

Adapting HR Concepts of German MNC's to Thai Subsidiaries

Christin Grothaus¹

As firms in Thailand show increased global activity and growth in the foreign or joint-venture sector, multinational companies (MNC's) operating in Thailand are confronted with the question of whether to adapt human resource management (HRM) strategies to the work culture of the Thai employees. The process of industrialization can result in a global tendency to push HRM systems towards uniformity. This study aims to identify challenges when applying HR concepts of German MNC's in their subsidiaries located in Bangkok by analysing cultural differences with help of a qualitative content analysis. HR managers and general managers were interviewed regarding HR approaches such as career development talks, participation in corporate vision building, management by objectives and cross-functional teams. As a second objective, interviews aim to give insights to which extend to defend, hybrid or adapt HR concepts to the culture of the host country. Interviewees did not apply HR methods universally but adapted approaches and suggested to create necessary conditions such as fostering a company culture of harmony and care, employee relationships and a situational leadership style that respects the values of Thai employees.

Keywords: HRM, Germany, Thailand, MNC, business culture, expatriate

Considerable grounding research in human resource management (HRM) and industrial and organizational psychology has been conducted in Western countries (Herzberg, 1959; Locke & Latham, 1990; Maslow, 2002; McClelland, 1985; Taylor, Locke, Lee, & Gist, 1984). According to Triandis (1994) more than 90 percent of research related to industrial and organisational psychology has been carried out in the centres of industrial development, mainly Northwestern Europe and North America.

This emphasis on Western theories and concepts can lead to the ethnocentric perspective that HR approaches are universally applicable. Convergent theories that promote to standardize HR concepts and to export the country of origin's "best practises" neglect the importance of the national culture.

The complexity of the term culture has been reflected by Kroeber and Kluckhohn (1952) who compiled a list of 164 definitions of culture. The following definition delivers a synthesis including cognitive, affective and behavioural aspects:

Culture consists of patterned ways of thinking, feeling and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups, including their embodiment in artifacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values. (Kroeber & Kluckhohn 1952, p. 181)

¹ Faculty of Social Sciences, Mahidol University International College, 999 Phutthamonthon 4 Road, Salaya, Thailand 73170

Dose (1997) defines work values as “evaluative standards relating to work or the work environment by which individuals discuss what is ‘right’ or assess the importance of preferences” (p. 228).

Due to significant characteristics of values such sensitivity, steadiness and influence on behaviour this study focuses on values when analysing cultural differences of Thai employees and German HR managers as well as challenges that arise from such value differences.

Hofstede (1991) and Triandis (1994) conducted research showing that Thailand and Anglo-cluster countries differ significantly in their cultural values. Hofstede’s (1991) findings show value discrepancies especially in the dimensions individualism/collectivism, masculinity/femininity, power distance and short/long term orientation. Therefore it is assumed that HR management approaches that focus on the individual, the task and direct communication towards superiors such as the concepts of management by objectives, career development talks, participatory decision making or cross-functional teams could conflict with the Thai national values for harmony, care and relationship building.

Thus, as a first objective, this study aims to analyse whether HR approaches of German headquarters that are based on German work values can be applied in German subsidiaries in Thailand and will motivate and engage Thai employees. Interviews shall deliver an explanatory approach aiming to identify and to better understand challenges that occur when trying to implement German HR approaches.

Whilst convergent strategies focus on the business practices and culture of the head quarter, divergent approaches aim to localize business practices as to consider the culture of the host country (Frenkel & Peetz, 1998). As a second objective, rather than looking for solely convergent or divergent approaches the study aims to analyse and to suggest to which extend to adapt, defend or hybrid HR concepts of German MNC’s based in Bangkok.

Though existing quantitative value studies describe and compare value differences of a large number of different countries, they do not deliver an in-depth analysis of each culture and its value systems; neither do they deliver explanatory approaches on how to overcome challenges that arise due to cultural differences in the work field. Qualitative research studies that discuss the adaptation of HR approaches of German companies to the Thai national culture are scarce.

