively operate their organisations in Thailand.

As advised in the supporting documentation, all responses will remain confidential.

**SECTION ONE:** Demographics of Thai subordinate participant

Place an 'X' in the box ☐ which best describes your detail and experience in this organisation.

1. Gender : ☐ Male ☐ Female
2. Age (years) ☐ Under 20 ☐ 21-30 ☐ 31-40 ☐ 41-50 ☐ Over 51
3. Qualifications: My highest qualification is (please choose 1 only):  
☐ Master's degree ☐ Bachelor's degree ☐ Undergraduate Diploma  
☐ Secondary education ☐ Other qualification (please specify):

.....  
4. Division or department you work in .....

5. Length of time in your current position

☐ 1-5 years ☐ 6-10 years ☐ 11-15 years ☐ 16-20 years ☐ more than 21 years

6. Total period of time for which you have worked with expatriate managers

Years:..... and Months:.....

**SECTION TWO: Factors that you identify as influencing expatriate managers' abilities to succeed in Thai business.**

Using the scale below, please indicate your response to each of the items that follow by placing an 'X' in the box ☐ which best describes factors that you identify as influencing expatriate managers' abilities to succeed in Thai business.

Strongly Disagree ←————→ Strongly Agree

1	2	3	4	5
Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The factors that you identify as influencing expatriate managers' abilities to succeed in Thai business.	1	2	3	4	5
1. Personal characteristics					
• Sociability, activity, assertiveness, and positive attitude;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Good natured, co-operative and trusting;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Responsible, prioritising tasks, thinking before acting, following norms and rules, planning, budgeting and organising;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Emotional stability;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Imaginative, independent minded and having divergent thinking;					



	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Other individual related factor					
• Having experience in facilitating cross-border work;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Marital status	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Gender	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Organisational Factors					
• Having cross-cultural knowledge management;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Having a strategic awareness and providing support;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Having communicative language ability;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Facilitating organisational change and providing pre-departure training;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Environmental Factors (Culture distance)					
• Adaptability in new environmental situations;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Participating effectively in multicultural teams;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Sensitivity and openness to other cultures;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**SECTION THREE: The uniquely required characteristics of expatriate managers to effectively operate their organisations in Thailand.**

Using the scale below, please indicate your response to each of the items that follow by placing an 'X' in the box ☐ that best describes the uniquely required characteristics of expatriate managers to effectively operate their organisations in Thailand.

Strongly Disagree ←————→ Strongly Agree

1	2	3	4	5
Strongly disagree	Disagree	Neither disagree nor agree <i>u</i>	Agree	Strongly agree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Characteristics	1	2	3	4	5
1. Having planning and budgeting skills;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Setting a direction;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Focusing on people's needs;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Motivating employees to excellence;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Developing, originating and creating change;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Focusing on systems and structures;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Performing in a manner that creates stability;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Possessing a long-range perspective;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Possessing a short-range perspective;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Controlling and problem solving skills.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



## Appendix A.2: Semi-Structured Interview Format for Thai HR manager

(Thai language translation provided)

1. What attributes do you believe are important for expatriate manager to effectively manage multinational corporations operating in Thailand?

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

2. When a number of attributes have been offered, ask interviewee to rank these:  
Can you please identify which attributes you believe are the most important/vital to the least important of those you have identified?

2a. (no.1) \_\_\_\_\_

Why do you believe (no.1) is the most important?

\_\_\_\_\_

2b. (no.2) \_\_\_\_\_

Why do you believe (no.2) is important?

\_\_\_\_\_

2c. (no.3) \_\_\_\_\_

Why do you believe (no.3) is important?

\_\_\_\_\_

2d. (no.4) \_\_\_\_\_

Why do you believe (no.4) is important?

\_\_\_\_\_

2e. (no.5) \_\_\_\_\_

Why do you believe (no.5) is important?

\_\_\_\_\_

3. What factors do you identify as influencing expatriate managers' abilities to succeed in Thai business? Could you please identify which you believe are the most important/vital factors to the least?

3a. (no.1) \_\_\_\_\_  
Why do you believe (no.1) is the most important?

3b. (no.2) \_\_\_\_\_

3c. (no.3) \_\_\_\_\_  
Why do you believe (no.3) is important?

3d. (no.4) \_\_\_\_\_  
Why do you believe (no.4) is important?

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3e. (no.5) \_\_\_\_\_  
Why do you believe (no.5) is important?

4. According to the literature, these characteristics are important for expatriate manager success. (DON'T show to HR manager until finished asking question 2)

Please indicate whether you believe these characteristics are important for expatriate managers to effectively manage multinational corporations (MNCs) operating in Thailand. Please indicate your degree of agreement or disagreement by placing an 'X' in the box that relates to the description of the uniquely required characteristics of expatriate managers to effectively operate MNCs in Thailand.

**Appendix 2.1: handed to HR manager to indicate degree of agreement or disagreement.**

5. Do you wish to make further comments concerning characteristics for expatriate managers to effectively operate MNCs in Thailand after viewing and indicating your degree of agreement or disagreement for the elements identified in the literature? Please explain:

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**Appendix A2.1: handed to HR manager to indicate degree of agreement or disagreement.**

Using the scale below, please indicate your response to each of the items that follow by placing an 'X' in the box beside the statement that best describes the uniquely required characteristics of expatriate managers to effectively operate their organisations in Thailand.

Strongly Disagree

Strongly Agree

1	2	3	4	5
Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Characteristics	1	2	3	4	5
1. Sociability, activity, assertiveness, and positive attitude;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Good natured, co-operative and trusting;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Responsible, prioritising tasks, thinking before acting, following norms and rules, planning, budgeting and organising;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Emotional stability;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Imaginative, independent minded and having divergent thinking;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Having experience in facilitating cross-border work;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Having cross-cultural knowledge management;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Having a strategic awareness and providing support;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Having communicative language ability;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Facilitating organisational change and providing pre-departure					

12. Participating effectively in multicultural teams;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Sensitivity and openness to other cultures;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Having planning and budgeting skills;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Setting a direction;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Focusing on people's needs;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Motivating employees to excellence;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Developing, originating and creating change;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. Focusing on systems and structures;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Performing in a manner that creates stability;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Possessing a long-range perspective;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Possessing a short-range perspective;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23. Controlling and problem solving skills.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Any comments:**

<b>Comments:</b>	_____
	_____



### Appendix A.3: Semi-Structured Interview Format for Expatriate managers

(Conducted in English language)

This section is to be completed by researcher, based on responses from participant

Sex: ☐ Male ☐ Female

Status: ☐ Single ☐ Married ☐ In permanent relationship

Did partner and/or dependent children come with you to Thailand? ☐ Yes ☐ No

Remained in your country? ☐ Yes ☐ No

How long have you worked in Thailand \_\_\_\_\_

Is this your first international appointment? ☐ Yes ☐ No

If not; details: \_\_\_\_\_

How were you selected for this international placement?

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Were any personality type tests conducted to measure your suitability? ☐ Yes ☐ No

If yes; which kind of test \_\_\_\_\_

Please provide details of preparation provided by your organisation for this/for your first international placement (provide examples if required)

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Do you find cultural differences a major challenge for you when you are functioning in Thailand? Why? ☐ Yes ☐ No

Please explain:

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Do you have someone you can seek assistance from if you confront issues that specifically relate to managing in Thailand?

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I wish to learn of the special skills you utilise in your position of expatriate manager. I will do this by contrasting attributes you used in your home country against those you are using here in Thailand.

1. What attributes do you believe are important for managers' success in your home country?

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(Prompt to gain several attributes, e.g....., are there others?)  
Assist by asking pertinent questions relating to possible attributes.  
E.g.....

