

EXPAT SOCIETY



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OLIVER FALL

An Expat Kid
Who Came Back

IN THE GHETTO

Vibrant
International Enclaves

**THE
300 LIST**

THE DEFINITIVE GUIDE TO
THAILAND'S LEADING EXPATS

AMLAND
TLER

THAT'S GETTING PERSONNEL!

A RECENT SURVEY OF EXPATS WORKING IN THAILAND FINDS THAT THEIR PATH TO EFFECTIVENESS IS USUALLY STEEP AND LONG. FROM THESE DATA THAT ALSO INCLUDE INSIGHTS FROM THAI BUSINESS LEADERS, EXECUTIVE COACH JEAN-FRANCOIS COUSIN GLEANS PEARLS OF WISDOM – LIKE BUILDING STRONG PERSONAL RELATIONSHIPS WITH EMPLOYEES – TO HELP FOREIGNERS AVOID CULTURAL PITFALLS AND PROMOTE SUCCESSFUL COLLABORATION WITH THEIR THAI COLLEAGUES



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CCORDING TO A SURVEY BY THE DUTCH AND FRENCH CHAMBERS of commerce and consulting firm 1-2-WIN, expats need an average of 13 months to become fully effective in the Thai workplace. It found that major differences between Thai and Western leadership and core-values make the expat learning curve quite steep and fraught with hazards. The survey also highlighted other key issues: common mistakes new foreigners make, what expat personality is most at risk of failure, what are Thais' expectations of expat managers in terms of skills and behaviour, significant differences between Thai and Western workplace values and leadership models, barriers to communication for Thais and most important, suggestions to help expats excel in cross-cultural work situations in the Land of Smiles.

"Thai employees in general are hard-working, willing to contribute and do the best they can," says Alan Miu, country general manager of TNT in Thailand, in the 2008 survey that polled 300 executives from 120 companies and interviewed 28 Thai and foreign business leaders. Echoing this sentiment is Hanno Kroemer, TNT's finance director, "When you have Thai employees on board, everything is possible: you can achieve what you want at a fast pace." Other expatriates interviewed add that "Thais can be incredibly loyal", are "eager to learn", are "good fun to work with", "have a can-do attitude" and "don't hesitate to make occasional sacrifices like working on holidays or overtime". In contrast, a number of foreign managers complain about the lack of cooperation and the poor results they get from their employees in Thailand. Who gets it right, who doesn't and why?

MISTAKES, DESPITE GOOD INTENTIONS

While Thais in general extend a sincerely warm welcome to expatriates and both groups normally nurture the best intentions to work together effectively, the road to success for foreigners working here is usually not straight or smooth; most make serious mistakes before they get it right. Common blunders foreigners make in Thailand include displaying arrogance and underestimating Thai employees' capabilities, publicly blaming or expressing disagreement with a Thai colleague, ignoring Thai cultural values, comparing Thailand unfavourably with other countries, rushing to change things before understanding a situation, being impolitely too direct, using inappropriate body language, misinterpreting a yes or a smile, lacking flexibility and relying exclusively on money as a motivator.

Although Thais that are aware of Eastern-Western cultural differences will usually forgive a foreigner's faux pas for a while, an accumulation of mistakes will likely discourage them from giving their full support to a boss or colleague over time. Prominent business leaders interviewed in the survey concur. Bruno Charvet, deputy



BOSSY BLUNDERS

ABOVE Expat managers can build strong goodwill by being polite and patient with their Thai colleagues and avoid difficult and costly missteps

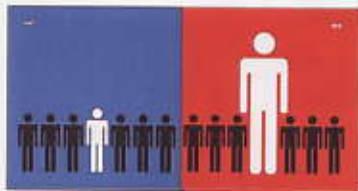
managing director of Mazda in Thailand remarks, "The first mistakes expats usually make are being impatient and discourteous, wanting to go too fast and losing their temper in front of staff." Vongthip Chumpani, an adviser at Bangkok Bank, adds, "Foreigners should not criticise or scold employees with subordinates or peers present." Panya Pongtanya, general manager of Thai Asia-Pacific Brewery, which produces Heineken beer here, advises, "Foreigners should not say something like, 'this is being done in other countries', because Thai people will feel very offended." Jorge Pinedo, general manager of Mead Johnson Nutrition Thailand, adds, "Some foreigners come to Thailand and try to change the world; it is a critical mistake to be inflexible and to not make a sincere effort to adapt."