Literature Review

When elaborating whether HR strategies can be applied in Thai subsidiaries the influence of the national as well as the organizational culture has to be considered. Edgar Schein (1985) defines organizational culture as:

A pattern of shared basic assumptions that a group has learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems. (p. 12)

Strong value differences lead to the assumption that HR concepts of German headquarters cannot be universally applied. According to cross-cultural value studies (Hofstede, 1991; House, 2004; Schwartz, 1994; Trompenaars & Hampden-Turner, 2004) that have analysed work values across the globe, Thai employees compared to German employees value collectivism over individualism, harmony and cooperation over controversial discussions as well as guidance and power distance over autonomous work and task orientation.

Table 1 shows value differences between Thais and Germans based on Geert Hofstede's cultural dimensions:

Table 1

Hofstede's Cultural Classification by Country

Country	Individualism	Masculinity	Power Distance	Long term orientation
Thailand	20	34	64	56
Germany	67	66	35	31

Source: Hofstede (1991)

Due to the value for power distance and for being humble (Komin, 1991) it is assumed that Thai employees will be less direct and assertive when being asked to take part in decision making, to assess themselves and to share their career aspirations with their superiors.

HR approaches that ask for strong self-management such as management by objectives, also known as management by results, are assumed to conflict with the need for the collective and the need for guidance. In Thailand a paternalistic leadership style focusing on guidance and care is often applied whereas in Germany participative and delegative leadership styles that support self-directed work are more commonly practised (Selvarajah, Meyer, & Donovan, 2013).

Roongrerngsuke and Cheosakul (2001) surveyed HR functions within some of the leading organizations in Thailand. Their findings show a preference for a guiding leader who earns authority through commitment and by taking a caring role of a father figure. As a survey by Chianuvati and Granrose (2008) shows: "The highest-rated career tactic among Thai firm managers was building a rapport with subordinates" (p. 127). Wattanasupachoke (2006) studied employees from 126 companies and asked to rank the importance of human skills. Human skills were ranked as the most significant skills that Thai executives should possess.

HR approaches that focus on task and achievement orientation such as career development could furthermore conflict with the Thai value for status and for femininity (Hofstede, 1991). The cultural dimension "achievement versus ascription" by Trompenaars and Hampden-Turner (1998) shows a strong ascription orientation among Thais compared to a stronger achievement orientation among Germans. Chainuvati and Granrose (2001) lead interviews with 42 companies in Thailand and found that the top five career goals of Thai managers were friendship, promotions, security, contribution to family and wellbeing.

Siengthai and Bechter (2001, p.149) define the most important values of the Thais as social values, such as *kreng jai* (respect); *bunkhun* (reciprocity of goodness; exchange of favors); *jai yen yen* (take-it-easy); *mai pen rai* (never mind); *sanuk* (fun) and *nam-jai* (being thoughtful, generous, and kind).

A comparative study of Thai employees working in Thai and American airlines by Limpanitgul, Boonchoo, and Photiyarach (2014) shows that affective as well as normative organizational commitment of Thais working in Thai airlines is significantly influenced by co-worker support. In a recent examination of the frequent use of the expression “*mai pen rai*” in Thailand Panpothong and Phakdeephassook (2012) refer to its function of re-establishing social harmony. The importance of social harmony could hinder the successful implementation of cross-functional teams that are set up only for short periods of time and focus more strongly on completing the task than on relationship building.

According to Trompenaars and Hampden-Turner (2004) in specific cultures, each person's life is divided into various components though people tend to only enter one at a time. In Thailand, as being defined a diffuse culture, people tend to see things as a whole, with different elements as interdependent which can be related to the tendency to fuse work and private spheres. A study by Rathje (2004) on conflict management shows that teams in Thailand tend to be more strongly influenced by emotions whereas in German offices relationships are kept rather neutral and goal oriented.

Stehle and Erwee (2007) surveyed attitudes of German and Thai managers working in subsidiaries in Thailand. Contrary to the German managers, Thai managers stated that German leadership principles have to be adapted and modified. Studies conducted by Lawler, Siengthai and Atmiyanandana (1997), Rathje (2004) and Scherm and Süß (2001) ask for divergent approaches in companies in Thailand where the majority of employees are of Thai nationality and thus where the company's reality is determined by actions that are based on values derived from the national culture.

Based on the literature review it is assumed that German managers will face difficulties when applying HR concepts that are based on German values when working with Thai employees. It is also assumed that German managers face challenges accepting and adapting to values that are so different from their own cultural background.