2. What attributes do you believe are important for expatriate managers' success in Thailand?

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- 
- 
- 

(Prompt to gain several attributes, e.g....., are there others?)  
Assist by asking pertinent questions relating to possible attributes.

E.g. do you find yourself communicating in a different manner in Thailand? Please explain.

3. When a number of attributes have been offered, ask interviewee to rank these. Can you please identify which you believe are the most important/vital attributes to the least of those you have identified for success as an expatriate manager in Thailand?

3a. (no.1) \_\_\_\_\_  
Why do you believe (no.1) is the most important?

3b. (no.2) \_\_\_\_\_  
Why do you believe (no.2) is important?

3c. (no.3) \_\_\_\_\_  
Why do you believe (no.3) is important?

3d. (no.4) \_\_\_\_\_  
Why do you believe (no.4) is important?

3e. (no.5) \_\_\_\_\_  
Why do you believe (no.5) is important?

4. According to the literature, these characteristics are important for expatriate success. (DON'T SHOW TO THEM until finished asking question 3)  
Please indicate your degree of agreement or disagreement which you believe are important for expatriate's success.

**Appendix A3.1: handed to expatriate manager to indicate.**

5. According to Naquin and Holton's (2006), excellence in management and leadership is important to business success. (DON'T SHOW TO THEM until finished asking question 4)

Please indicate your degree of agreement or disagreement in relation to which you believe are the special skills or attributes you utilise in your position as an expatriate manager here in Thailand.

**Appendix A3.2: handed to expatriate manager to indicate.**

6. Do you wish to make further comments concerning attributes for success after viewing and indicating your degree of agreement or disagreement for those identified by you and in the literature?

Please explain:

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### Appendix A3.1: handed to expatriate manager to indicate characteristics required for success

Please indicate your degree of agreement or disagreement with each statement below in relation to its importance for expatriate success.

Use this key for the five possible responses to items 1-15

Strongly Disagree ←————→ Strongly Agree

1	2	3	4	5
Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Characteristic	1	2	3	4	5
1. Sociability, activity, assertiveness, and positive attitude;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Good natured, co-operative and trusting;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Responsible, prioritising tasks, thinking before acting, following norms and rules, planning, budgeting and organising;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Emotional stability;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Imaginative, independent-minded and having divergent thinking;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Having experiences in facilitating cross-border work;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Having cross-cultural knowledge management;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Having a strategic awareness and providing support;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Having communicative language ability;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Facilitating organisational change and providing pre-departure training;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Adaptability in new environmental situations;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Participating effectively in multicultural teams;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Sensitivity and openness to other cultures;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Having management skills;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Having leadership capabilities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Appendix A3.2: handed to Expatriate manager to identify attributes required for success

Using the scale below, please indicate your level of agreement or disagreement with each item by placing an 'X' in the box against the statement that best describes the overall special skills or attributes that you use in your position of expatriate manager in Thailand.

Use this key for the five possible responses to items 1-10

Strongly Disagree      ←————→      Strongly Agree

1	2	3	4	5
Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Characteristic	1	2	3	4	5
1. My responsibilities here require me to conduct planning and budgeting; Comments: _____ _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. My responsibilities here require me to set a direction for my area; Comments: _____ _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. My responsibilities here require that I focus on staff needs; Comments: _____ _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. My responsibilities here focus on motivating employees to perform at a level of excellence; Comments: _____ _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<p>5. My responsibilities here require me to take all actions required to bring about change; Comments:</p> <hr/> <hr/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>6. My responsibilities here focus on systems and structures; Comments:</p> <hr/> <hr/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>7. My responsibilities here require me to create stability; Comments:</p> <hr/> <hr/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>8. My responsibilities here require me to possess a long-range perspective; Comments:</p> <hr/> <hr/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>9. My responsibilities here require me to possess a short-range perspective; Comments:</p> <hr/> <hr/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>10. My responsibilities here require me to control for and solve problems. Comments:</p> <hr/> <hr/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**APPENDIX B**

**COPY OF ETHICS APPROVAL**





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## **APPENDIX C**

### **THE PROCESS OF DATA ANALYSIS**

## Appendix C.1: Data Screening

Essential steps in the process of data analysis generally begin by entering the collected data accurately. This is because an error in data entry will result in applying inappropriate experimental or sampling techniques. Certainly, if improper processing happens, it ultimately will lead to irrelevant or unsuitable results. Therefore, in regard to this issue, data screening needs to be undertaken before data analysis is commenced for three reasons. Firstly, the data screening process aims to reject the bad data that have not been entered correctly or contain out-of-range values. Secondly, the data screening process is carried out to check whether or not, and if so, how many data variables are missing. A consequence of missing data may be erroneous results and this could occur when respondents fail to answer one or more questions. The screening process is required to ensure the researcher makes appropriate decisions to control for the missing values. Lastly, the data screening process aims to verify that any data errors or unusual values (called outliers) occurred in the process of generating outputs. Miscoded/incorrectly entered data or outliers can lead to non-normality in data (Sekaran & Bougie 2010; Hair et al. 2003; Tabachnick & Fidell 2001). Page and Meyer (2000) agree that the outlier values can lead to unsuitable identification of statistical methods which indicated that outliers should be investigated carefully and removed prior to commencing analysis.

This data screening process is an indispensable requirement, because data collected cannot be assumed to represent the population under study if it has having out-of-range values, missing values, outliers or non-normal data. Not removing outliers can lead to inappropriate statistical analyses being applied. Dow and Karunaratna (2006) and Yancey (1988) point out that outlier values can have a great impact and lead to unpredicted results when applying multiple regression analysis which this study did not used. The outlier test, therefore, was not included in the data screening steps for this study.

Despite not conducting the required procedures to verify the outliers to prepare for regression analysis, when choosing other statistical methods the researcher still needs to

screen data to re-check the computing values derived from a data entry process. Pallant (2007) asserts that, although the data screening process is an uninteresting step, it is essential for helping researchers to avoid a range consequential problems and it is worth spending time to avoid these potential problems. To this end, before the collected data were analysed using SPSS to answer the research questions of this study, the process of data screening for missing data and data normality was completed and is reported in the following section to demonstrate the efficiency of the data screening.

## **Appendix C.2: Missing Data**

Missing data is one of the most concerning problems confronted researchers in the data screening process. According to Tabachnick and Fidell (2001), if fewer than 5% of the total number of cases were missing, the problem would be less serious, and the questionnaire survey data would be acceptable. McKnight, McKnight, Sidani and Figueredo (2007) point out that missing data represent nevertheless a potential source of bias and imbalance in the data structure. Therefore, it is the researcher's responsibility to determine the statistical computations required to deal with missing data.

Accordingly, for the questionnaire returns as mentioned in Chapter 3, section 3.5.4, the researcher classified the returned data into two groups: questionnaire and interview responses. The first group, questionnaire responses, included all questionnaires that were fully completed by the respondents, that is, all questions in the questionnaires had been answered. With regard to avoiding data-interpretation errors, the researcher thus excluded from this study questionnaires in which responses to questions were incomplete or missing. Although the effective sample size can be reduced by missing data, the missing data make it unwieldy to measure effects (O'Rourke 2003). The second group was interview responses, by both Japanese expatriate managers and indigenous Thai managers. Using a face-to-face interview, interviewees fully answered all questions without omissions.

### Appendix C.3: Data Coding

1. After checking the raw data from the questionnaires by the editing process, a coding system was then constructed. The coding system facilitates in converting the raw data from the questionnaire returns for applying the SPSS instrument to obtain meaningful information; and this data processing step is referred to as coding (Malhotra 1996). The questionnaire returns thus were coded in Table C3.1.

