

essays

Thai Culture Meets Performance Appraisal

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ABSTRACT

Performance Appraisal spread out of the USA, in the 1970s, as part of the dissemination of modern systematic management practices, since accelerated by globalization. Appraisal is an attempt to evaluate the performance of an individual when compared to pre-set agreed job objectives and criteria. The evaluation is discussed with the individual, and new objectives set for the next period. The overall aim of the appraisal process is improvement in performance.

Noble though the concept is, the actual means of that measuring can be controversial in terms of accuracy. But the biggest obstacle to the appraisal process is the performance appraisal interview. It is seen as the biggest problem, with appraisers being reluctant to mention the "less than good" points, and the appraised disliking being an object, and feeling torn between deference to the boss-appraiser and wanting to protest about hurt dignity.

These problems exist in Western countries. How much more then is the problem of culture in many Asian countries, where confrontation is avoided, and frank speech is considered crude and insensitive, yet where hierarchical deference is strong? This paper describes the components of performance appraisal (set within a performance management system), and then considers the influence of Thai culture.

Several relevant aspects of Thai culture are considered, derived from Theravada Buddhism. Karma is an important fundamental concept which affects one's view of self and of others, and of relationships. Its consequences are Thai individualism, fatalism, and a hierarchical power structure. The conflict between individualistic freedom and deference to hierarchy is resolved by having two selves, inner and outer. Inwardly one preserves one's freedom and self-esteem. Outwardly one behaves to the boss with respect, being non-assertive and self-effacing. Thais are taught to avoid confrontation, so the usual "frank" discussions between a boss and a subordinate, held to be the desirable norm by many Westerners, are difficult in Thailand.

The paper concludes with the wider question of the erosion of aspects of culture.

Introduction

Performance appraisal is an important issue for organisations in Thailand. Yet although it is a technique increasingly practised, with many potential benefits to individuals and companies, it is also associated with a great many problems. This paper reviews the major aspects of appraisal systems, highlighting the problems, especially cultural problems.

After the 1997 financial crash, large Thai companies (including PTT and Thai Airways) seriously considered pay-for-performance systems, as opposed to seniority systems and automatic annual end-of-year bonuses (Cahill). Thai banks (including the Bank of Thailand) were also interested, and those involved in foreign partnerships automatically introduced these. All Thai banks, large and small, were said in 2000 to be moving towards international practices concerning performance: pay was to be linked to the bank's performance as well as to business units and individual performance, and performance assessment would be at the heart, using performance benchmarks and other criteria. Managers and supervisors would be expected to appraise and brief subordinates regularly on their performance and areas for improvement (Ingrisawang and Nivatpumin).

However, cultural issues soon revealed themselves in these Performance Management schemes. An international survey in 2006 found that Thai firms ranked bottom of the table, because of the narrow gap between performance awards for the outstanding and average performers, the ratio being 2:1, and the ratio for outstanding to bad being 2:7 (in Singapore the ratios are 1:9 and 9:1, Philippines 2:1 and 16:1, India 1:8 and 6:5). Thailand is the only country in the world where the differences in merit raises are almost insignificant. This is because of *krengchai* - the bosses do not want to get into conflicts with bad performers. The Director-General of a government bank said that using KPIs to measure individual performance should be implemented with caution in large conservative organisations (Siripunyawit).

Other cultural issues are: *sanuk*, the Thai love of enjoyment: work which is not *sanuk* is hardly worth doing, a healthy corrective for the Western obsession with work as an end in itself. The Thai attitude to time, another derivative of Buddhism, is in contrast to the Western obsession. The paper concludes with the wider question of the erosion of aspects of culture which are out of line with the global imperative of living and working according to a single set of practices, attitudes and values. This paper is the first, exploratory, stage in a research project. It will be followed by qualitative research, and possibly later by quantitative research.

We now turn to an examination of appraisal systems (as part of a performance management system) before returning later to the cultural problems of using them in Thailand.

A Performance Management System

A performance management system has three major components:

- Identifying Key Performance Areas (KPIs), linked to the company objectives;
- Setting Targets for each of these KPIs for the next period, with measurement criteria;
- Appraising Performance and communicating this (usually linked to a pay increment).

All three stages are meant to be mutually agreed by boss and subordinate. It is a continuous interactive process, rather than a once-a-year activity, because of the rapid change now experienced by most firms in most countries due to fierce competition and technology enhancements.

It used to be called "Management by Objectives" (MBO), designed by that genuine management genius Peter Drucker. The performance objectives in terms of challenging but achievable results, derived from the organisation's strategic business plan, are agreed with the job-holder. The actual appraisal later will evaluate the degree of achievement of those objectives. An MBO appraisal scheme is difficult to implement and maintain. It focuses on set goals, and therefore opportunities that subsequently arise may be missed, yet constraints which develop could be ignored in mitigation of apparent poor performance. MBO is best used where such objectives can be set, and in jobs where there is discretion to achieve them (Lawrence, "Performance Appraisal," 1975).

