



## THE EFFECTIVENESS OF EXPATRIATE MANAGERS: A STANDARDIZED OF THAI INDUSTRY ON THE QUALIFIED CANDIDATES TOWARD ASEAN 2015

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### Abstract

*“The expatriate managers considered to be an important part of Thai-born multinational enterprises, with their visions and expertise, Thai people believed that expatriate managers could bring their businesses for success” According to this statement, the researcher considered the importance role of expatriate managers is a crucial part on Thai-born industry. Therefore, the recruitment and selection process on how they selects those qualified expatriates still in-doubt with the standardized when the ASEAN Economic Community (AEC) will be implement in 2015.*

*In order to clarify this statement with the upcoming of ASEAN 2015, the in-depth interviews of Thai leading organizations will be set up through the human resources department, then the results will be analyze and synthesize to form the conceptual framework and be standardized on selection process with the qualified ones.*

*Furthermore, the ASEAN Economic Community (AEC) will be established in 2015, the AEC aims to eliminate tariff barriers and solidifies the ASEAN’s commercial negotiating power through the community’s functioning as a “single market” and the world’s “production base”. Not only will there be free movement of goods and investments, but one of the goals set in the AEC Blueprint is the free flow of skilled labor, allowing for the managed mobility of or facilitated entry for the movement of natural persons engaged in cross-border trade and investment related activities.*

*This research would benefits not just only Thai Industry but also neighbor countries in ASEAN on the circulation of human resources for their productivities.*

**Keywords:** *Expatriate Managers, Standardized, Thai Industry, ASEAN 2015*

### INTRODUCTION

Thailand is an important current and potential market for ASEAN and other international business firms. Thai firms has expanded to all over the world over the last two decades and Thai market has retained a considerable attraction for international business. The globalization of Business has accelerated at a pace that has frequently outpaced many organizations’ ability to identify and develop an adequate number of qualified expatriate managers (Welch, 1994; Stroh and Caligiuri, 1998; Gregersen et al., 1998). The ability to compete in increasingly hypercompetitive global markets necessitates having qualified global managers who have competencies that differentiate the organizations’ strategic choices (Bartlett and Ghoshal, 1995;

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Pfeffer, 1994; Ghoshal and Bartlett, 1997). A successful global managers will have to possess a complex of technical, political, social, organizational and cultural competencies beyond those found in many of the expatriates of the past (Bartlett, 1986; Bartlett and Ghoshal, 1994; Ghoshal and Bartlett, 1997). And also Expatriate life in the past has been regarded as luxurious, exciting and dynamic.

As globalization progresses, the need to deploy people in different locations all over the world is increasing. According to PricewaterhouseCoopers's 2010 Report to Talent Mobility 2020, the number of the international assignments will increase by 50% by 2020. They clearly point to increasing need of organizations for people able to move and perform well anywhere in the world. The transfer of personnel from the parent firm country to foreign subsidiaries for longer than six months, referred to as expatriates, is necessary for a number of reasons such as technology transfer, coordination and control of local subsidiaries by the parent firm and personal development (Edstrom and Galbraith, 1977: Harzing, 2001). The successful of multinational corporations' (MNCs) overseas operation involves a large number of difficulties. Besides carry on the task assigned by company, this people has to live faraway from family and home, adapt to the new environment, interact with people from different cultural backgrounds and quickly respond to the frequent changes of global market conditions (Briscoe and Schuler, 2004).

The purpose of this paper is to: examine the methods used in the selection progress on of expatriate managers in Thai Industry

## **MANAGING EXPATRIATE MANAGERS**

The effective management of expatriates has been regarded as crucial to business failure (Hoecklin, 1995; Brewster, 1996). This may occurs because in many Multination firm and Thai firm expatriates often hold position of responsibility and their wellbeing and comfort in new locations can have an impact on their work performance.

An expatriate is any individual who work outside their country of birth but does not immigrate to the country where they work. In the past expatriate have been an important sources of labor in the Multinational firm and have been employed extensively in Thai industry firm. Thai Multinational Corporation are expanding their markets well beyond their borders, claiming the significant share of global markets from food, automotive, electronic, clothing since 1980s. To do so, they are sometimes encountering market areas that have traditional idea from European, American and Japanese multinational corporations as BMW, Ford, Toyota, Honda, Seagate and many others

## **SELECTION TECHNIQUES**

The large number of successful expatriate are in the control of company through the selection process. The criteria a MNC uses for selecting its expatriates influences assignees' performance to a large extent (Black et.al.,1999: Briscoe and Schuler, 2004: Pucik and Saba. 1998). These criteria include many components such

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as work-related skills, willingness to work aboard, language competencies, human relation skills, prior performance, prior international experiences, family situation, gender, or career development (c.f.,Briscoe and Schuler, 2004). According to the above criteria varies among geographic regions, Thai firms are less strategic and systematic in selecting expatriates compared to Western-Europe and Scandinavian firms. In addition, researcher observe that spouses are never interviewed and that personality and skill test are not employed during the selection process. Indeed, Thai firms are observed to place more emphasis on language skills compared to U.S.firms

## **HYPOTHESES**

The hypotese on the relationship between certain personal attributes (i.e.,individual characteristic, family situation) and job performance are evaluated and tested in the following topics.