Methodology

As the research analysis shows cross-cultural quantitative value studies are discussed frequently. However, quantitative comparative studies often fail to consider the specific context of each culture and work place and lack suggestions on how to adapt HR concepts to the host country's culture. Qualitative research that delivers an in-depth analysis of challenges that can arise due to cultural differences when applying HR practices in Thai subsidiaries of German MNC's are scarce. Especially suggestions on how to adapt and hybrid HR approaches of German companies in Thailand have been relatively ignored in the literature.

To explore such suggestions by analysing the experience and the meaning behind the messages of the interviewees a qualitative research approach was chosen. The researcher

applied the grounded theory (Glaser & Strauss, 1967) as to develop an in-depth understanding of the participants experience with help of open coding and by grouping repeated ideas, concepts and elements. Grounded theory suggests that people develop meaning through social interaction, experience and symbols which build their behaviour (Baker & Stern, 1992). Seeking to define social processes in a cultural context the research method is suitable as it allows theory reference, following step models and a system of categorization (Mayring, 2000).

Selected HR approaches and methods applied by German companies that were assumed to conflict with the Thai business culture such as self-assessment in career development, management by objectives, participation in the company's vision building and cross-functional work teams were introduced to the interviewees. The interviewees were asked to define and elaborate possible challenges when applying such concepts and were encouraged to make suggestions for alternative approaches.

While assessing qualitative data for repeated ideas and concepts open categories were built to define challenges due to cultural differences. Further open categories were built to define emerging themes on how to adapt and hybrid HR concepts. Written material was evaluated according to the previously built categories, which were revised in a feedback loop and finally described with the terminology and concepts of cultural constructs as defined in existing research studies.

Eight MNC's, German owned companies or Thai-German joint ventures with subsidiaries in Bangkok, were interviewed for sixty minutes. The author of this paper utilized an interview guideline. The structured interviews were then transcribed, translated and evaluated with help of a qualitative content analysis during 2010 and 2011.

The following companies were interviewed: Beiersdorf Thailand Company Limited, DaimlerChrysler (Thailand) Company Limited, BASF (Thai) Company Limited, Lufthansa (Thailand) Limited, Merck Limited Thailand, Amata B. Grimm Power Limited, DKSH (Thailand) Limited, and Beer Company Limited. Companies with at least 200 employees were selected as institutionalized HR structures were assumed to increase with the company size.

As to ensure that participants had sufficient practical experience and a sound understanding of HR approaches of both countries, Thai or German HR managers or managing directors of subsidiaries in Bangkok with clear HR responsibilities and work experience in Bangkok and Germany, were interviewed.

When interviewing participants on possible challenges that could occur when introducing HR concepts of German headquarters to subsidiaries in Thailand, questions such as the following were being asked:

"Imagine a Thai employee will be asked during a career development talk to describe his/her vision and objectives regarding his/her future development in the company. Could challenge arise due to cultural differences? If so could you please further describe those challenges."

When interviewing participants on how to adapt HR concepts of German headquarters to subsidiaries in Thailand, questions such as the following were being asked:

“Could you give suggestions on how to encourage a Thai employee to define his/her vision and objectives regarding his/her future development in the company whilst limiting conflicts that could arise due to cultural differences?”

Research Findings and Discussion

The Eight German owned companies or Thai-German joint ventures with subsidiaries in Bangkok were interviewed on challenges that might arise when applying different HR approaches based on German work values in Thai subsidiaries.

The following HR approaches were introduced to participants as to analyse possible challenges: Career development talks with help of self-assessment, management by objectives, participation in developing the companies' vision and objectives, brain storming as well as cross-functional teams.

The majority of participants stated that none of the introduced HR approaches could be applied in the same manner as they are in Germany. Only one company with a very strong organizational culture said they would successfully work with the above HR approaches.

Significant emerging themes on cultural challenges that would hinder the introduction of HR concepts based on German work values were: the importance of leadership, guidance and ascription in Thai subsidiaries, the necessity of building relationships and the values to be humble and modest.

Many participants concluded that since they could not apply the HR approaches based on German work values they therefore could not reach the intended goals. However HR managers also suggested certain conditions that needed to be given as to consider the Thai values whilst trying to reach the goals of the company.

Main themes that occurred when assessing conditions were: a company culture of harmony and care, indirect feedback, a situational leadership style that reacts to the values of the Thais, humor (sanuk) to encourage creativity as well as cooperation and the preparation of open discussions. (ATTSIT).