It can be difficult to define exactly and in advance the desired results and behavioural input. The apparent subjectivity of criteria has led some organisations to abandon appraisal, whilst others engage in a continuous determined search for more precision and objectivity. Although objectivity should be pursued, an obsessional approach can lead to a fruitless search for ever more objective appraisal criteria that are illusory (Grint). Another aspect of the same problem is that in these turbulent times whatever may be agreed in advance gets overtaken by change and then more change. As in other aspects of organisational life, systems have to be designed to accommodate not ignore change. For appraisal systems this means regular interim reviews.

Traditional appraisal schemes have been criticised for encouraging narrow individualism through not recognising teamwork. Yet it is possible to include this as a factor in an individual's objectives. However, it is not easy to distinguish the worth of different contributions to a team effort. It has been found that where organisations encourage teamwork and introduce this aspect into performance appraisal then the less fair such schemes appear to employees, because the individual feels that too much is beyond his personal control (Robinson).

Performance Appraisal

Performance appraisal is a management technique for identifying the individual's actual (compared to planned) contribution to the organisation. It is done for two major purposes: to reward performance (through recognition and a pay increment), and to improve performance (and it may also have an input into assessment of promotion potential). The fundamental objective is improvement, the improvement of individual and organisational behaviour. Reward is an incentive to improve. Although the appraisal itself is a review of the past, its purpose is future oriented. The expected performance contribution is defined in advance; the necessary resources including training are provided to support the future performance; any resulting pay is paid in the future; and identified improvement areas are planned for realisation in the future. This dynamic aspect of performance appraisal is best realised by making appraisal an integral part of a performance management system, itself integrated with other important aspects of strategic human resource management and thus with the strategic thrust of the organisation itself. It can be seen as a part of an integrative management system (Tan 31).

There are many potential benefits of a performance management/appraisal system:

Organisation Strategy and Goals

- It enables the organisation's strategy and goals to be translated into objectives and standards for individual job-holders.
- It contributes to the organisation's productivity and profitability through the improved performance of these individuals.

Individual Effectiveness

- An appraisal system enables individuals to focus their input on agreed objectives and standards.
- It helps them to do their jobs by providing the necessary identified resources and support.
- It improves performance by helping individuals to identify their strengths and weaknesses.
- The provision of training and counselling to meet needs identified in the reviews of performance enables the individual to improve performance.
- Through discussion about performance, ideas are stimulated for the improvement of the individual and the organisation.
- Through regular feedback on performance and the changing environment, the individual can better steer performance.
- Personal commitment to the organisation and the job is strengthened, through being involved in establishing strategically linked objectives and plans for improvement.
- Self-knowledge and self-development are encouraged through involvement of the job-holder in establishing how to meet the present and changing needs of the job.
- Misunderstandings, uncertainties and anxieties are reduced through regular performance reviews of plans and progress.
- Individuals are rewarded fairly according to their contribution as evaluated systematically.

Human Resource Practices

- An appraisal system provides valuable feedback on the selection process, manpower planning, training programmes, job design, and the pay structure.
- As human resources are the key factor in most organisations, the feedback from an appraisal system on their quality and commitment becomes an important input to the process of strategically planning the organisation's future.

In analysing all these benefits it is obvious that feedback on performance is at the heart of an appraisal system. A system must be designed to make feedback happen if the benefits are to be realised. That is not enough, for if the goal is improvement then learning must take place for the feedback to have an effect.

The Appraisers and Feedback

The appraiser is usually the immediate manager. This manager's appraisal is usually reviewed by a higher manager to ensure that it has been done fairly and objectively. Sometimes a committee is involved in this review process. The HRM department often exercises a coordinating and administrative function for the whole process.

The appraiser is involved at the start of the process in agreeing the criteria for performance, and in discussing with the employee the resources needed (including training) or possible impediments and constraints which might affect performance. During the performance period the appraiser observes performance or gathers relevant data. Interim feedback reviews are held at suitable intervals to discuss performance and the changing circumstances. The appraiser is thus involved in making, communicating, and discussing evaluations on the progress, performance and problems of the employee and the results achieved. To do this effectively, the appraiser needs a high level of cognitive and interpersonal skills.

It is common for the appraiser to seek other contributions and observations in the appraisal process. Self-appraisal is encouraged. Research on this suggests that people over-estimate themselves but this tends to happen where the appraisal is linked to pay and there is an overall rating (Meyer). It is better if the individual is asked to compare different aspects of the performance (to rank them) and focus on the development aspects. Self-appraisal is therefore particularly useful in the interim reviews away from the formality of end-of-year appraisals and if it focuses on future development. It has also been found that self-appraisal works best with poor performers, and less well with authoritarian managers where there are dependant relationships (Meyer).

Peer group appraisal is sometimes used. This is useful if there is a high content of personal interaction and when much observable information is available to the peers. It is not often used because peers dislike having to make judgements on their colleagues. It needs a high level of trust and cohesion in the group for it to work. Multi-appraisal is practised by some organisations. Peers, managers, subordinates and the individual all contribute to the appraisal. A variation, much less threatening, is group appraisal by all the relevant managers involved with the individual. 360-degree appraisal is where the boss is also appraised by subordinates (and others).