**Table 3C.1: Code book for the questionnaire**

Question No.	No. of Columns Required	Variable Name	Category Code	
1	2	Gender	Male = 1	Female = 2
2	5	Age	≤ 20 = 1; 31-40 = 3; Over 51 = 5	21-30 = 2 41-50 = 4
		Qualifications	Master = 1; Undergraduate = 3; Other = 5	Bachelor = 2 Secondary = 4
4	1	Division or Department	Code as DivDep	
5	5	Length of time in position	1-5 years = 1; 11-15 years = 3; ≥ 21 years = 5	6-10 years = 2 16-20 years = 4
6a	1	Total duration of corporation (years)	Two-digit number	
6b	1	Total duration of corporation (months)	Two-digit number	
7	5	Personal factors rating	Each of the five variables can take any value between 1 and 5	
8	3	Individual related factor rating	Each of the three variables can take any value between 1 and 5	
9	4	Organisational factors rating	Each of the four variables can take any value between 1 and 5	
10	3	Environmental factors rating	Each of the three variables can take any value between 1 and 5	
11	10	Management and	Each of the ten variables can take any	

		leadership	value between 1 and 5
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#### **Appendix C.4: Assessment of Normality**

Pallant (2007) indicates that the population from which data are collected is required to show a normal distribution if Independent-samples T-test and One-Way between-groups ANOVA are to be used as in this study. In other words, the calculation of p-values and assumption testing requires a normally distributed population. If the data collected does not satisfy this precondition, the Independent-samples t-test and One-Way between-groups ANOVA thus should not be performed. For this reason, it is important for the researcher to check to ensure that normally distributed data are used.

According to Tabachnick and Fidell (2001), normality can be assessed to check whether the data have met the assumptions or not by obtaining skewedness and kurtosis values. This evaluation can provide an indication of normality of data distribution with the values of the skewedness and kurtosis not exceeding 3 and 10 respectively (Kline 2011). If the absolute values produced through SPSS present greater than 3 and 10, the data are deemed to be non-normal distribution.

Similarly to the evaluation of skewedness and kurtosis, a study of Ahad, Yin, Othman and Yaacob (2011) suggested that the Kolmogorov-Smirnov test, Anderson-Darling test, Cramer-von Mises test, and Shapiro-Wilk test are also commonly used in associated statistical testing for the assumption of normality. However, these tests are designed for use with small data sets. Therefore, although it is apparent from the multitude of methods specifically designed for checking any deviations from normal population distribution, the assessment of the skewedness and kurtosis values was more suitable for use in this study, due to the size of the data set obtained from the questionnaire surveys.

**APPENDIX D**

**MEAN, STANDARD DEVIATIONS, SKEWEDNESS AND**

**KURTOSIS**

## Appendix D.1: Overview of Mean, Standard Deviations, Skewedness and Kurtosis

Factors and Key Characteristics for Expatriates' success in Thai Automotive Industry	N	Mean	Std. Deviation	Skewed-ness	Kurtosis
	Valid				
<b>PERSONAL CHARACTERISTICS FACTORS</b>					
Sociability, activity, assertiveness, and positive attitude	322	4.03	.877	-.904	.885
Good natured, co-operative and trusting	322	4.10	.859	-.816	.561
Responsible, prioritising tasks, thinking before acting, following norms and rules, planning, budgeting and organising	322	4.35	.783	-1.324	2.320
Emotional stability	322	4.04	.933	-.931	.745
Imaginative, independent minded and having divergent thinking	322	3.94	.829	-.576	.427
<b>OTHER INDIVIDUAL RELATED FACTORS</b>					
Having experience in facilitating cross-border work	322	3.88	.895	-.751	.699
Marital status factor	322	2.96	.999	-.239	-.412
Gender factor	322	2.96	1.066	-.184	-.601
<b>ORGANISATIONAL FACTORS</b>					
Having cross-cultural knowledge management	322	3.95	.947	-.668	-.026
Having a strategic awareness and providing support	322	4.15	.801	-.928	1.308
Having communicative language ability	322	4.00	.949	-.897	.488
Facilitating organisational change and providing pre-departure training	322	4.05	.782	-.841	1.401
<b>ENVIRONMENTAL FACTORS</b>					
Adaptability in new environmental situations	322	4.12	.792	-.894	1.354
Participating effectively in multicultural Teams	322	4.05	.802	-.814	1.131
Sensitivity and openness to other cultures	322	4.12	.787	-.878	1.145
<b>PERSONAL ATTRIBUTES</b>					
Having planning and budgeting skills	322	4.06	.755	-.486	.170
Setting a direction	322	4.29	.719	-.943	1.357
Focusing on people's needs	322	3.74	.848	-.332	.017
Motivating employees to excellence	322	4.08	.926	-.772	-.056
Developing, originating and creating change	322	4.16	.802	-.890	.950
Focusing on systems and structures	322	4.07	.754	-.640	.849
Performing in a manner that creates stability	322	4.00	.747	-.356	.018
Possessing a long-range perspective	322	4.18	.811	-.829	.447
Possessing a short-range perspective	322	3.68	.957	-.566	.015
Controlling and problem solving skills	322	4.22	.816	-.882	.417
Personal characteristics	322	4.0913	.68303	-1.155	2.748
Other individual related factor	322	3.2650	.76495	-.316	.195
Organisational Factors	322	4.0357	.72282	-1.049	1.787
Environmental Factors	322	4.0963	.70995	-.870	1.651



## Appendix D.2: Reliability results

Scale: ALL VARIABLES

### Case Processing Summary

	N	%
Cases Valid	322	100.0
Excluded <sup>a</sup>	0	.0
Total	322	100.0

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

Cronbach's Alpha	N of Items
.935	25

## Reliability results

### Item-Total Statistics

Factors and Key Characteristics for Expatriates' success in Thai Automotive Industry	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
<b><u>PERSONAL CHARACTERISTICS FACTORS</u></b>				
Sociability, activity, assertiveness, and positive attitude	95.24	162.901	.648	.931
Good natured, co-operative and trusting	95.18	162.729	.672	.931
Responsible, prioritising tasks, thinking before acting, following norms and rules, planning, budgeting and organising	94.94	164.216	.668	.931
Emotional stability	95.25	162.174	.637	.931
Imaginative, independent minded and having divergent thinking	95.35	164.228	.625	.931
<b><u>OTHER INDIVIDUAL RELATED FACTORS</u></b>				
Having experience in facilitating cross-border work	95.41	165.362	.522	.933
Marital status	96.31	171.929	.199	.938
Gender	96.31	173.504	.124	.940
<b><u>ORGANISATIONAL FACTORS</u></b>				
Having cross-cultural knowledge management	95.34	161.724	.651	.931

Having a strategic awareness and providing support	95.15	162.641	.732	.930
Having communicative language ability	95.29	162.064	.633	.931
Facilitating organisational change and providing pre-departure training	95.23	162.790	.743	.930
<b><u>ENVIRONMENTAL FACTORS</u></b>				
Adaptability in new environmental situations	95.17	163.518	.693	.931
Participating effectively in multicultural teams	95.23	163.567	.680	.931
Sensitivity and openness to other cultures	95.16	162.623	.745	.930
<b><u>PERSONAL ATTRIBUTES</u></b>				
Having planning and budgeting skills	95.23	166.171	.585	.932
Setting a direction	95.02	165.902	.626	.932
Focusing on people's needs	95.56	167.654	.441	.934
Motivating employees to excellence	95.20	161.509	.672	.931
Developing, originating and creating change	95.13	163.625	.678	.931
Focusing on systems and structures	95.24	166.231	.567	.932
Performing in a manner that creates stability	95.31	165.488	.612	.932
Possessing a long-range perspective	95.11	163.774	.666	.931
Possessing a short-range perspective	95.60	167.324	.400	.935
Controlling and problem solving skills	95.06	162.736	.709	.930