Emerging themes - Challenges

Leadership guidance and the value for ascription. Most interviewees stressed the difficulty to encourage self-reflection and self-directed work which would conflict with the Thai values for “leadership guidance” and “respecting status” as shown in the following statements:

“If the upper management says this is the way it is supposed to be then there will be usually no more discussion even though people often have good ideas.” (Managing director, company B)

“When working in teams employees are ranked according to age, position, income level and nationality. Whereas in Germany employees could work in

all kinds of teams and could even accept the boss being in one team the boss and working in the other team on the same level as his staff. This would not work here.” (Managing director, company A)

An orientation towards ascription rather than towards the task was emphasized by many participants and said to be a barrier when motivating employees to develop career goals and to participate in the goals and vision of the company. Study participants described this motivation as “striving for status”, “needing recognition” and as “title-driven”. An interviewee stated:

“So I asked my subordinate: ‘Where do you see yourself in five years?’ He answered: ‘Can I become a manager?’ ‘What do you mean by manager? It should be more specific.’ The employee answered: ‘I earn more money, I get a better title, people recognize me and I get a company car or have my own office.’” (HR manager, company H)

Value to be humble and to focus on the present moment. Interviewees stressed the need for being humble which was said to reduce initiative when developing career goals or when taking part in discussions. Participants described how staff might answer a question on strengths and weaknesses in a career development interview:

“Thai employees might answer, ‘I have a lot of weaknesses’, to demonstrate that they are humble. It is a form of respect, called “kreng jai”. For example, if I rate myself with a 6.0 and the manager says, ‘Oh no, you are better you deserve a 7.5’, that’s fine. If I rate myself with 9.0 and the boss says, ‘No you are a 7,5’, then I lose my face.” (HR manager, company E)

“Thai employees have a tendency to think, ‘Hey if I deserve it my boss will give it to me’. So they will not ask for it. In one case they deployed an Assessment Center and people said ‘Ok I don’t want to go there. If I deserve it you have to promote me.’” (HR manager, company D)

Little initiative to strive for career goals and to lead controversial discussions was furthermore explained with the aim to pursue a balanced, pleasant, harmonious, joyful life in the present moment which does not have to be directed towards goal achievement, career development and controversy.

“Little motivation to try to plan and control life is maybe a consequence of the attitude that life cannot be controlled. This might be experienced negatively by Westerners. I think maybe it is not negative, maybe they are all right here. It can be all over tomorrow. Maybe it’s the right thing to live in the present moment. Though actually it is not about right or wrong, it is just different.” (Managing Director, company A)

Relationship building versus task orientation. The value for relationship building was regularly emphasized by the interviewees. It was suggested to respect its importance as to create loyal teams and to increase satisfaction:

“I think good teamwork for the Thais is very different from the West. It means nobody hurts the others feelings. You have to do more harmonizing, compromising, trying to create an environment where everyone is happy.” (HR manager, company E)

“Employees in Germany often prefer their own room. Those who have their office next to each other send each other email invitations for lunch. In Thailand we have an open environment. Thais are more relationship based compared to the German culture.” (HR manager, company H)

“When the typical expat leaves after three to four years then that could mean loss of relationship since the Thai might not trust in the function but in the person. If an expat leaves we start at zero again.” (Managing director, company C)

Relationship orientation was said to increase loyalty but also to hinder task orientation, controversial discussions and cross-functional team building as the following comments show:

“Specific forms of teamwork, such as project teams that are only set up temporary and cross-functional teams usually do not work here as they focus on the task and ask for cooperation with colleagues you might not know.” (Managing director, company C)

“Working with someone you do not like, this would not work in our company. People either love each other or they don't like each other and that means little or no cooperation. This is also reflected in our employee surveys.” (Managing director, company B)

The sensitivity of the concept of losing face was emphasized as it could apply even with group members working on the same level and as it could decrease task orientation.

“If there are four people in the group and they are all on the same level who shall present the project results? If one is chosen he will feel bad as the others lose face. He will try to make the others feel good during the presentation. In the end it is not anymore about the task but about the complex issue of social interactions.” (Managing director, company F)

Moderating Factors

Study participants mentioned different factors that could influence values, behaviour and competencies of employees. The influence of Buddhism was stressed. Employees with a low status might accept their position and show little initiative and planning due to the concept of Karma as a predetermined position in life. The focus on self-fulfilment could conflict with the Buddhist concept to free oneself from all cravings. Initiative in group discussions might not be easily aligned with the Buddhist value for modesty as to not out-shine others.