The Appraisal Interview

This is how the feedback is communicated and discussed, and improvement action agreed. It is thus a crucial feature of appraisal and relies heavily on the appraiser's interpersonal skills. The interview style will depend on those of the appraisal system and the organisation's culture. Most systems are "open" in that what is written on the appraisal form is shown or communicated to the individual. In some organisations however the system is "closed" with no communication. It is difficult to understand how a closed system can be seen to be fair and objective or how it can contribute to the major aim of improving performance through feedback.

In survey after survey, managers state their dislike of having to do appraisals. Some would rather visit the dentist than do an appraisal interview (Edwards). There are various reasons for this reluctance: the manager's perception of the scheme; the sheer mechanics and time involved; the manager's understanding and acceptance of its purposes and how it fits in to the rest of the organisation's systems; and how useful (or harmful) it has been in practice. Other reasons are connected with the issues of judging other people: not wishing to judge others; the sheer uncertainty of one's conclusions in the face of what is supposed to be measured; the difficulties of making observations; and the translation of such observations or other evidence into a judgement. The word "judgement" is frequently included in discussions of appraisal. It carries connotations of criminal courts and discipline, connected with blame and guilt.

Many appraisers face the interview with awkwardness and embarrassment. It is difficult enough having to write the appraisal in the face of all the above problems, but it is even worse having to say it, explain it, and be questioned on it, face to face with the person most closely concerned with its truth. Yet the attempt to make and communicate the appraisal must be made, and is made hourly and daily, for human beings are indeed natural appraisers of themselves and others. It is part of a manager's responsibility to monitor the performance of his unit and those individuals in it. In these turbulent times managers increasingly have to deal with uncertainty and imprecision, make decisions and take action in the face of incomplete evidence.

Rating: most appraisal systems incorporate an overall rating, whereby the appraiser has to select from a range of about five the rating which summarises the performance. Part of the dislike of the whole system stems from this. After all that observation, thought and evaluation, to have to condense it to a number attached to a brief definition seems like a perverse anticlimax. And

it is not unknown for the appraiser to decide the rating first and then write the appraisal to justify it.

A larger problem with overall ratings is that appraisers are reluctant to select other than the middle rating, that which usually has the words "good, competent, average" somewhere in the attached definition. This preference for the safe middle rating is probably due to the problems mentioned above, concerning non-objectivity and the difficult skill of evaluating others. It also avoids having to give bad news, or subsequently regretting having given excellent news. In subsequent years the tendency is for "rate drift," with appraisers being more generous to everybody. This seems to be justified theoretically as the aim of the appraisal process is to improve performance, so here is evidence of just that. That is too simple an explanation. The real reasons are often that managers like to be nice and to be well thought of by others, and there is an expectation by most individuals for higher awards and for everything generally to get better (Grint 68).

Faced with these rating problems, many organisations insist that the ratings for the organisation (or each division) should be subject to statistical regulation by being made to conform to a standard distribution curve. This causes another problem, in that appraisers and individuals then consider the whole thing to be dishonest and manipulated.

Appraisal information about an individual's performance can be as much a reflection of the organisation's way of doing things as about the individual's ability. It can also be a reflection of the manager's skill and methods in managing and leading. It really is important to consider constraints, in advance of, during, and at the end of the review period. Indeed the guru of the quality movement, W.E. Deming said that performance appraisal is one of the seven deadly diseases of management practice, because of this problem of distinguishing between an individual's input and the organisational systems within which this input has to operate. Furthermore he says that it is these organisational systems which are a greater influence on results than the individual's input.

There is no perfect system, but there can be a good fit. There is no universally appropriate performance appraisal system which fits all organisations in all countries. Ensure that it is integrated with the strategy, culture, and goals of the organisation. Appraisal should be seen as a process, not an event. It is really a learning process, for the whole organisation to learn and thus improve (Lawrence, "Performance Appraisal," 1996).

From the details above, we can deduce the key behaviours necessary to operate the appraisal system effectively, as its original designers intended.

These seem to be:

- Commitment: joint responsibility for making the system work, objective-setting and appraisal interview, action in implementing plans, and continuous review and improvement.
- Planning: objectives, schedules and responsibilities.
- Communication: discussion and feedback, openness, frankness, straight talking, and dialogue to reach agreement.

These three behaviours should be measured against Thai cultural constraints

Culture - Introduction

Culture is recognised to be an important issue when considering human resource practices or theories (Adler), and indeed most aspects of life (Lawrence, "Thai Cultural Attitudes to Liability Litigation"). Culture encompasses almost all social interaction. It is the intangible learned stuff, conscious and unconscious, the cement that binds people as a recognisable group and which manifests as systems of belief, attitude, knowledge, and values (Sashitharan). There is no single definition of culture, but that put forward by Geert Hofstede, the influential exponent of the diversity and great importance of national cultures, is: "culture is the collective programming of the human mind that distinguishes the members of one human group from another. Culture in this sense is a system of collectively held values" (Hofstede, "Culture and Organisations" 24). By value he means a broad tendency to prefer certain states of affairs over others, and these values in turn affect behaviour. "Everybody looks at the world from behind the windows of a cultural home and everybody prefers to act as if people from other countries have something special about them but home is normal. Unfortunately there is no normal position in cultural matters. This is an uncomfortable message" (Hofstede, *Culture and Organisations: Software of the Mind* 235).