SELF-RELIANT, HIGH-ACHIEVER EXPATS: BEWARE!

The expat profile at greatest risk of accumulating such mistakes is the high-achiever, self-reliant



THE FLEXIBLE
strength of bamboo is
MORE EFFECTIVE
THAN *the rigid strength*
of AN OAK



FAMILY VALUES

FROM TOP

Building a team in the Thai workplace means first building strong personal relationships; working hard doesn't mean a hard heart – a little humour goes a long way; in the West, the boss is a leader among equals, but in Thailand, he is analogous to a respected family elder and the team is his extended family

type. Highly successful in previous assignments elsewhere, in a rush to deliver solid results quickly, he or she neglects to invest sufficient time in understanding how to work effectively here and is bound for frustration. Rajesh Sethi, president and CEO of ING Life, confirms, "High-flyers who have achieved a lot in the West come here with a 'let's get things done fast' attitude and then they find they hit a wall." Henk Kiks, CEO of B-Quik, adds, "Some multinational companies say, 'If anybody wants to work with us, they've got to follow our company culture, and we don't care about the local culture.' That attitude doesn't work here." By analogy, for foreigners, employing the flexible strength of bamboo is definitely more advisable than the rigid strength of an oak in order to get results and avoid burnout.

WHERE EXPATS FAIL IN THE EYES OF THAI COLLEAGUES

The survey also reveals that beyond common mistakes, Thais' expectations from expats in terms of skills and behavior include being open-minded, expressing ideas clearly and listening well, making appropriate decisions based on good analytical and problem solving skills, controlling one's emotions and not getting angry easily, being respectful of Thai culture, being easy to talk to and motivating employees. These seem like a fairly standard wish list and possible to satisfy in most cultural settings, but when asked to rate expats' performances, Thais give rather low scores regarding their ability to motivate, emotional control, decision-making, problem-

solving and listening.

Closer examination of the survey results identify that showing appreciation, recognising achievements and being polite are motivational drivers that some expats don't use enough. As for expats' weaknesses in decision-making and problem-solving in the opinion of Thais, they may well be rooted in insufficient consultation, poor listening and ineffective communication. Winfried Kiesbueye, managing director of CEVA Logistics advises, "Always involve your management team and share your success with your staff; you can do small things like recognition, awards and team-building sessions."

IN THAILAND, A BOSS MUST CARE GENUINELY ABOUT SUBORDINATES

Interestingly, asking Thais and foreigners what is most important at work usually elicits significantly different answers. Whereas foreigners will generally focus on achievement, Thais will more likely highlight personal relationships, which does not imply they achieve any less. Since childhood, Westerners are familiar with an environment that encourages them to be goal oriented and accountable, analytical and critical, straight-forward and assertive, creative and to take initiative. In contrast, Thais grow up being taught to value caring for each other, letting others save face, avoiding conflict, humility, keeping bad feelings and criticisms to one's self and respect for hierarchy and seniority.

In addition, whereas the prevalent Western leadership model is participative, with the boss



getting respect for his or her knowledge and wisdom and exercising authority based on rules and regulations, the traditional Thai leadership model appears more directive and truly caring, with the boss inspiring *boonkhun* (loyalty) for sincerely caring about his staff and developing his or her authority through strong relationships and seniority.

