

A COMPARISON OF THAI AND KOREAN ON CORPORATE CULTURE AND MANAGEMENT STYLE

Asst. Prof. Suda Suwannapirom
Graduate School of Commerce, Burapha University

ABSTRACT

This study investigates the differences in Thai and Korean on corporate culture and management style. A number of studies have investigated various aspects and characteristics of "Chaebol system" for Korean firms and many of Thai corporate culture has received considerable attention in business literature. However, there is no study that compares the overall characteristics of corporate culture of Korean and Thai firms. In this study, I attempt to do such comparisons by using qualitative technique obtained from various sources of information and academic journals. The Confucianism and Hofstede's national culture value were used as models for this comprehensive investigation. Finally, the research findings showed some striking similarities between Korean firm and Thai firm in terms of Quasi-lifetime employment, mobility in evaluation and promotion, implicit control mechanism, and autocratic and consultative decision making.

INTRODUCTION

Korea was a colony of Japan from 1905 to 1945. Upon the surrender of Japan at the end of World War II, the country was split into two zones of temporary occupation for the purposes of overseeing the orderly dismantling of Japanese rule and establishing a new Korean government. With the Soviet Union assisting the North of the peninsula and the United Nations led by the United States supporting the South, the territory was divided into two countries. The tension between the two governments resulted in the elimination of trade and other contacts across the new border. This was a difficult situation for Korea because whereas Japanese had developed industries in the North, the South had still remained primarily agricultural. However, unlike that of the colonial Japanese, Autocratic rule has been the norm in both parts of Korea until recently when democratic leadership has emerged in the South Korea.

South Korea, bolstered by massive economic and military aid from the United States, has pursued a capitalist strategy. The result of this choice has been a

dramatic success. South Korea today is often said to be the fastest growing economy in the world; by the year 2010, it is expected that per capita income of South Korean will equal that of European, and manufacturing will account for 30 percent of the GDP.

In the past few decades has been instrumental to the rapid development of the Korean economy. The successes of the 1988 Seoul Olympics, democratization, and its economy catapulted South Korea as a model for developing countries. Various rules and regulations were indispensable tools to effectively carry out its policy during that era. In this politico-economic environment, it was customary for government to award special privileges to certain companies or individuals for special favors in return, thereby encouraging illegal political funds or bribes to influential politicians and civil servants. In addition, authoritarian practices, strong regional and academic connections, sectarianism, and paternalism have strongly boosted the proliferation of corruption throughout the whole society.

Chaebol, a conglomerate of many companies clustered around one holding company, is an example of the politico-economic environment. Setting up a Chaebol, in some case, is dependent on the government approval. It is usually controlled by one family. In 1988, the 40 top Chaebols grouped a total of 671 separate companies, with each company holds shares in other companies. The concentration in Chaebol is so amazing that only South Korea can have such type of organization. The top four Super-Chaebols have aggregated sales accounting for somewhere between 40 and 45 percent of South Korea's Gross National Product. This concentration of sales in Korea's Chaebols is much higher than that in Japan's Keiretsus. However, Chaebol differs from Keiretsu in major ways: whereas Keiretsu are centered on one large financial institution or bank, such as Mitsubishi, Chaebol does not have its own financial institutions. Traditionally, Chaebol had been much more dependent on government approval, especially during the period since South Korean banks were nationalized until the mid 1970s, when industrial firms were prohibited from owning large shares in national banks even when the banks were later privatized. Unlike many Keiretsus in Japan that integrate vertically in the same industry, Chaebol tends to spread across industries and comprises more firms than does Keiretsu. Like the American and European conglomerates, Chaebols have strong central staffs whereas many Keiretsus have no central staffs at all. So whereas the Japanese conglomerates operate more by informal networking, their Korean counterparts have formal structures and centralized control. Another difference is that Chaebol is much more family-based than does Keiretsu. This could be partly because Chaebol is a newer form institution that has yet to pass out of its founder's hands in many cases. Another reason is that there could be deep cultural differences between Korea and Japan which make Korean far more family oriented (like the Chinese) than Japanese and more oriented to wider social groups.