Hofstede adds two important qualifications. The first is that whatever a person's values and culture, the actual behaviour in a given situation is affected by the nature of that situation ("Culture and Organisations" 15, 26). The second is that sub-cultures also have an influence, including the sub-culture of a particular business organisation, "the subculture of an organisation reflects national culture, professional sub-culture, and the organisation's own history" ("Culture and Organisations" 27).

Next, a warning against stereotyping. Trompenaars makes the important point that "people within a culture do not all have identical sets of artefacts, norms, values, and assumptions" (25), for there is a normal distribution. Adler also makes the point that diversity exists within as well as between cultures.

It is also debatable whether there is such a thing as a national culture, when so many nations contain so many internal strands of religion and race (Korman, 1985). Hofstede would claim that despite these differences there is an aggregate sameness which is identifiable and distinguishable from those in other nations (Westwood and Everett).

Hofstede made an international study of work attitudes in sixty countries in the 1970s. He found highly significant differences between different countries, and claimed that it was national culture which explained more of these differences than did other factors such as age, gender or position. From these studies Hofstede derived four dimensions of culture: Individualism-Collectivism; Power Distance; Uncertainty Avoidance; and Masculinity-Femininity.

The Individualism-Collectivism dimension indicates the extent to which people's values and attitudes are determined by a concern with themselves (Individualism), or in which people place priority on group concerns (Collectivism). Power Distance is the extent to which people accept that power in organisations is distributed unequally, those with low scores demanding justification of inequalities, whilst those with high scores accept hierarchical order. Uncertainty Avoidance is the degree to which people feel uncomfortable with uncertainty and ambiguity. Those with strong feelings prefer to maintain rigid codes of belief and behaviour and are intolerant to deviants, while those with weak feelings have a more relaxed atmosphere and tolerate deviance.

Hofstede's final dimension is Masculinity-Femininity and is focused on how a society allocates social roles. His description of this dimension would now be considered to be sexist for he describes masculinity as a preference for achievement, heroism, assertiveness and material success, whereas femininity is a preference for relationships, modesty, caring for the weak, and the quality of life.

On all of Hofstede's four dimensions, Thailand and the USA are in opposite corners. Thailand has large Power Distance, strong Uncertainty Avoidance, is Collectivist and Feminine. The USA has small Power Distance, weak Uncertainty Avoidance, is Individualist and Masculine (*Culture and Organisations: Software of the Mind* 52, 86, 99, 123, 129, 141). Management

ideas made in the USA, almost without exception, have not explored their cultural assumptions, but they have been exported to other countries as magic recipes (Hofstede, "Cultural Dimensions in Management and Planning").

Cultural Problems for Appraisal

Hofstede specifically mentions Performance Management systems: "MBO [...] joint goal-setting between superior and subordinate, and joint appraisal [...] assumes the relative independence of the subordinate from the superior so that the two can act as genuine negotiation partners. In large power distance societies this is very unlikely to happen." (Hofstede, "Cultural Dimensions in Management and Planning" 91). In such societies the appraisal interview means that the two-way interview is unlikely to occur. Hofstede says that such packages, at minimum, should be culturally re-cast, if they can be used at all, and this is an area par excellence for the development of local approaches fitting local cultural traditions. He advocates that the way subordinates are appraised and corrected should be like benevolent parents do, and to avoid loss of face in negative appraisals they may have to be given indirectly e.g. through the withdrawal of a favour or through a third person go-between.

Appraisal can involve confronting people with personal evaluations, and this is against the powerful cultural influence of "face" which allows the other always to preserve self-esteem (Redding). In China, the Confucian concept of collectiveness, the supremacy of the group over the individual through a strong degree of interdependence, could be at odds with the individualistic performance appraisal process. In a study of appraisal principles across cultural boundaries, Vance et al found that in a Malaysian sample (of Chinese and Malays) there was a lower than Western (USA) degree of individualism, which the authors ascribed to the Confucian influence among the Chinese and to the Malay culture which stresses courtesy and respect, etiquette and gentleness, and good manners. There are many other studies which explore the cultural effect in different societies.

Hofstede ("Cultural Dimensions in Management and Planning") found that individualism in Singapore was low. He also found that there was a strong acceptance of hierarchical order and unequal distribution of power in an organisation. This means that people are very respectful of authority and are reluctant to contradict a superior.

The cultural issue has many implications for the design of appraisal systems in Thailand. However, many multi-national companies here have introduced the appraisal systems which are used in their home country (USA, Europe).

Thai Culture - General

Thai culture has been nourished and shaped by a variety of philosophies and practices from East and West. Some, like Buddhism have been imported and been adapted to local forms. Others, like the Thai language are hybrids in which an indigenous core has been enriched and diversified by outside influences. Buddhism has been deeply assimilated in Thai society and permeates all levels of everyday life. It is not therefore surprising that it has influenced how business is both structured and conducted (Lithgow).