### **1. Previous Oversea Assignments**

Those individual expatriate who have been working overseas are expected to have familiarity and adaptability with difficulties of working in a different cultural context (Selmer, 2002) and realistic expectations from the host-country (Black et al.,1991) both of which can ease their adjustment to that country. Oversea assignments experience have a positive relationship with individual job performance.

### **2. Local and English abilities**

Ability to communicate with host country is an important factor to job performance (Oddou and Mendenhall, 1991). Language ability make the expatriate to communicate with host nationals, understand national culture and the dynamics of the host country, and learn the interpersonal communication norms, and understand what the people in host country react and the way to solve the problem. While English has become the global language and use a lot in the workplace. Working knowledge of local and English ability are significant to expatriate job performance. Therefore, Host country and English ability have a positive relationship with individual job performance.

### **3. Willing to work in the Country of Assignment**

Expatriate who has knowledge of host country culture which has assigned to go, an importance factor to enhance adjustment. When the expatriate have known about where they has assigned they are thinking about the country, culture, people, interpersonal of host country. Past research suggests that pre-departure positive feelings is a predictor of general adjustment to the host country (Nichoson and Imaizumi (1993).

### **4. Family**

A large number of problems happen with the family members of expatriate whether they follow the expatriate overseas or stay in the home-country. The social network, education of children, and spouse's career achievement in the case of both

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career couples are problems encountered by expatriate's family member (Black et. Al., 1999: Fukuda and Chu, 1994). The inability of the family to adapt to the foreign environment and the resulting pressure imposed upon the expatriate is the most important factor for the failure of expatriate. In Thailand, the relocation decision is made by men and the effect of the assignment on the family members is not considered relevant (Black et. al.,1999: Fukuda and Chu 1994). As a result, spouses are never interviews and are rarely part of the pre-departure training which in turn, affects the subsequent adjustment of the whole family. In addition, the family which stay in the home country mainly because of education problems, most mothers prefer to stay at home country or return home with their children. The physical separation creates stress and may lead to the family breakup (Fukuda and Chu (1991). Researcher found out expatriate who relocate overseas with their family perform insufficiently to those who are single/married but relocate overseas alone.

### **SCOPE OF THE STUDY**

This study aimed to provide complementary evidence regarding the predictors of expatriate success in a less researched context, Thai manager expatriate in Thai company. The researcher has chosen to focus on measurement and analysis of expatriate's job performance. Participants were asked to fill out a questionnaire survey. The inquiry included items on overseas assignment, individual job performance, managerial rank, type of assignment, and information about the respondents and the company.

### **The Sample**

This study focused on Thai expatriates working at Thai company. The reason for this choice is that Thai company need to be ready for ASEAN 2015 and import the expatriate cost is very high. Moreover, the import expatriate are not understand home country and local manager.

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**Table 1**  
**Sample characteristics**

Questionnaire items	%	Questionnaire items	%
Gender		Family status	
Male	90	Single	20
Female	10	Moved to oversea without family	35
		Moved to oversea with wife	
		Move to oversea with wife and children	12
		Others	33
			0
Age group		Oversea assignment experience	
Under 35	10	No	
35-39	23	Yes	
40-44	25		55
45-49	22		45
Over50	20		
Local language ability		Host country	
Can't speak	45	Indonesia	18
Can speak a little	31	Malaysia	9
Daily life conversation	15	Phillipines	8
Can speak	9	Vietnam	15
Fluent	0	Laos	11
		Myanmar	15
		Brunei	10
		Cambodia	17
		Singapore	7
English language ability		Willing to work	
Can't speak	5	Didn't want at all	10
Can speak a little	20	Didn't want	25
Daily life conversation	40	Fair	38
Can speak	30	Wanted	20
Fluent	5	Strongly wanted	7
Department		Management level	
Sales	17	Top management	20
Engineers	28	Senior management	31
Production	31	Middle	40
R&D	3	Advisor	9
HRM	1		
Others	26		
Company size			
Less than 100	15		
100-299	27		
300-499	35		
500-1000	23		



Company development stage		-	
Start-up	3		
Business enlargement	44		
Stable operation	53		
Reduction/withdraw period	0		

## CONCLUSION

Base on the result, the selections of expatriate managers in general and those bound for culturally distance environment in particular. The only individual characteristics that was not significantly related to Thai standardized qualification was local language ability. Family situation was not correspondent with job performance. At the category of Age, 40-44 years old, occupancy in current assignment and four specific countries assignment (i.e., Cambodia, Myanmar, Vietnam and Indonesia) correspondent to Thai standardized qualification.

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