Because of the rapid integration of international markets through transportation and digital revolution, the interdependency between Korea and the world market is rapidly deepening. This swift environmental change has caused Korean businesses to face fierce and unlimited competition in both domestic and international markets. However, the existing collusive structure backed by illegal abuse of authority and bribery still continues due to the lack of fundamental change in institutional and incentive structures.

LEADERSHIP VERSUS MANAGEMENT

Although Leadership is similar to management, some theorists try to make a clear difference between these topics as a way to highlight the distinct nature of leadership. One contrast between management and Leadership focuses on what is influenced: managers manage things while leaders lead people (Bennis, 1989). Managers focus their efforts on objects, such as budgets, financial statements, organization charts, sales projections, and productivity reports. Leaders focus their efforts on people. They encourage, inspire, train, empathize, evaluate and reward. Leaders are ones who build organizations, create organizational cultures, and shape society. Managers maintain bureaucratic procedures and keep organizations running smoothly by solving problems (Zaleznik, 1992).

Warren Bennis and Burt Nanus (1985) highlighted the differences between managers and leaders by saying that "managers are people who do things right, and leaders are people who do the right things." To manage means to direct, to bring about, to accomplish, and to have responsibility for. The functions of management are planning, organizing, directing, and controlling. The successful manager is viewed as someone who achieves results by following the prescribed. (Cherrington, 1994).

To lead, however, is to inspire, to influence, and to motivate. Effective leaders inspire others to pursue excellence, to develop themselves, and to go beyond

their job requirements by generating creative ideas.

John Kotter has proposed another way to examine difference between managers and leaders by studying the specific focus of each. Management focuses on controlling complexity-creating order in the organization, solving problem, and ensuring consistency. Leadership focuses on creating change-recognizing the demands of a changing environment, sensing opportunities for growth, and communicating a vision that inspires others. Here, leadership is not necessarily better than management, nor is it a replacement for it. Both functions are needed in organizations, but they may need to be performed by different individuals. Although some have suggested that management and leadership are skills anyone can learn, Kotter argues that good leaders and good managers focus on such different outcomes that they require very different personalities (Kotter, 1990).

Management and leadership are both involved in influencing others, and they share four common roles:

- (1) planning-deciding what needs to be done,
- (2) organizing-creating a structure of networks and relationships to get work done,
- (3) directing the work, and
- (4) controlling-ensuring performance (Cherrington, 1994).

Leadership is the ability to inspire confidence among people who are needed to achieve organizational goals. Leadership deals with the interpersonal aspects of a manager's job, whereas planning, organizing and controlling deal with the administrative aspects. According to current thinking, leadership deals with change, inspiration, motivation and influence. In contrast, management deals more with maintaining equilibrium and status quo.

As management is more formal and scientific than leadership, it relies on universal skills such as planning, budgeting, and controlling, management is an explicit set of tools and techniques, based on reasoning and testing, that can be used in a variety of situations. Therefore this study will emphasize on management style.

LITERATURE REVIEWS: CROSS-CULTURE

The movement of industries from one corner of the earth to another, otherwise known as internationalization, is creating cross-cultural environments around the world. According to Ko (1990), multicultural representation within companies has been growing rapidly. Consequently, there is an increasing demand for the understanding of cultural differences.

To understand cross-cultural elements, it is first necessary to define culture. Culture, according to Hammond (1991), is a critical element in any cross-culture research, and its definition must be established before discussion. Culture, according to Hofstede's definition (Hammond, 1991), is not a characteristic of the individual: it encompasses a number of people who were conditioned by the same education and life experience. When we speak of the culture of a minority, or a nation, culture refers to the collective mental programming that these people have in common; the programming that is different from that of other groups, tribes, regions, minorities, or nations.

To look from another angle at what culture means (Hammond 1991), Kluckhohn and Kroeber quoted definition of culture as consisting of patterns of behaviors that are acquired and transmitted by symbols over time. Culture is then generally shared within a group and is communicated to new members of the group in order to serve as a cognitive guide or blueprint for future actions.