As one would expect in such a long established society as Thailand, the culture is complex, an intricate mix of many concepts. From such richness, here we will have to be selective. This section will therefore begin with a general approach, the next sections will then deal with some specific cultural aspects relevant to Performance Appraisal, such as individualism, hierarchy, avoidance of conflict (*krengchai*), and cool heart (*jaiyen*). The major attention will be focused on the individualistic nature of the Thai Buddhist approach to karma, and how the clash between its consequences of individualism and hierarchy is resolved.

An American with experience of Thailand stated that he wished he could bring every budding business executive to Thailand to learn and experience Thai graciousness and compassion (Klongtoey). He laments that MBA programmes in the USA do not teach how to live and work with other people harmoniously. Having been in many countries he finds that no other country does this as well as Thailand. He is convinced that Thailand has something to teach the rest of the world about service and working together.

For decades, Thai governments have been concerned about preserving Thai culture and values. A former Minister expressed her personal concern in 2000. Over the past forty years the industrialised model has been copied from developed nations "without proper consideration of the importance of the cultural dimension and its implication for people" (Chutikul). She observed that globalisation and the transmission of elements of culture are mainly a one-way street from highly developed countries, and "the intrusion of foreign cultural influences has resulted in the weakening and stunting of a local culture's capabilities." She pleads for a balance, which enables Thailand to adopt those elements which are best for it and yet retain its distinctive identity. She wonders if it is possible to be proactive, rather than passive, about cultural change, so that economic development can be pursued without losing cultural identity.

A forum in Bangkok in 2002 debated this West-East cultural issue. A well known long-time Thai radical (and Thammasat University sociology

lecturer) Thirayuth Boonmi, envisages a Post-Western Society which does not simply emulate the West but supports a revival of local wisdom, technological know-how, aesthetics and philosophy, because Thailand can never succeed in playing the catch-up game. He finds the level of Western hegemony frightful, and a deep state of colonialism in the world today, especially in the "archeology of knowledge." He wants Thailand to abandon the goal of economic development which Thailand has pursued since the 1960s (Rajanaphruk and Tangwisutjit).

At this 2002 forum, there was opposition from other Thais to this view. Anaek Laothammatath stated that Thailand is Westernised only in trivial things and not enough in matters beneficial. Surichai Wankaeo, a sociologist at Chulalongkorn University, saw some Western virtues which Thailand needed, such as a culture of debate and criticism, and that Thailand was facing an identity crisis. Another speaker warned against romanticizing the East and villainising the West. A politician speaker said that a post-capitalist society was what was needed in Thailand, where capitalism will no longer consume the world and environment through greed.

In a book published in 2005, all its expatriate contributors had lived in Thailand long enough to gain some understanding of how things work. In his introduction, the Editor states that Thailand has "a history and a culture as rich, and sometimes richer, than many western nations, and retains an identity that is purely Thailand, despite its diversity [...] Western values do not apply here – it is not the West, it is Thailand [...] Check your western values in left luggage on arrival. Your Western cultural baggage is not needed here. Thailand is different" (Rogers 18,19).

Thai Culture – Karma, Individualism, Hierarchy

In the following examination of specific aspects relevant to performance appraisal, much of the evidence comes from an examination by Thai academics in a 1998 book edited by Pongsapich. The authors of chapters in that book who are cited here are Podhisita and Komin, in addition to Pongsapich. It is generally acknowledged that Buddhism is the basis of most aspects of Thai culture: "There is little to say about Thai culture if we take Buddhism away – it is all pervasive" (Podhisita 34). There are two fundamental and linked beliefs in Thai Buddhism: karma, and individual salvation. Karma is the accumulation of merit or demerit which will affect us now or in our next reincarnation. Thais are essentially a self-accepting people, and gracefully submit to unfortunate events caused by external forces

beyond one's control, because that fate is due to past karma. There is a high level of acceptance of events and an ability to move on after problems rather than analyzing them and trying to work out why they occurred (Lithgow). Karma is a key to understanding Thais, "[b]ut it must not be exaggerated, because they also explain things using logic and scientific explanations. When these prove to be unsatisfactory however, Thais readily accept karmic explanations as an alternative (Podhisita 44). "Individual relative status is a function of accumulated karma. This is very important" (Podhisita 36).

Lithgow (245) describes a consequence of Thai karma, that there is a strong feeling of *krengchai*, which means "an extreme reluctance to impose on anyone or disturb his personal equilibrium by direct criticism, challenge, or confrontation." It provides a set of unwritten and relatively rigid rules by which interpersonal behaviour is regulated, which includes that between employer and employee. "Thai tolerance, politeness and apparent passivity often cause problems for westerners more used to direct action and open conflict" (Rogers 19).

Another consequence of karma is fatalism about the future. This is manifested in two ways: the need to enjoy life now (*sanuk*), and scepticism about planning. About *sanuk*: "Fun is an ever present theme throughout Thai life. If you are too serious about anything you are not having fun, which defeats the purpose" (Pearce 146). Simmons explains the attitude to planning: "Thais don't like to think too much about the future, they would much rather live for now. Westerners are always planning for the future, always thinking about consequences." Environmental uncertainty leads to low predictability and little need, if any, for long-range planning. The perception that time is karmic produces a fatalistic view, what will be will be (Simmons 14).