Given such differences in values and leadership models, it's no surprise that Thais in the survey gave low scores to foreigners on conflict management and investing in personal relationships. Patara Yongvanich, managing director of SAP in Thailand and the Philippines, advises, "Understand the core value system of Thais, how they are motivated, how they were raised and how they are taught to behave as adults." He adds that, "to manage effectively in the Thai business environment, you have to understand that most of your team members have a strong concept of family, which means that you really have to emphasise relationships, getting to know each of them on a one-on-one basis, how they're doing in their personal lives and how their families are doing. This could even include such details as what pets they have and what are their hobbies. Looking at relationships in this way will help you bridge the cultural gap of being an outsider foreign manager to working very effectively in a Thai company."

Prakorn Makjumroen, chairman and CEO of Philips, agrees. "I suggest that when a foreigner starts a job here he have one-on-one sessions with his direct subordinates, not so much on work, but rather to understand each of them as

WORD PLAY

FROM TOP LEFT
The expat manager needs to confirm a Thai employee's exact meaning when he says yes or smiles; team building events outside of the formal office environment help managers and employees develop the all-important personal bond

Managing the Thai Workplace Learning Curve

TRUST AND RESPECT YOUR THAI COLLEAGUES FIRST, THEN BUILD THEIR TRUST AND RESPECT FOR YOU

Hein Swinkels, Unilever vice president for finance, says, "Thais will accept you as a boss and try to please you from the beginning, but getting deeper, real trust, takes at least six months. If you leapfrog this period, it will cause a lot of trouble later on."

CREATE AN EXTENDED FAMILY AT WORK

Patara Yongvanich of SAP points out that Thais seek an extended family environment at work. "In Thailand, people don't care how much you know until they know how much you care." Jorge Pinedo of Mead Johnson Nutrition Thailand adds, "It is very important in Thailand to truly, genuinely invest in personal relationships; Thai people will know if it's genuine, so it has to come from the heart."

DON'T RUSH! LISTEN, LEARN, ADAPT, THEN ACT

Suchada Ithjarukul, president of Siam Makro, notes, "Some people try to copy and implement their experience in other countries without adapting to the local environment." It just doesn't work here.

SHARE YOUR VALUES AND CLARIFY PRIORITIES AND EXPECTATIONS UPFRONT

Arunee Jittanon, corporate sales director at Wall Street Institute, advises, "Values are very sensitive and misunderstandings about them can create big problems so you must clearly communicate them. For example, an employee might not consider punctuality or complete truthfulness as being that important - a little lie might be OK - but if that offends your values, you have to make that clear."

CREATE A SAFE AND FRIENDLY ATMOSPHERE AT WORK

Maris Tarab, ING Funds managing director, says, "When you deal with Thai people, you have to work like a friend; if you can win their hearts, they will work for you for a lifetime."

NEVER LOSE SELF CONTROL

Adopt the Thai concept of *jai yen* to stop you from burning bridges

MANAGE COMMUNICATIONS

Ensure clarity of understanding, yours and your Thai colleagues'. Probe beyond a yes or a smile.

DEVELOP AND COACH YOUR TEAM MEMBERS

Involve your team as much as possible and deliver results visibly and with humility.



COMMUNICATION BREAKDOWN

ABOVE Expat managers should be aware of the multiple reasons why an employee or colleague might not feel comfortable sharing information in a group setting

FOREIGNERS *must create a risk-free space* FOR COMMUNICATION *if they want to get valuable ideas and* ANALYSIS

people," he says. "Find out their backgrounds, their likes and dislikes, what they find interesting in their jobs, what they think the company should do differently. After a week, you will understand your team much more and your priorities for the first 100 days will become much more clear."