The educational system was said to have a negative influence as students would often be discouraged to demonstrate creativity in school. Long term planning, defining abstract goals and controversial discussion were also said to be neglected. A participant described how at a career exhibition graduates asked what the company could offer them instead of stating what role they were interested in. Parents and the school system were said to provide too much comfort and would discourage independent thinking and individual decisions.

The influence of the generation was emphasized by the participants. A study by Pimpa (2012) showed younger generations in the Thai public sector to become more individualistic and more appreciative of Western management concepts.

Emerging Themes - Conditions

Company culture of harmony and care. Interviewees suggested to establish a company culture of trust and harmony with help of an empathetic leader, who provides positive feedback and who carefully observes his employees, trying to sense their feelings and needs. Such a company culture could encourage employees to exchange openly and to participate during career development talks or brain storming sessions. Other positive effects of a company culture of harmony and care were said to be increased loyalty and flexibility, very little fluctuation, high cooperation as well increased responsibility for oneself, for the team and in some cases for the company's results:

"The atmosphere at work is for many employees here the actual reason why they work for us and do not go somewhere else. If the atmosphere at work is not good employees tend to resign. Besides family, the team at work provides the strongest social connection employees share here." (Managing director, company F)

One of the participating companies worked especially successful with methods such as career development interviews, management by objectives and brain storming. The company's mission was characterized by their core values of care, trust and social responsibility. The management supported a creative, fun work environment as well as team activities supporting corporate social responsibility as to follow the value for care not only for the employees but for the society as well.

It was also emphasized that creating an open and respectful company culture takes time and depends on a committed leader:

"I think they are quite open and our company values here encourage an open and respectful culture. This is also because our former managing director was responsible for this company for many years and he established this culture here." (HR manager, company H)

Another participant suggested to overcome the difficulty of forming abstract future goals by creating an emotional rather than an analytical style of communication and an atmosphere as described with terms such as "comfortable", "nice" and "family oriented".

The importance of indirect feedback. Interviewees suggested to minimize bad feelings by giving indirect feedback, also described as “packaging ideas” and “moving the core a little bit”:

“If you ask someone, ‘Can you do this for me’, and they are enthusiastic then this is a strength. If he asks you if he really needs to do it then it is a weakness. We have to be sensitive, just telling someone, ‘This is your weakness’, could make him lose face.” (Managing director, company A)

“As to help to increase self-confidence and proactive behavior I would say, ‘You are really great at this task. You could be responsible for it and your old task we give to someone else who likes it.’ This way I do not need to say, ‘You are not good at what you are doing.’” (Managing director, company F)

Participants also suggested certain patterns of communication when providing indirect feedback, such as creating funny stories that involve everyone in the team or to point out the problem during a training program.

A situational leadership style. Most interviewees described the role of the leader as that of a care taker and a responsible “father figure”.

Many scientific papers refer to the paternalistic leadership style as the mostly applied leadership style in Thailand. Aycan (2006, p.449) describes the scope of responsibility of the paternalistic leader as: ‘creating a family atmosphere in the workplace’, “establishing close and individualized relationships with subordinates”, “getting involved in the non-work domain”, “expecting loyalty” and “maintaining authority”. The interviewees referred to these concepts emphasizing the importance of becoming part of a joyous, relationship based environment:

“If you compare a German team celebration with one in Thailand the Thai celebration would be a cheerful, entertaining event often with different games that people like to participant in. In Germany we come, drink a beer and are happy when we can go again. Here you have to say, ‘Here I am and I take part.’” (Managing director, company A)

In case employees would lack initiative when defining career goals as to respect hierarchies, participants suggested to work less with formalized methods that put pressure on employees but to show care and understanding through observation and informal conversations:

“Just start talking asking, ‘How are you feeling and how is your family?’, and then see what he will say. Do not put employees under pressure. They will start talking on their own. Try an approach and see if there is a positive reaction, if not be flexible and try something different.” (HR manager, company B)

A middle man of Thai nationality was said to be useful as Thais would hesitate to speak openly to a German manager if he does not know how to practise indirect communication.