## **APPENDIX E**

### **CROSSTAB TABLES**

## Appendix E.1: Crosstab Tables

**Table E1.1: Number and percentage of each gender by level of appointment and level of education**

Level of Appointment (LOA)	Master's Degree		Bachelor's degree		Undergraduate Diploma		Secondary Education		Other Qualifications		TTN of eM/F W/I eLOA	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
<b>Top management</b> (Total number of top management team = 34 people)												
No. Of M/F	13	10	8	2	0	0	0	0	1	0	22	12
% within eLOA	59.09%	83.33%	36.36%	16.67%	0.00%	0.00%	0.00%	0.00%	4.55%	0.00%	64.71%	35.29%
% within eLOE	29.55%	35.71%	8.99%	1.68%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	13.25%	7.69%
<b>Middle management</b> (Total number of middle management team = 24 people)												
No. Of M/F	4	3	8	6	2	0	1	0	0	0	15	9
% within eLOA	26.67%	33.33%	53.33%	66.67%	13.33%	0.00%	6.67%	0.00%	0.00%	0.00%	62.50%	37.50%
% within eLOE	9.09%	10.71%	8.99%	5.04%	7.41%	0.00%	20.00%	0.00%	0.00%	0.00%	9.04%	5.77%
<b>First-level management</b> (Total number of first-level management team = 81 people)												
No. Of M/F	14	4	28	27	6	2	0	0	0	0	48	33
% within eLOA	29.17%	12.12%	58.33%	81.82%	12.50%	6.06%	0.00%	0.00%	0.00%	0.00%	59.26%	40.74%
% within eLOE	31.82%	14.29%	31.46%	22.69%	22.22%	22.22%	0.00%	0.00%	0.00%	0.00%	28.92%	21.15%
<b>Operative Employees</b> (Total number of operative employees = 183 people)												
No. Of M/F	13	11	45	84	19	7	4	0	0	0	81	102
% within eLOA	16.05%	10.78%	55.56%	82.35%	23.46%	6.86%	4.94%	0.00%	0.00%	0.00%	44.26%	55.74%
% within eLOE	29.55%	39.29%	50.56%	70.59%	70.37%	77.78%	80.00%	0.00%	0.00%	0.00%	48.80%	65.38%
<b>total M/F =</b>	<b>44</b>	<b>28</b>	<b>89</b>	<b>119</b>	<b>27</b>	<b>9</b>	<b>5</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>166</b>	<b>156</b>
% within eLOA	26.51%	17.95%	53.61%	76.28%	16.27%	5.77%	3.01%	0.00%	0.60%	0.00%	51.55%	48.45%
% within eLOE	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%	100.00%	0.00%	51.55%	48.45%

**Note:**

'% within eLOA'	=	Crosstab tabulation: Gender/Level of education/Level of appointment
'% within eLOE'	=	% of each gender within each LOA compared with the number of each gender within each level of appointment
'TTN of eM/F W/I eLOA'	=	% of each gender within each LOA compared with the number of each gender within each level of education
Other Qualification	=	number of each gender within each level of appointment
	=	a doctoral degree

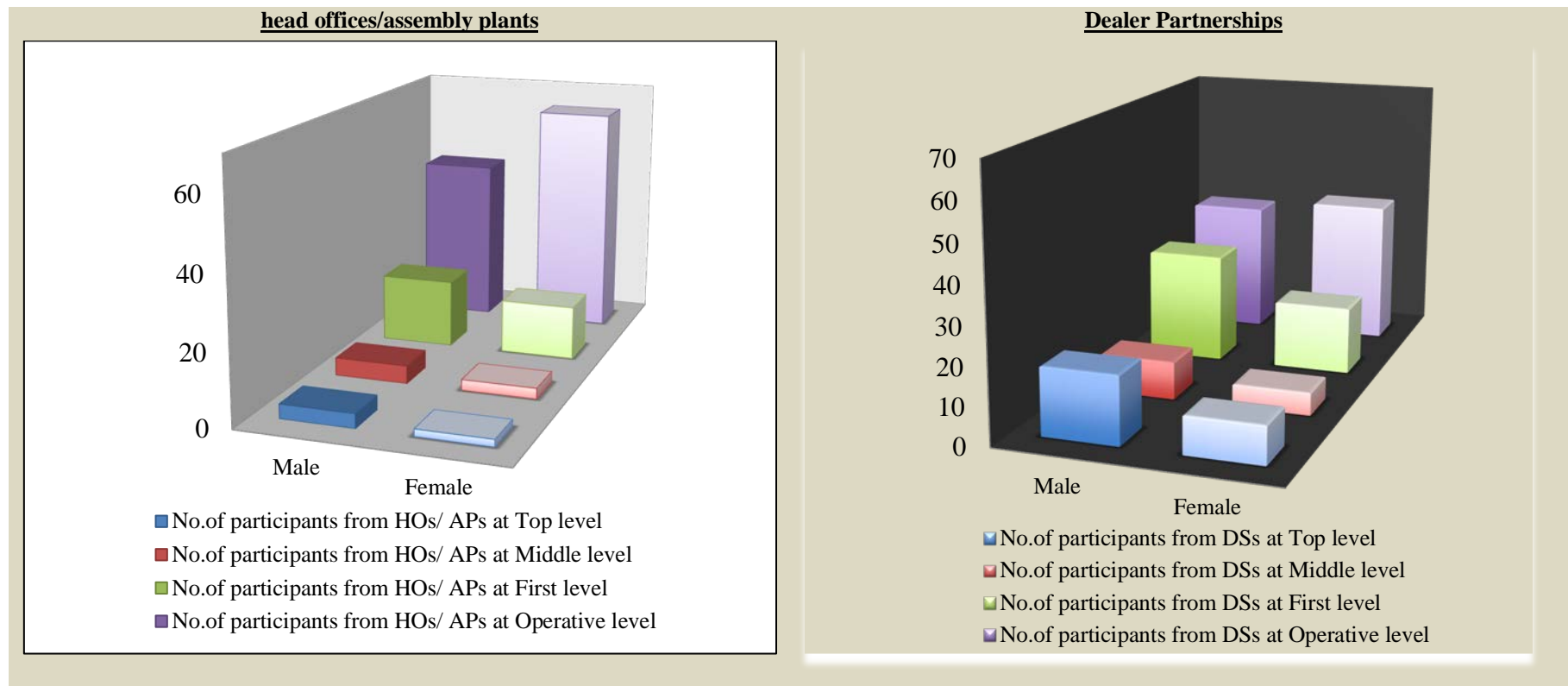
**Table E1.2: Number and percentage of each gender by location of respondent and levels of appointment**

Level of Appointment (LOA)	Gender (M/F)	Head Office (HO)/ Assembly Plant (AP)			Dealer Partnership (DS)			Across both HO/AP and DS		
		No. of M/F	% within the same Location	% across both locations	No. of M/F	% within the same Location	% across both locations	TTN. of M/F	% within the same Location	% across both locations
Top management	Male	4	5.41%	18.18%	18	19.57%	81.82%	22	13.25%	100.00%
	Female	2	2.38%	16.67%	10	13.89%	83.33%	12	7.69%	100.00%
Middle management	Male	5	6.76%	33.33%	10	10.87%	66.67%	15	9.04%	100.00%
	Female	3	3.57%	33.33%	6	8.33%	66.67%	9	5.77%	100.00%
First-level management	Male	19	25.68%	39.58%	29	31.52%	60.42%	48	28.92%	100.00%
	Female	15	17.86%	45.45%	18	25.00%	54.55%	33	21.15%	100.00%
Operative Employee	Male	46	62.16%	56.79%	35	38.04%	43.21%	81	48.80%	100.00%
	Female	64	76.19%	62.75%	38	52.78%	37.25%	102	65.38%	100.00%
Total no. of males		74	100.00%	44.58%	92	100.00%	55.42%	166	100.00%	100.00%
Total no. of females		84	100.00%	53.85%	72	100.00%	46.15%	156	100.00%	100.00%