TO SPEAK OR NOT TO SPEAK? A SENSITIVE QUESTION FOR THAIS

Another important point for expats to keep in mind is that barriers to communication can be more numerous for their Thai colleagues than for themselves. Several factors are likely to influence a Thai executive's or subordinate's decision to speak up, such as English fluency ("can I translate properly what I want to say?"), clarity

of thought ("are my ideas clear enough to communicate them?"), self-confidence ("am I sure that my input is worthwhile to others?"), respect for seniority ("am I in a high enough position to express my ideas?"), humility ("is there a risk that others will perceive me as arrogant even if I offer good suggestions?"), urgency ("can I wait for a more comfortable situation?") and fear of rejection. With all of these considerations racing through Thais' minds during a meeting, to speak or not to speak can really be a big decision for them. Therefore, foreigners must create a comfortable, risk-free space for communication if they want to get valuable ideas, criticism and analysis from Thai employees.

IT'S NOT WHAT IS SAID, IT'S WHAT IS HEARD

The onus is on expat managers to make sure that their staff understands them. "One of the most common mistakes foreigners make is to assume that if there are no questions everybody understands," says Sethi. Peter Cauwelier, executive vice president for Essilor-Asia adds, "Be aware that most Thai people generally don't think, don't reason, don't reflect in the language that you are using with them. It seems counter-intuitive, but they sometimes feel that it is easier to get a problem over with by giving the impression to the manager that they are clear about the assignment even if they're not." Dr Pisit Leehtam, former government finance minister and Netherlands-Thai Chamber of Commerce president, notes, "Sometimes when Thais say yes, it's not exactly the yes that foreigners think it is." Pinedo reinforces, "Be very clear with communication; it's



not always what is said, but what is heard. It is imperative to verify the person's understanding."

RESIGNING? NOT SUCH A BIG ISSUE FOR MOST THAIS

Whereas most foreigners are accustomed to fairly high unemployment rates and attach high importance to compensation and benefits, Thais live with low unemployment and can often count on family support between jobs. Therefore, quitting a job is not necessarily such a big deal for them. And a common reason for them to resign is to follow to another company a manager with whom they enjoy a strong relationship. Kiks remarks, "Thai people like to work for big companies and big names, but in the end they work for people and that's a characteristic you will not find anywhere else in the world anymore." If an expat doesn't create a friendly and motivating enough environment or makes too many culturally related mistakes for too long, several Thai employees will likely resign, possibly at the same time. The consequences for the company can be very costly.

UNLEASH THAI COLLEAGUES' CREATIVITY

While the Western education system emphasises high interaction between students and teachers and nurtures creativity, the traditional Thai approach to learning focuses more on memorisation than critical thinking and creativity. However, Thais demonstrate remarkable creativity in many fields, design and the arts, for instance. Successful foreigners will testify that their Thai colleagues can interact in a very open, straightforward manner in meetings and think creatively. The manager's encouragement and recognition of the employee will nurture creativity, loyalty, confidence and motivation.

In conclusion, the survey's overriding insight for new expats comes from Sethi: "In Thailand, personal relationships perfect professional relationships." Indeed, getting personal with Thai colleagues enables expats to adjust their own attitudes, which in turn determines Thais' attitudes towards them. ■



TAKE IT SLOW

CLOCKWISE FROM TOP LEFT
The Western "let's get things done fast" attitude will likely hit the wall in Thailand; practising one-on-one sessions at a management seminar; recognising achievements is a high motivator; executive coach Jean-Francois Cousin

QUESTIONS TO ASSESS CROSS-CULTURAL LITERACY

Can you explain clearly the phrases *sam ruam*, *namchai*, *krengjai*, and *boonkhun*? How much do you know about your colleagues' families? How much time do you spend in one-on-one mentoring? How often do you recognise your colleagues' achievements? How often do you have a good time with your team? How often do you ask probing questions to check understanding? What's your fluency level in the Thai language? Do your Thai team members share opinions in meetings? How well do you deliver results in your Thai colleagues' opinion? How often do you lose your self-control at work?

NOTE: For a DVD of the survey contact the Franco-Thai Chamber of Commerce, tel: 0-2650-9613 or the Netherlands-Thai Chamber of Commerce, tel: 0-2664-1552. A 49-page survey summary can be downloaded at www.1-2-win.net/Download.html.