Another aspect of karma is that Thai Buddhism emphasises that one can attain nirvana or any level of achievement only through one's own efforts, i.e. salvation is achieved by the individual. Hence, there is a strong element of individualism in Thai culture, even though it also has many collectivist values. "Individualism seems to occupy a significant place in the Thai worldview. Values and behaviour reflecting individualism and autonomy are rather usual in Thai culture [...] to do as one wishes is to be a genuine Thai" (Podhisita 51).

To say that Thais are individualistic does not have the same meaning as in most cultural theorists, including Hofstede. In the Thai context it refers to the belief that the individual is an end in himself and ought to realise the self and cultivate his own judgement, notwithstanding the weight of pervasive social pressure in the direction of conformity. It is very different from American individualism (Komin, *Psychology of the Thai People*).

Komin describes the results concerning the culture of individualism (and its consequences) from an empirical study into Thai culture ("The World View Through Thai Value Systems"). The Thai respondents in the survey valued independence extremely highly, but gave a low ranking to competence and capability, standing up for one's ideas and creativity, "and they unanimously gave the lowest ranking to ambition and hardwork" (218). In general therefore to be successful and to achieve in Thai society does not depend so much on one's competence as on one's ability to perceive and choose the right means and opportunity that leads to success in the society. Achievement in Thai society does not mean hard working or task orientation" ... it is more of a social achievement (Komin, "The World View Through Thai Value Systems"). The empirical study showed that 69.8% of urban Thais perceived maintenance of relationships more important than conscientiousness in work. Simmons, who worked in Thailand for many years, also had this view. He compared East and West, saying that Protestant teaching and dogma in early America resulted in the belief that the morally good were hard-working, timesaving, and frugal, but "Thais traditionally have not considered work the central theme of life nor the route to salvation" (Simmons 25).

Hierarchy - Power Status

Thais are closely constrained by various rigid structures in their society. Among the most powerful is the complex dynamic of social relationships. Thai society is deeply hierarchical. Pongsapich's 1998 book contains a chapter by Podhisita, who described how society is seen by the Thais as made up of hierarchical positions. Without the recognition of some sort of hierarchy it would be very difficult, perhaps impossible, for the Thai to perceive how social relations can be organized. Individuals are seen as either higher or lower, younger or older, weaker or stronger, subordinate or superior, senior or junior, richer or poorer, and rarely equal (Podhisita). Thais are very sensitive to age and seniority in everyday social interaction so that they can use appropriate behaviour.

In the USA, authority is something to be challenged and power is something to be suspicious of: the assertion that power corrupts and absolute power corrupts absolutely permeates American thought (Hywel-Jones 19). The traditional Thai view of power and authority is almost the reverse. To the Thai, authority and power are natural and reflect the moral and ethical excellence of the holder. Those who hold power have acquired merit in

their previous lives. According to Simmons, an American who worked for many years in Thailand, the American pattern of decentralized power and the Thai system of deference to authority will both obviously affect people's thinking in many areas including approach to business. The Thai system is well organised to meet the demands of deeply held cultural values. What has historically been important to the Thais has not been the Western concepts of productivity, quantifiability, efficiency, and coordination, but rather protocol deference to rank, respect for authority and smooth interpersonal relationships.

To function properly the entire hierarchical structure demands high-level contextual awareness. "Thai interpersonal relationships are based on a sensitivity to the feelings of others. Their capacity to grasp intuitively the emotional intricacies involved in a particular encounter is a strength" (Simmons). As Lithgow expresses it: in this hierarchical society, when two people meet there is an automatic "feeling out," an assessing of relative status to figure out who is superior and who is subordinate. Once this is established a behaviour pattern emerges.

Two-Selves: Compartmentalisation

Thais are individualistic. However, "in a social order characterised by unequal relationships in the hierarchical systems of status-power [...] the scope for individualistic behaviour is rather severely limited" (Pongsapich 182). In other words, individualism clashes with hierarchy. The mechanism which has evolved to reconcile these two conflicting values in Thai culture is that of having two selves – inner and outer (Komin, "The World View Through Thai Value Systems" 221). There is the inner private state in which the individual preserves a core of integrity, and the outer public self which functions to serve the expectations of others. The Thai can readily compartmentalise these two selves and decide which should interact. The inner self is a psychological investment, closer to the ego-self valued most and based on such "means" values as gratitude and obligation, honesty, sincerity, and responsibility. The outer self is based on such values as being responsive to circumstances and opportunities, polite, caring, considerate, with self-control and tolerance.

Thais are very individualistic. They are perceived as admirably self-reliant to the extent of being highly "egoistic." In the empirical survey, individualism is the top value ranking and serves as the basic personal motivation most readily to be activated for actions. If it is motivated through the inner self it will be manifested in honest, sincere, stable, reliable and predictable

behaviours. But if through the outer social self, it will activate the value of being responsive to circumstances and opportunities [...] and consequently manifest itself in behaviour that is perceived and interpreted as "without discipline," "irresponsible," "non-committal," "unreliable," "opportunistic," "selfish," "unpredictable"; etc. (Komin 222).