Encouraging self-directed work and decision making with help of a participative leadership style as often applied in German companies can conflict with the value to respect power distance. One could react to this dilemma by focussing on the value *hen jai*, which reflects a more initial approach of showing respect compared to the value *kreng jai*, often defined as holding back due to respect (Holmes & Tangtongtavy, 2003).

Qualities of the transformational leadership styles that match with the values of the Thais are to “engage followers emotionally”, “understand others’ needs”, “focus on intuition“, “have close relationship with followers” and being “in touch with emotions”. Ashkanasy and Tse (2000, p.234) define the principle outcomes of transformational leadership as “affective commitment”, “creativity and innovation”, “appropriate decision-making” and “achievement orientation”. These outcomes match with the HR goals of German headquarters.

The concept of the leader as a coach (Hamann & Huber, 2000; Rückle, 2000) can help to encourage self-development with help of a nondirective empathic that focusses on care and guidance but at the same encourages self-directed behaviour.

A situational leadership style that allows to consider the values of the Thai employees for leadership, guidance, relationship building, care and joy but at the same time encourages the German HR approaches of participation, delegation and autonomy is suggested to be applied. Elements of a paternalistic, participatory, delegative, transformational and coaching leadership can be emphasized depending on the situation considering the competence, motivation and confidence of the employees (Hersey & Blanchard, 1977).

Humor encourages creativity and cooperation. Many participants considered *sanuk* as an important part of the work culture. Komin (1991) describes *sanuk* as a fun-leisure time resulting from behaviour patterns such pleasant and smooth face-to-face interpersonal interactions. In a study Chaiprasit and Santidhirakul (2011) conducted on happiness levels at work of Thai employees relationship building, quality of work life and leadership led to higher levels of happiness.

The interviewees also stressed the importance of relationship building and quality of work as to increase happiness and referred to positive outcomes of happiness such as increased performance, loyalty and creativity:

“Talking together, eating together and such as ice-breaker games help to encourage employees to cooperate better at work.” (Managing director, company A)

“Our HR tries to establish the idea “one team one goal”. That means we will have a trip with the entire company when the company targets are achieved. Not only the sales people can go but everybody. If business succeeds, everyone succeeds.” (HR manager, company G)

“Here we work until work gets done. This can be in rare cases at midnight. Of course, no one should be at work at 9 am the next day. This does not have to be mentioned. If people are still in the office at 8pm they know dinner will be paid by the company. It’s very important that everyone is happy. It’s

essential to consider the sanuk factor. This should always be the characteristic of our company." (Managing director, company B)

Interviewees emphasized that sanuk could encourage Thais to be more creative. This could be supported by organizing games and activities which can also create an atmosphere free of angst. Creativity and trust can support building a shared corporate vision. Workshops and think tanks could be applied in entertaining settings. Techniques besides brain storming that do not ask for direct verbal confrontation or abstract thinking but still encourage creativity, such as the ideas of brain writing or brain painting could serve as alternative approaches of information processing.

Preparing open discussions. Interviewees suggested adapting methods such as brain storming as to consider the Thai values and motives for harmony, relationship building, keeping face and power distance.

"The last two weeks I did a brain storming with a group of managers. We did a lot of pre work about 15 min to 30 min in the beginning, to do the ice breaking, to set up sort of preventive actions. So you need to prepare more. You need a good facilitator for the brain storming, like a moderator." (HR manager, company D)

An empathetic moderator can ensure a secure feeling and friendly atmosphere to encourage open exchange. Preparation can include clarifying expectations of each member, discussing interests and planned contributions as well as providing a written agenda. Participants also emphasized the concept of kreng jai, as to take another persons' feeling into account:

"People here should not work against each other. We are a team, we all belong together and if someone knows something better, that is great then we can all learn from him and if he is not so good at something, great then we can help him." (Managing director, company A)

As reflected in the interviews, Thai language has various expressions to show respect towards authorities. If these expressions are not known in the foreign language employees might feel less confident to speak up if they are not able to show consideration to other people and their feelings, especially to their superior. Not asking the superior to repeat himself can be another form of respect though it is detrimental in case the spoken word is not understood. To ensure agreement and participation despite language barriers, results could be written down and reviewed in the end. The language problem can also be overcome by allowing small-group discussion in Thai, with summaries later given in English.