Crosstab tabulation: Gender/Location of Respondent/Level of appointment

**Note:** ‘% within the same Location’ = Percentage of each gender within each LOA comparing with the total number of each gender at the same location  
‘% across both locations’ = Percentage of each gender within each LOA comparing with total number of each gender within each LOA across both HO/AP and DS

Figure E.1: A graphical representation of the number of respondents by location and level of appointment



**Table E1.3: Respondents' educational background by level of appointment and length of time in current position**

Length of time at current position	Level of appointment	hold a Master's degree or higher qualification							hold a Bachelor's degree or lower qualification						
		HO/AP			DS			Total	HO/AP			DS			Total
		M	F	T1	M	F	T2		M	F	T3	M	F	T4	
1-5 years	Top management	2	1	3	1	3	4	7	0	0	0	2	0	2	2
	Middle management	2	0	2	1	0	1	3	1	0	1	3	2	5	6
	First-level management	1	1	2	3	2	5	7	6	8	14	9	11	20	34
	Operative Employees	6	5	11	5	0	5	16	31	43	74	22	28	50	124
	<b>Total</b>	<b>11</b>	<b>7</b>	<b>18</b>	<b>10</b>	<b>5</b>	<b>15</b>	<b>33</b>	<b>38</b>	<b>51</b>	<b>89</b>	<b>36</b>	<b>41</b>	<b>77</b>	<b>166</b>
6-10 years	Top management	0	1	1	2	2	4	5	0	0	0	2	0	2	2
	Middle management	0	0	0	1	1	2	2	0	1	1	1	0	1	2
	First-level management	5	0	5	1	1	2	7	1	3	4	5	1	6	10
	Operative Employees	1	2	3	1	0	1	4	4	5	9	3	4	7	16
	<b>Total</b>	<b>6</b>	<b>3</b>	<b>9</b>	<b>5</b>	<b>4</b>	<b>9</b>	<b>18</b>	<b>5</b>	<b>9</b>	<b>14</b>	<b>11</b>	<b>5</b>	<b>16</b>	<b>30</b>
11-15 years	Top management	0	0	0	3	2	5	5	0	0	0	3	1	4	4
	Middle management	0	1	1	1	0	1	2	1	0	1	0	2	2	3
	First-level management	0	0	0	2	0	2	2	2	1	3	5	1	6	9
	Operative Employees	0	0	0	0	2	2	2	1	4	5	3	1	4	9
	<b>Total</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>4</b>	<b>10</b>	<b>11</b>	<b>4</b>	<b>5</b>	<b>9</b>	<b>11</b>	<b>5</b>	<b>16</b>	<b>25</b>

16-20 years	Top management	1	0	1	4	0	4	5	1	0	1	0	1	1	2
	Middle management	0	0	0	0	0	0	0	1	1	2	2	0	2	4
	First-level management	0	0	0	2	0	2	2	3	2	5	2	1	3	8
	Operative Employees	0	2	2	0	0	0	2	3	2	5	1	3	4	9
	<b>Total</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>6</b>	<b>0</b>	<b>6</b>	<b>9</b>	<b>8</b>	<b>5</b>	<b>13</b>	<b>5</b>	<b>5</b>	<b>10</b>	<b>23</b>
more than 21 years	Top management	0	0	0	1	1	2	2	0	0	0	0	0	0	0
	Middle management	0	0	0	0	0	0	0	0	0	0	2	0	2	2
	First-level management	0	0	0	0	0	0	0	1	0	1	0	1	1	2
	Operative Employees	0	0	0	0	0	0	0	0	1	1	0	0	0	1
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>5</b>
<b>TOTAL</b>		<b>18</b>	<b>13</b>	<b>31</b>	<b>28</b>	<b>14</b>	<b>42</b>	<b>73</b>	<b>56</b>	<b>71</b>	<b>127</b>	<b>65</b>	<b>57</b>	<b>122</b>	<b>249</b>

**Note:** HO/AP = Head Office/ Assembly Plant;

DS = Dealer Partnership;

M = Male; F = Female

T1 = total of respondents from HO/AP who hold a Master's degree or higher qualification;

T2 = total of respondents from DS who hold a Master's degree or higher qualification;

T3 = total of respondents from HO/AP who hold a Bachelor's degree or lower qualification, and;

T4 = total of respondents from DS who hold a Bachelor's degree or lower qualification



**APPENDIX F**

**RESULTS FOR KEY CHARACTERISTICS & PERSONAL  
ATTRIBUTES FOR EXPATRIATE MANAGER SUCCESS IN  
THAI AUTOMOTIVE INDUSTRY**

## Appendix F.1: The Results of a T-Test for Key Characteristics and Personal Attributes for Expatriate Manager's Success in Thai Automotive industry

This appendix explains details of the statistical results (means, standard deviations and t values) of the 10 key distinctions between managerial and leadership attributes comparing with reference to three variables which consisted of , and as shown in the following:

**Table F1.1: Mean, standard deviation and t-test value of characteristics needed for Japanese expatriate managers in Thai business: head office/assembly plant and dealer partnership response comparisons**

Key Characteristics and Personal Attributes for Expatriate Manager's Success in Thai Automotive industry	Head office/ Assembly plant N = 158		Dealer Partnership N = 164		t-value	P (2-tailed)
	Mean	SD	Mean	SD		
Having planning and budgeting skills	3.99	.782	4.12	.725	-1.603	.110
Setting a direction	4.24	.761	4.33	.675	-1.109	.268
Focusing on people's needs	3.75	.844	3.73	.853	.224	.823
Motivating employees to excellence	4.06	.949	4.09	.905	-.273	.785
Developing, originating and creating change	4.19	.807	4.14	.798	.555	.579
Focusing on systems and structures	4.04	.785	4.09	.725	-.560	.576
Performing in a manner that creates stability	3.97	.748	4.02	.747	-.523	.601
Possessing a long-range perspective	4.18	.781	4.17	.841	.142	.888
Possessing a short-range perspective	3.67	.954	3.69	.963	-.170	.865
Controlling and problem solving skills	4.20	.850	4.24	.784	-.454	.650

**Note:** Each scale ranged from 1 = "Strongly disagree", 2 = "Disagree", 3 = "Neither disagree nor agree", 4 = "Agree" and 5 = "Strongly agree"

**Table F1.2: Mean, standard deviation and t-test value of characteristics needed for Japanese expatriate managers in Thai business: male and female response comparison**

Key Characteristics and Personal Attributes for Expatriate Manager's Success in Thai Automotive industry	Male N = 166		Female N = 156		t-value	P (2-tailed)
	Mean	SD	Mean	SD		
Having planning and budgeting skills	4.05	.761	4.06	.751	-.189	.850
Setting a direction	4.30	.751	4.27	.685	.399	.690
Focusing on people's needs	3.67	.861	3.80	.830	-1.341	.181
Motivating employees to excellence	4.05	.959	4.11	.891	-.588	.557
Developing, originating and creating change	4.15	.843	4.18	.758	-.323	.747
Focusing on systems and structures	4.11	.750	4.02	.758	1.133	.258
Performing in a manner that creates stability	4.01	.767	3.99	.727	.226	.821
Possessing a long-range perspective	4.14	.818	4.21	.803	-.740	.460
Possessing a short-range perspective	3.69	.899	3.67	1.018	.244	.807
Controlling and problem solving skills	4.16	.819	4.29	.811	-1.384	.167