In the unequal hierarchical structure, these relationships generate a sense of dependence and obligation, characterised by such traits as trust, respect, obedience, non-assertion, self-effacement, submission, conformity, compliance etc. The empirical research shows that Thais do place extremely high value on self-esteem, self-respect and independence, and also at the same time low value on obedience and very high value on social cosmetics such as politeness, consideration, self-control, calm etc. (Komin 223). The top value of individualism needs the use of the superficial social cosmetics as a psychological defence mechanism to maintain the ego self of independence and esteem while at the same time exhibiting the dependent traits necessary to survive and progress in the hierarchical society (Komin 223). These socially necessary traits maintain the cosmetic cover of mutual respect and acceptance while keeping their ego untouched. For whenever the Thai self-esteem is violated, strong emotional conflicts result, and once such violation of the self occurs, it often remains irreconcilable.

It is this awareness of the need to avoid causing offence to another's self-esteem that Thais are reluctant to criticize or communicate frankly. Hywel-Jones has advice to foreigners in Thailand (under the sub heading: "Let the truth be hidden"): "you must not open up and you must not be too honest." Part of the Thai character is "not really really wishing to look as though they are prying or spying [...] by opening up, it somewhat brings the game to a halt," or "everybody knows but nobody knows" (166). Stimpfl, says: "Thais are to be listened to for as much as for what they don't say as for what they do say [...] Thai communication style is much less direct than normal western models [...] they are very careful to avoid anything that could be construed as criticism" (196). Simmons links this with the hierarchical structure, and says that managerial value systems do not lend themselves to co-ordinated efforts among or along horizontal organizational units, for "[e]ven if the Thai boss gives his subordinates license to comment, debate and criticize, other cultural nuances would preclude a frank exchange" (16). He adds that most Western managers view feedback as axiomatic, but Thais generally do not feel there is any need for feedback. Furthermore, "The Westerner's frankness is often seen by Thai people as stupid, rude or antisocial. To them, anyone who puts all his cards on the table and is so open must be stupid" (Simmons

25). Liththgow adds that "Thais believe that confrontation can never be constructive" (247), and in business, this tends to discourage negative feedback or open discussion.

Related to this communication aspect of culture, a Thai researcher talks about *jaiyen* (cool heart), which is a highly valued Thai attitude. It means "not being anxious when confronting problems [...] not getting angry easily [...] ability to suppress one's emotions [...] not becoming easily excited by or emotionally disturbed [...] may imply indifference. One must avoid expressing feelings or emotions directly, instead: face all situations with the smile of normality and handle them with prudence and care." (Podhisita 49). To express open anger, dislike and annoyance is considered improper. Do not retaliate: the other person will reap what he has sown in later harm and misfortune.

Summary of Relevant Thai Culture

The specific aspects of Thai culture considered here in relation to Performance Appraisal are Buddhist karma and its consequences in fatalism, individualism and hierarchy, with the two-self reconciliation of the clash between individualism and hierarchy. Fatalism encourages present joy and an aversion to future planning. Individualism encourages self-interest and self-esteem, and a reluctance to criticise. The hierarchical power structure produces deference, and an aversion to frankness and confrontation. The two-self solution produces an inner private self and an outer public self.

All this is a formidable combination working against the American culture of carefully planned target-setting and the collaboration and open exchange of appraisal. But Hofstede did warn us. On all of Hofstede's four dimensions, Thailand and the USA are in opposite corners (Hofstede, *Culture and Organisations: Software of the Mind*). He warned that management ideas made in the USA have not explored their cultural assumptions, but they have been exported to other countries as magic recipes (Hofstede, "Cultural Dimensions in Management and Planning"). And he specifically mentioned performance management systems, as they assume the relative independence of the subordinate from the superior so that the two can act as genuine negotiation partners, yet in "large power distance" societies, such as Thailand, this is unlikely to happen (Hofstede, "Cultural Dimensions in Management and Planning"). He says that such packages should be culturally re-cast, if they can be used at all, and this is an area par excellence for the development of local approaches fitting local cultural traditions.

It could be argued that Thai culture is changing, becoming more Western. This is the cultural convergence argument. And Thai culture is changing. In the 1998 book by Thai researchers, Komin discusses this, based on empirical research from a sample of 2,500 subjects from all segments of Thai society. Culture is learned: "[b]ut culture is not static, so the world view changes in response to the changing of perceptions, ideas and values of the society at a given time" (Komin, "The World View Through Thai Value Systems" 208). Most, but not all, Thais accept the values that are essentially Buddhist inspired, but there are considerable differences. Change is most evident among the urban and/or more educated younger male Thais. There has been a drastic drop among urban Thais in the significance of the role of religion in their daily lives - unlike rural Thais (Pongsapich 180). In terms of Thai individualism, independence and self-reliance figure importantly in the rural-urban differences, peasants being more reliant on community and group solidarity. The study shows that "urban goal values are generally more self-centred. Urban orientation focuses on personal competence and achievement" (Pongsapich 182). However these are differences in degree only, and both rural and urban Thai place high value on obedience and meekness. Recent changes originating in urban centres and expanding out towards the rural areas appear to be far reaching. The view that it is proper to criticise the system, the importance of adhering strictly to karmic fate and accepting the system as given, is becoming more and more widespread.