Conclusion

The study aimed to analyse challenges that can occur when trying to apply HR concepts of German MNC's to the Thai business culture of their subsidiaries based in Bangkok as well as to make suggestions on how to adapt German HR concepts to the Thai culture.

Strong value differences showed that HR approaches based on German values such as forming a clear, challenging and self-fulfilling career vision can conflict with the Thai values for being humble, respectful as well as for relationship building and ascription. Open, direct discussions on different perspectives, participating in building a company's vision as well as cross-functional, temporary team structures, can be challenging due the value for power distance, harmony, considering others feelings, saving face and indirect communication.

Instead of applying HR approaches of German companies that conflict with the Thai values it was suggested that working towards strong relationships, empathy as well as trust and harmony can increase loyalty, engagement creativity and participation. As opposed to applying formalized methods an empathetic leader who observes carefully and who adapts to the situation was favoured. Interviewees suggested a Thai middle man as to reduce cultural misunderstandings.

Creativity and participation in discussions could also be increased with help of careful meeting preparation as well as with entertaining activities to prevent an atmosphere of angst. A moderator can help to understand controversy as a part of the creative process.

Self-reflection can be supported by applying indirect communication to keep face of oneself and others and as to be modest. Different strategies of indirect communication were presented by the participants. Leading group discussion at the same level of hierarchy can encourage open discussion as to consider the value to respect authorities.

The interviews showed that Thai national and work culture is influenced by factors such as education, international experience, gender and age. Furthermore factors that influence the company culture such as the industry and different management strategies have to be considered but were not reflected in detail in this study. The study suggests further research of MNC's with subsidiaries in Thailand whilst considering their complex organizational and cultural context.

References

- Ashkanasy, N. M., & Tse, B. (2000). *Transformational leadership as management of emotion: A conceptual review*. In N. Ashkanasy, C. E. J. Härtel, & W. J. Zerbe (Eds.), *Emotions in the workplace: Research, theory, and practice* (pp. 221-235). Westport, CT: Quorum Books.
- Aycan, Z. (2006). Paternalism: Towards conceptual refinement and operationalization. In K. S. Yang, K. K. Hwang, & U. Kim (Eds.), *Scientific advances in indigenous psychologies: Empirical, philosophical, and cultural contributions* (pp. 445-466). London: Sage.
- Baker, J., & Stern, P. (1992). Method slurring: The grounded theory/phenomenology example. *Journal of Advanced Nursing*, 17, 1355-1360.
- Chainuvati, V., & Granrose, C. S. (2001). Career planning and development of managers in Thailand. In J. B. Kidd, X. Li, & F. J. Richter (Eds.), *Advances in human resource management in Asia*. (pp. 117-135). Hampshire, UK: Palgrave.
- Chaiprasit, K., & Santidhirakul, O. (2011). Happiness at work of employees in small and medium-sized enterprises, Thailand. *Procedia-Social and Behavioral Sciences*, 25, 189-200.
- Dose, J. J. (1997). Work values: An integrative framework and illustrative application to organization socialization. *Journal of Occupational and Organizational Psychology*, 70(3), 219-240.
- Frenkel, S., & Peetz, D. (1998). Globalization and industrial relations in East Asia: A three country comparison, *Industrial Relations*, 37(3), 282-310.
- Glaser, G., & Strauss, L. (1967). *The discovery of grounded theory: Strategies for qualitative research*. Chicago, IL: Aldine.
- Hamann, E., & Huber, J. J. (2000). *Coaching: Der vorgesetzte als trainer* [Coaching: The leader as a trainer]. Leonberg: Rosenberger Fachverlag.
- Hersey, P., & Blanchard, K. H. (1977). *Management of organizational behavior: Utilizing human resources* (3rd ed.). Englewood Cliffs, NJ: Prentice Hall.
- Herzberg, F., Mausner, B., & Snyderman, B. (1959). *The motivation to work*. New York, NY: Wiley.
- Hofstede, G. (1991). *Cultures and organizations: Software of the mind*. London, United Kingdom: McGraw-Hill.
- Holmes, H., & Tangtongtavy, S. (1997). *Working with the Thais*. Bangkok: White Lotus.
- House, R. J., Paul, J. H., Mansour, J., Peter, W. D., Vipin, G. (2004). *Culture, leadership, and organizations: The GLOBE study of 62 societies*. Thousand Oaks, CA: Sage.
- Komin, S. (1991). *Psychology of the Thai People: Values and behavioural patterns*. Bangkok: National Institute of Development Administration.
- Kroeber, A. L., & Kluckhohn, C. (1952). Culture: A critical review of concepts and definitions. *Harvard University Peabody Museum of American Archaeology and Ethnology Papers*, 47(1), 170-181.
- Lawler, J., Siengthai, S., & Atmiyanandana, V. (1997). HRM in Thailand: Eroding traditions. *Asia Pacific Business Review*, 3(4), 170-196.