**Note:** Each scale ranged from 1 = “Strongly disagree”, 2 = “Disagree”, 3 = “Neither disagree nor agree”, 4 = “Agree” and 5 = “Strongly agree”

**Table F1.3: Mean, standard deviation and t-test value of characteristics needed for Japanese expatriate managers in Thai business: management and operative level comparisons**

Key Characteristics and Personal Attributes for Expatriate Manager's Success in Thai Automotive industry	Management Level N = 139		Operative Level N = 183		t-value	P (2-tailed)
	Mean	SD	Mean	SD		
Having planning and budgeting skills	4.20	.693	3.95	.783	3.053	<b>.002***</b>
Setting a direction	4.37	.661	4.22	.755	1.773	<b>.077*</b>
Focusing on people's needs	3.78	.852	3.70	.845	.755	.451
Motivating employees to excellence	4.28	.799	3.92	.986	3.488	<b>.001***</b>
Developing, originating and creating change	4.32	.724	4.04	.837	3.148	<b>.002***</b>
Focusing on systems and structures	4.15	.721	4.01	.774	1.722	<b>.086*</b>
Performing in a manner that creates stability	4.06	.734	3.95	.754	1.423	.156
Possessing a long-range perspective	4.26	.755	4.11	.847	1.585	.114
Possessing a short-range perspective	3.69	1.006	3.67	.921	.172	.864
Controlling and problem solving skills	4.33	.756	4.14	.853	2.067	<b>.040**</b>

**Note:** Each scale ranged from 1 = "Strongly disagree", 2 = "Disagree", 3 = "Neither disagree nor agree", 4 = "Agree" and 5 = "Strongly agree"

\*\*\* P< 0.01 level, \*\* P< 0.05 level and \* P< 0.1 level (two-tailed test)

**Table F1.4: Mean, standard deviation and t-test value of characteristics influencing needed for Japanese expatriate managers in Thai business: comparison according to respondents' period of time in current position -1-5 and more than 5 years**

2.

Key Characteristics and Personal Attributes for Expatriate Manager's Success in Thai Automotive industry	Between 1-5 years N = 199		more than 5 years N = 123		t-value	P (2-tailed)
	Mean	SD	Mean	SD		
Having planning and budgeting skills	3.96	.774	4.20	.701	-2.782	<b>.006***</b>
Setting a direction	4.22	.786	4.39	.582	-2.211	<b>.028**</b>
Focusing on people's needs	3.68	.874	3.83	.797	-1.556	.121
Motivating employees to excellence	4.01	.956	4.20	.865	-1.797	<b>.073*</b>
Developing, originating and creating change	4.16	.835	4.18	.747	-.251	.802
Focusing on systems and structures	4.01	.813	4.17	.636	-1.924	<b>.055*</b>
Performing in a manner that creates stability	3.96	.774	4.05	.700	-.980	.328
Possessing a long-range perspective	4.11	.852	4.28	.730	-1.879	<b>.061*</b>
Possessing a short-range perspective	3.60	.989	3.81	.890	-2.017	<b>.045**</b>
Controlling and problem solving skills	4.15	.861	4.35	.724	-2.190	<b>.029**</b>

**Note:** Each scale ranged from 1 = "Strongly disagree", 2 = "Disagree", 3 = "Neither disagree nor agree", 4 = "Agree" and 5 = "Strongly agree"

\*\*\* P< 0.01 level, \*\* P< 0.05 level and \* P< 0.1 level (two-tailed test)

3.

**Table F1.5: Mean, standard deviation and t-test value of characteristics needed for Japanese expatriate managers in Thai business compared between respondents' period of time collaborating with expatriate between 1-5 years, and more than 5 years**

Key Characteristics and Personal Attributes for Expatriate Manager's Success in Thai Automotive industry	Between 1-5 years N = 191		more than 5 years N = 131		t-value	P (2-tailed)
	Mean	SD	Mean	SD		
Having planning and budgeting skills	3.96	.739	4.20	.759	-2.837	<b>.005***</b>
Setting a direction	4.20	.741	4.41	.666	-2.641	<b>.009***</b>
Focusing on people's needs	3.72	.802	3.76	.912	-.345	.730
Motivating employees to excellence	4.03	.934	4.15	.912		.280
Developing, originating and creating change	4.15	.814	4.19	.786	-.486	.627
Focusing on systems and structures	4.02	.761	4.14	.742	-1.363	.174
Performing in a manner that creates stability	3.94	.730	4.08	.765	-1.738	<b>.083*</b>
Possessing a long-range perspective	4.12	.813	4.27	.802	-1.657	<b>.098*</b>
Possessing a short-range perspective	3.58	.969	3.82	.924	-2.255	<b>.025**</b>
Controlling and problem solving skills	4.16	.814	4.31	.814	-1.631	.104

**Note:** Each scale ranged from 1 = "Strongly disagree", 2 = "Disagree", 3 = "Neither disagree nor agree", 4 = "Agree" and 5 = "Strongly agree"

\*\*\* P< 0.01 level, \*\* P< 0.05 level and \* P< 0.1 level (two-tailed test)

**Table F1.6: ANOVA test for characteristics needed for Japanese expatriate managers in Thai business: comparing responses from those who with postgraduate, bachelor's and below bachelor's degree qualifications**

Descriptions										
		Mean	Std. Deviation	Std. Error	Sum of Squares		Mean Square		F	Sig.
					Between Groups	Within Groups	Between Groups	Between Groups		
Having planning and budgeting skills	Postgraduate	4.29	.736	.086	7.184	175.810	3.592	.551	6.517	.002***
	Bachelor's degree	4.03	.754	.052						
	Below bachelor's degree	3.78	.690	.108						
	Total	4.06	.755	.042	Total 182.994					
Setting a direction	Postgraduate	4.58	.644	.075	9.446	156.268	4.723	.490	9.642	.000***
	Bachelor's degree	4.24	.714	.049						
	Below bachelor's degree	4.02	.724	.113						
	Total	4.29	.719	.040	Total 165.714					
Focusing on people's needs	Postgraduate	3.71	.808	.095	.115	230.447	.058	.722	.080	.923
	Bachelor's degree	3.75	.876	.061						
	Below bachelor's degree	3.71	.782	.122						
	Total	3.74	.848	.047	Total 230.562					
Motivating employees to excellence	Postgraduate	4.22	.917	.107	5.099	269.960	2.550	.846	3.013	.051*
	Bachelor's degree	4.09	.928	.064						
	Below bachelor's degree	3.78	.881	.138						
	Total	4.08	.926	.052	Total 275.059					
Developing, originating and creating change	Postgraduate	4.40	.721	.084	8.612	197.664	4.306	.620	6.949	.001***
	Bachelor's degree	4.15	.812	.056						
	Below bachelor's degree	3.83	.771	.120						
	Total	4.16	.802	.045	Total 206.276					
Focusing on systems and structures	Postgraduate	4.25	.741	.087	4.294	178.203	2.147	.559	3.843	.022**
	Bachelor's degree	4.05	.772	.054						
	Below degree	3.85	.615	.096						
	Total	4.07	.754	.042	Total 182.497					
Performing in a manner that creates stability	Postgraduate	4.11	.756	.088	2.088	176.909	1.044	.555	1.882	.154
	Bachelor's degree	3.99	.749	.052						
	Below bachelor's degree	3.83	.704	.110						
	Total	4.00	.747	.042	Total 178.997					
Possessing a long-range perspective	Postgraduate	4.33	.817	.096	3.036	207.874	1.518	.652	2.329	.099*
	Bachelor's degree	4.16	.810	.056						
	Below bachelor's degree	4.00	.775	.121						
	Total	4.18	.811	.045	Total 210.910					
Possessing a short-range perspective	Postgraduate	3.71	1.086	.127	.689	293.364	.344	.920	.374	.688
	Bachelor's degree	3.69	.938	.065						
	Below bachelor's degree	3.56	.808	.126						
	Total	3.68	.957	.053	Total 294.053					
Controlling and problem solving skills	Postgraduate	4.52	.709	.083	9.595	204.305	4.798	.640	7.491	.001***
	Bachelor's degree	4.17	.837	.058						
	Below bachelor's degree	3.98	.758	.118						
	Total	4.22	.816	.045	Total 213.901					