In general Thai people still hold a highly fatalistic attitude. Such an attitude increases with age and decreases with education (Komin, "The World View Through Thai Value Systems" 228).

Lithgow includes a statement by Khunying Niramol Suriyasart, a Thai woman who was the Chairperson of Toshiba Thailand (and formerly with Shell Thailand). She said she was pessimistic about the future of Thai industry because the average worker has low motivation and seldom gives full commitment because of the deep desire for freedom and an innate lack of competitiveness in the Thai character. Because of the education system and religion she did not believe that Thais are beginning to adapt to more universal standards of management. "It's about the feeling that life is impermanent, it's about being contented. If a society is contented then there is little incentive for change. Thais think that if they are peaceful and happy, then everything will be OK" (258f). But she believes that Western management techniques tend to be less compassionate, and breed insecurity in the workforce, and a combination of the more compassionate, paternalistic Thai management style with the Western approach to efficiency and performance is the best model, in her opinion. This leads us into a consideration of how to make Western appraisal systems appropriate to Thailand.

Making a Western Management System Appropriate to Thailand

The issue is not really which management systems Thailand imports, but how it operates them. The "hardware," the system of Performance Management and Appraisal, is the easy part. Hundreds of books and training courses are available. It is the "software," how managers and employees actually make it work, which is more difficult. It is tempting to say leave it to be acculturated naturally, as Thais being themselves will automatically bend it to their own strong culture. This has been how it absorbed Buddhism, and how the Japanese absorbed Chinese and Western ideas.

Western critics may say that an appraisal system cannot operate unless there is openness, frankness, a two-way shared responsibility of agreement and discussion, but that is their ethnocentrism revealing their definition of "normal." Thai companies who proudly state they have the best Western management practices are probably talking about the hardware, and know that the software is Thai.

What is appropriate software, Thai, American, or a mixture, is beyond the scope of this exploratory research. The next stages, qualitative semi-structured interviews with practitioners, possibly followed by a quantitative survey should be able to elicit suggestions.

Mahbubani (2002) says that the rapid economic advance in several Asian societies may have been the easy part, for retooling the social, political, and philosophical dimensions of their societies will be a tougher challenge. "The key question is whether Asians will be able to develop a blend of values that will preserve their traditional strengths [...] and at the same time absorb the strength of Western societies" (31). He predicts that the 21st century will be a two-way street for the flow of ideas, and values. "While Western ideas and best practices have found their way into the minds of all men, the hearts and souls of other civilizations remain intact. There are deep reservoirs of spiritual and cultural strength which have not been affected by the Western veneer. The layers that the West has spun around the globe [will] retreat [...] will reveal rich new human landscapes" (113), and the real challenge will be in deciding which Western layers to retain and which to peel away.

Simmons thinks that global competition will force Thais to change, because although their intuitive approach is fine when opportunities abound, it will be unsuitable in conglomerates or in intense competition. But he too sees a solution to the appropriate blend of values, based on a distinction between macro and micro. "If one had to summarize, the American management approach would work best on the macro level [...] with its focus on linear

logic, organizing, synthesizing and integrating large-scale organizations" (Simmons 26). Therefore big Thai organizations, if they intend to grow and compete will have to make some accommodation to Western organisation development. The Thai approach may function best at the micro level where their personal and contextual sensitivity allows them to follow protocol, and generally interact in a harmonious fashion. When feasible and desirable, a synthesizing, adaptive and modified management system may be fostered and eventually evolve, but only if the differing cultures and philosophies are understood when another culture's management system is used (Simmons).

A Wider Perspective

It looks as though both Thais and Westerners agree about the future cultural direction of Thailand. Rich, valuable, distinct and useful though Thai culture is, if Thai firms are to thrive in global competition, more Western culture must be imported though with a selective and appropriate blend. Western hard-nosed culture seems to bring greater productivity, sales, and profit. This importation is especially needed when the Thai government liberalises more industries, either according to the WTO agreements or to bilateral Free Trade agreements.

Yet, hard-nosed Western culture is already proved to be greatly harmful now and more so in the future if we continue to poison our thin but absolutely essential atmosphere causing the consequent global warming. Rampant greed is the relentless driver, and globalization plus computer technology is its vehicle. Economics is now the king of sciences, and national and world economies the only consideration. The worship of money is now the world's most powerful religion.

All this greed and growth are unsustainable. They rapidly consume our natural resources and our atmosphere. They pollute our young, our cities, our lives, our world, not to mention that quaint long-forgotten entity – the soul, the spirit, the humanity of human beings. Communism and Fascism (Western creations), brutal barbaric inhuman regimes which made misery for millions in the last century, have been vanquished. Capitalism now reigns supreme. But, for how much longer? In wanting to continue to worship at this Western shrine and therefore having to submit to even more Western culture, does Thailand not know that this particular god is almost dead?

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