- Limpanitgul, T., Boonchoo, P., Photiyarach, S. (2014). Coworker support and organizational commitment: A comparative study of Thai employees working in Thai and American airlines. *Journal of Hospitality and Tourism Management*, 12(21), 100-107.
- Locke, E., & Latham, G. (1990). *A theory of goal setting & task performance*. Englewood Cliffs, NJ: Prentice Hall.
- Maslow, A. H. (1977). *Motivation und persönlichkeit*. Reinbek Bei Hamburg: Rowohlt
- Mayring, P. (2000). *Qualitative Inhaltsanalyse: Grundlagen und Techniken* [Qualitative content analysis: Basics and techniques]. Weinheim, Germany: Deutscher Studien Verlag.
- McClelland, D. C. (1985). *Human motivation*. Glenview, IL: Scott, Foresman.
- Panpoothong, N., & Phakdeephassook, S. (2012). The wide use of *mai-pen-rai* 'It's not substantial' in Thai interactions and its relationship to the Buddhist concept of *Tri Laksana*. *Journal of Pragmatics*, 69, 99-107.
- Pimpa, N. (2012). Amazing Thailand: Organizational culture in the Thai public sector. *International Business Research*, 5(11), 35-42.
- Rathje, S. (2004). *Unternehmenskultur als Interkultur: Entwicklung und gestaltung interkultureller unternehmenskultur am beispiel Thailand*. Sternenfeld: Wissenschaft & Praxis.
- Roongrerngsuke, S., & Cheosakul, A. (2001). Overview of HRM in Organizations in Thailand. *Sasin Journal of Management*, 7(1), 1-26.
- Rückle, H. (2000). *Coaching: So spornen Manager sich und andere zu Spitzenleistungen an*. Landsberg/Lech, Germany: Verlag Moderne Industrie.
- Schein, E. H. (1985). *Organisational culture and leadership*. San Francisco, CA: Jossey-Bass.
- Scherm, E., & Süß, S. (2001). *Internationales management: Eine funktionale perspektive*. München, Germany: Vahlen.
- Schwartz, S. H. (1994). Beyond individualism/Collectivism: New cultural dimensions of values. In K. Uichol, H. C. Triandis, & H. S. Hakhoe (Eds.), *Individualism and Collectivism—Theory, Method and Applications* (pp. 85-119). Thousand Oaks, CA: Sage.
- Selvarajah, C., Meyer, D., Donovan, J. (2013). Cultural context and its influence on managerial leadership in Thailand. *Asia Pacific Business Review*, 19(3), 356-380.
- Siengthai, S., & Bechter, C. (2001). Strategic human resource management and firm innovation. *Research and Practice in Human Resource Management*, 9(1), 35-37.
- Stehle, W., & Erwee, R. (2007). Transfer of German MNEs HR to Asia. *Research and Practice in HRM*, 15(1), 63-88.
- Taylor, M. S., Locke, E. A., Lee, C., & Gist, M. E. (1984). Type a behavior and faculty research productivity: What are the mechanisms? *Organizational Behavior and Human Performance*, 34, 402-418.
- Triandis, H. C. (1994). Cross-cultural industrial and organizational psychology. In H. C. Triandis, M. D. Dunnette, & L. M. Hough (Eds.), *Handbook of Industrial and Organizational Psychology* (pp. 103-172). Palo Alto, CA: Consulting Psychologists Press.

- Trompenaars, F., & Hampden-Turner, C. (1997). *Riding the waves of culture: Understanding diversity in global business* (2nd ed.). New York, NY: McGraw-Hill.
- Trompenaars, F., & Hampden-Turner, C. (2004). *Managing people across cultures*. Chichester, England: Capstone Publishing.
- Wattanasupachoke, T. (2006). Managerial styles of Asian executives: The case of Thailand. *International Journal of Social Sciences*, 1(1), 7-13.