**ANOVA**

		Sum of Squares	df	Mean Square	F	Sig.
Having planning and budgeting skills	Between Groups	7.184	2	3.592	6.517	.002
	Within Groups	175.810	319	.551		
	Total	182.994	321			
Setting a direction	Between Groups	9.446	2	4.723	9.642	.000
	Within Groups	156.268	319	.490		
	Total	165.714	321			
Focusing on people's needs	Between Groups	.115	2	.058	.080	.923
	Within Groups	230.447	319	.722		
	Total	230.562	321			
Motivating employees to excellence	Between Groups	5.099	2	2.550	3.013	.051
	Within Groups	269.960	319	.846		
	Total	275.059	321			
Developing, originating and creating change	Between Groups	8.612	2	4.306	6.949	.001
	Within Groups	197.664	319	.620		
	Total	206.276	321			
Focusing on systems and structures	Between Groups	4.294	2	2.147	3.843	.022
	Within Groups	178.203	319	.559		
	Total	182.497	321			
Performing in a manner that creates stability	Between Groups	2.088	2	1.044	1.882	.154
	Within Groups	176.909	319	.555		
	Total	178.997	321			
Possessing a long-range perspective	Between Groups	3.036	2	1.518	2.329	.099
	Within Groups	207.874	319	.652		
	Total	210.910	321			
Possessing a short-range perspective	Between Groups	.689	2	.344	.374	.688
	Within Groups	293.364	319	.920		
	Total	294.053	321			
Controlling and problem solving skills	Between Groups	9.595	2	4.798	7.491	.001
	Within Groups	204.305	319	.640		
	Total	213.901	321			



**Table F1.7: Post Hoc test between respondents who hold a postgraduate education, bachelor's degree and below bachelor's degree**

**Multiple Comparisons**

Tukey HSD

Dependent Variable	(I) Education level achieved	(J) Education level achieved	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Having planning and budgeting skills	Postgraduate	Bachelor's degree	.259*	.101	.029**	.02	.50
		Below a bachelor's degree	.507*	.145	.002***	.17	.85
	Bachelor's degree	Postgraduate	-.259*	.101	.029**	-.50	-.02
		Below bachelor's degree	.248	.127	.124	-.05	.55
	Below bachelor's degree	Postgraduate	-.507*	.145	.002***	-.85	-.17
		Bachelor's degree	-.248	.127	.124	-.55	.05
Setting a direction	Postgraduate	Bachelor's degree	.340*	.095	.001***	.12	.56
		Below bachelor's degree	.551*	.137	.000***	.23	.87
	Bachelor's degree	Postgraduate	-.340*	.095	.001***	-.56	-.12
		Below bachelor's degree	.211	.120	.183	-.07	.49
	Below bachelor's degree	Postgraduate	-.551*	.137	.000***	-.87	-.23
		Bachelor's degree	-.211	.120	.183	-.49	.07
Focusing on people's needs	Postgraduate	Bachelor's degree	-.038	.116	.943	-.31	.23
		Below bachelor's degree	.005	.166	.999	-.39	.40
	Bachelor's degree	Postgraduate	.038	.116	.943	-.23	.31
		Below bachelor's degree	.043	.145	.954	-.30	.38
	Below bachelor's degree	Postgraduate	-.005	.166	.999	-.40	.39
		Bachelor's degree	-.043	.145	.954	-.38	.30
Motivating employees to excellence	Postgraduate	Bachelor's degree	.133	.125	.540	-.16	.43
		Below bachelor's degree	.439*	.180	.040**	.02	.86
	Bachelor's degree	Postgraduate	-.133	.125	.540	-.43	.16
		Below bachelor's degree	.306	.157	.127	-.06	.68
	Below bachelor's degree	Postgraduate	-.439*	.180	.040**	-.86	-.02
		Bachelor's degree	-.306	.157	.127	-.68	.06
Developing, originating and creating change	Postgraduate	Bachelor's degree	.248	.107	.055*	.00	.50
		Below bachelor's degree	.568*	.154	.001***	.21	.93
	Bachelor's degree	Postgraduate	-.248	.107	.055*	-.50	.00
		Below bachelor's degree	.320*	.135	.047**	.00	.64
	Below bachelor's degree	Postgraduate	-.568*	.154	.001***	-.93	-.21
		Bachelor's degree	-.320*	.135	.047**	-.64	.00
Focusing on systems and structures	Postgraduate	Bachelor's degree	.198	.102	.126	-.04	.44
		Below a bachelor's degree	.393*	.146	.020**	.05	.74
	Bachelor's degree	Postgraduate education	-.198	.102	.126	-.44	.04
		Below a bachelor's degree	.194	.128	.282	-.11	.50
	Below bachelor's degree	Postgraduate	-.393*	.146	.020**	-.74	-.05
		Bachelor's degree	-.194	.128	.282	-.50	.11
Performing in a manner that creates stability	Postgraduate	Bachelor's degree	.119	.101	.468	-.12	.36
		Below bachelor's degree	.280	.145	.132	-.06	.62
	Bachelor's degree	Postgraduate	-.119	.101	.468	-.36	.12
		Below bachelor's degree	.161	.127	.415	-.14	.46
	Below bachelor's degree	Postgraduate	-.280	.145	.132	-.62	.06
		Bachelor's degree	-.161	.127	.415	-.46	.14
Possessing a long-range perspective	Postgraduate	Bachelor's degree	.170	.110	.270	-.09	.43
		Below bachelor's degree	.329	.158	.094*	-.04	.70
	Bachelor's degree	Postgraduate	-.170	.110	.270	-.43	.09
		Below bachelor's degree	.159	.138	.484	-.17	.48
	Below bachelor's degree	Postgraduate	-.329	.158	.094*	-.70	.04
		Bachelor's degree	-.159	.138	.484	-.48	.17

Possessing a short-range perspective	Postgraduate	Bachelor's degree	.020	.130	.004***	-.29	.33
		Below bachelor's degree	.151	.187	.002***	-.29	.59
	Bachelor's degree	Postgraduate	-.020	.130	.004***	-.33	.29
		Below bachelor's degree	.131	.164	.338	-.25	.52
	Below bachelor's degree	Postgraduate	-.151	.187	.002***	-.59	.29
		Bachelor's degree	-.131	.164	.338	-.52	.25
Controlling and problem solving skills	Postgraduate	Bachelor's degree	.352*	.109	.004	.10	.61
		Below bachelor's degree	.545*	.156	.002	.18	.91
	Bachelor's degree	Postgraduate	-.352*	.109	.004	-.61	-.10
		Below bachelor's degree	.193	.137	.338	-.13	.51
	Below bachelor's degree	Postgraduate education	-.545*	.156	.002	-.91	-.18
		Bachelor's degree	-.193	.137	.338	-.51	.13

## Appendix F.2: The Results of a T-Test statistics for the Success Factors of Expatriates in Thai Automotive industry

4.

This appendix explains details of the statistical results (means, standard deviations and t values) of personal characteristics factors, other individual related factors, organisational factors and environmental factors comparing with reference to three variables which consisted of , and as shown in the following:

1. \_\_\_\_\_

**Table F2.1: Mean, standard deviation and t-test values for the factors influencing success of expatriate managers in Thai business: comparing head office/assembly plant and dealer partnership responses**

Factors influencing the success of expatriate managers in Thai automotive business	Head office/ Assembly plant N = 158		Dealer Partnership N = 164	
	Mean	SD	Mean	SD
<b><u>PERSONAL CHARACTERISTICS FACTORS</u></b>				
Sociability, activity, assertiveness and positive attitude	4.06	.919	4.01	.836
Good natured, co-operative and trusting	4.11	.849	4.09	.871
Responsible, prioritising tasks, thinking before acting, following norms and rules, planning, budgeting and organising	4.39	.738	4.31	.826
Emotional stability	4.04	.980	4.03	.889

Imaginative, independent minded and having divergent thinking	3.96	.805	3.91	.854
<b><u>OTHER INDIVIDUAL RELATED FACTORS</u></b>				
Having experience in facilitating cross-border work	3.89	.856	3.86	.933
Marital status	2.85	.992	3.07	.998
Gender	2.80	1.075	3.12	1.036
<b><u>ORGANISATIONAL FACTORS</u></b>				
Having cross-cultural knowledge management	3.99	.896	3.91	.996
Having a strategic awareness and providing support	4.11	.790	4.18	.814
Having communicative language ability	3.98	.906	4.01	.991
Facilitating organisational change and providing pre-departure training	4.05	.796	4.05	.769
<b><u>ENVIRONMENTAL FACTORS</u></b>				
Adaptability in new environmental situations	4.15	.805	4.09	.782
Participating effectively in multicultural teams	4.06	.839	4.04	.767
Sensitivity and openness to other cultures	4.11	.829	4.13	.747

Personal characteristics factors	4.1114	.66753	4.0720	.69913
Other individual related factors	3.1793	.73689	3.3476	.78443
Organisational Factors	4.0332	.69065	4.0381	.75464
Environmental Factors	4.1055	.73829	4.0874	.68369

Note: Each scale ranged from 1 = “Strongly disagree”, 2 = “Disagree”, 3 = “Neither disagree nor agree”, 4 = “Agree” and 5 = “Strongly agree”

\*\*\*. The mean difference is significant at the 0.01 level.

\*\*. The mean difference is significant at the 0.05 level.

**Table F2.2: Mean, standard deviation and t-test values for factors influencing success of expatriate managers in Thai business: comparing male and female responses**

Factors influencing the success of expatriate managers in Thai business	Male N = 166		Female N = 156		t-value	P (2-tailed)
	Mean	SD	Mean	SD		
<b><u>PERSONAL CHARACTERISTICS FACTORS</u></b>						
Sociability, activity, assertiveness and positive attitude	3.98	.918	4.09	.830	-1.103	.271
Good natured, co-operative and trusting	4.08	.849	4.12	.872	-.324	.746
Responsible, prioritising tasks, thinking before acting, following norms and rules, planning, budgeting and organising	4.36	.787	4.33	.782	.321	.748
Emotional stability	3.99	.947	4.09	.918	-.978	.329
Imaginative, independent minded and having divergent thinking	3.92	.867	3.96	.790	-.361	.718
<b><u>OTHER INDIVIDUAL RELATED FACTORS</u></b>						
Having experience in facilitating cross-border work	3.87	.925	3.88	.865	-.172	.864
Marital status	2.98	1.030	2.94	.968	.413	.680
Gender	3.04	1.052	2.87	1.076	1.436	.152
<b><u>ORGANISATIONAL FACTORS</u></b>						
Having cross-cultural knowledge management	3.92	.966	3.97	.929	-.498	.619
Having a strategic awareness and providing support	4.17	.794	4.12	.811	.663	.508
Having communicative language ability	3.88	.983	4.12	.897	-2.305	<b>.022**</b>
Facilitating organisational change and providing pre-departure training	4.00	.794	4.11	.767	-1.251	.212
<b><u>ENVIRONMENTAL FACTORS</u></b>						
Adaptability in new environmental situations	4.07	.795	4.17	.788	-1.210	.227
Participating effectively in multicultural teams	3.96	.773	4.14	.823	-2.060	<b>.040**</b>
Sensitivity and openness to other cultures	4.07	.775	4.18	.799	-1.222	.223

Personal characteristics factors	4.0675	.70550	4.1167	.65960	-.645	.519
Other individual related factors	3.2972	.77331	3.2308	.75692	.778	.437
Organisational Factors	3.9940	.73079	4.0801	.71391	-1.069	.286
Environmental Factors	4.0321	.69653	4.1645	.71991	-1.677	<b>.094*</b>

Note: Each scale ranged from 1 = “Strongly disagree”, 2 = “Disagree”, 3 = “Neither disagree nor agree”, 4 = “Agree “ and 5 = “Strongly agree”

\*\*. The mean difference is significant at the 0.05 level.

\*. The mean difference is significant at the 0.1 level.

**Table F2.3: Mean, standard deviation and t-test values for factors influencing success of expatriate managers in Thai business: comparing management and operative level responses**

Factors influencing the success of expatriate managers in Thai business	Management Level N = 139		Operative Level N = 183		t-value	P (2-tailed)
	Mean	SD	Mean	SD		
<b><u>PERSONAL CHARACTERISTICS FACTORS</u></b>						
Sociability, activity, assertiveness and positive attitude	4.14	.870	3.96	.876	1.836	<b>.067*</b>
Good natured, co-operative and trusting	4.22	.805	4.01	.889	2.132	<b>.034**</b>
Responsible, prioritising tasks, thinking before acting, following norms and rules, planning, budgeting and organising	4.42	.712	4.29	.831	1.533	.126
Emotional stability	4.06	.926	4.02	.940	.460	.646
Imaginative, independent minded and having divergent thinking	4.06	.814	3.85	.831	2.271	<b>.024**</b>
<b><u>OTHER INDIVIDUAL RELATED FACTORS</u></b>						
Having experience in facilitating cross-border work	3.91	.905	3.85	.889	.662	.509
Marital status	2.95	.980	2.97	1.016	-.156	.876
Gender	2.90	1.038	3.01	1.087	-.885	.377
<b><u>ORGANISATIONAL FACTORS</u></b>						
Having cross-cultural knowledge management	4.07	.960	3.85	.929	2.070	<b>.039**</b>
Having a strategic awareness and providing support	4.34	.728	4.00	.825	3.829	<b>.000***</b>
Having communicative language ability	4.14	.945	3.89	.939	2.441	<b>.015**</b>
Facilitating organisational change and providing pre-departure training	4.17	.701	3.96	.828	2.416	<b>.016**</b>
<b><u>ENVIRONMENTAL FACTORS</u></b>						
Adaptability in new environmental situations	4.11	.814	4.13	.778	-.199	.842
Participating effectively in multicultural teams	4.11	.805	4.00	.798	1.197	.232



Sensitivity and openness to other cultures	4.19	.767	4.08	.802	1.249	.213
Personal characteristics factors	4.1799	.64169	4.0240	.70716	2.037	<b>.042**</b>
Other individual related factors	3.2542	.74057	3.2732	.78487	-.221	.825
Organisational Factors	4.1817	.68088	3.9249	.73578	3.203	<b>.001***</b>
Environmental Factors	4.1343	.69588	4.0674	.72101	.837	.403

Note: Each scale ranged from 1 = “Strongly disagree”, 2 = “Disagree”, 3 = “Neither disagree nor agree”, 4 = “Agree” and 5 = “Strongly agree”

\*\*\*. The mean difference is significant at the 0.01 level.

\*\*. The mean difference is significant at the 0.05 level.

\*. The mean difference is significant at the 0.1 level.

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