According to Moran and Harris (1982), culture makes individuals different. Individuals associated culture with communication and language, dress and appearance, food and feeding habits, time and time consciousness, rewards and recognition, relationships, values and norms, sense of self and space, mental process and learning, and beliefs and attitudes.

HOFSTEDE'S NATIONAL CULTURAL VALUES

Hofstede (1980) has identified four dimensions of work-related value differences believed to have cultural bases. These correspond closely to the Gemeinschaft-mechanical and Gesellschaft-organic characterizations of societies. Hofstede's four dimensions are 1) power distance, 2) uncertainty avoidance, 3) individualism versus collectivism, and 4) masculinity versus femininity. Power distance refers to the extent to which the less powerful members of institutions and organizations accept that power is unequally distributed. In Gemeinschaft-mechanical solidarity types of societies, social position involving status and power is based in family, patterns, and traditional acceptance of values. Pressures toward conformity may lead to strong acceptance of the prevailing distribution of power and authority (high power distance) and authoritarian management styles may be more accepted. In industrially developed societies characterized by Gesellschaft and organic solidarity, power has been seen as more arbitrarily determined by exchange factors in the marketplace and reinforced by contract law. Social worth can more heavily be determined by functional performance. In this circumstance, low acceptance of power distance may be expected. Preferred management styles may be more democratic and collaborative.

The Korean Culture

Many studies have found that Korean culture is based on Confucian collectivism (Nam, 1991). The Confucian religion teaches the Koreans, as well as members of other Pacific Rim Countries that subordination of individual goals to group goals is better than individualism (Ko, 1990; Moran & Harris, 1982; Nam, 1991).

However, Confucianism is more than a religion; it is a basis for code of ethics among the Koreans. The Confucian Analects (notes compiled by Confucius

disciples to serve as a manual for etiquette) provides rules of governing oneself through life. They assert that human relationships should be managed harmoniously. The Analects emphasize that within such management there are superiors and inferiors, and that superiors should act with virtue while the inferiors obey their superiors. Other admonitions in the Analects are that an individual should be dutiful parents and elders, respect human dignity with fairness towards all mankind and indulge in servility, frugality, abstinence, and diligence (Engholm, 1991).

The current interest in the implications of national cultural values for management practice, and Hofstede's approach in particular, have roots in two fundamental themes of late 19th-century social science: functionalism and social evolution. Influenced by Darwin's theories of biological evolution that stirred intellectual thought in the late of 1800's, and by the cultural exposure of western Europe to non-western societies in Africa, South America, and the Pacific rim (through mercantilism, economic imperialism, and colonial development), Western European sociologists and anthropologists developed theories of cultural and social evolution (Martindale, 1960).

Two influential social theories of the last half of the 19th century were the Gemeinschaft-Gesellschaft theory of Ferdinand Tonnies (Parsons et al., 1961) and the mechanical versus organic solidarity theory of Emile Durkheim (Parsons et al., 1961). While we now recognize that social systems are more complex and cannot be explained by simplistic notions of natural evolutionary progress, these concepts may still help today's international managers anticipate how cultural values that motivate individual behavior may vary with differences in social structures and with industrialization in particular. Both the Gemeinschaft-Gesellschaft and the mechanical-organic solidarity distinctions differentiate societies on

the basis of the development of industrial systems and related social infrastructures consistent with the nature of work. They view the fundamental nature of society and the person as grounded in social relationships. Lastly, they also view the fundamental problem of society as social control and solidarity. Values, norms, and personal expectations of members of the society are composed of social interaction and adaptation of the individual to the form of society. Martindale (1960) characterized Tonnie's *Gemeinschaft* society as founded on the bases of social relationships. The *Gemeinschaft* society is grounded in expressive experiences of fellowship, kinship and neighborliness. Wealth was based in land. Social control was exercised by informal consensus, folkways, and religion. Law was based in the family. The basic mentality was characterized by feminine characteristics of sentiment. The family and the extended kin group were the central institutions. At the opposite end of the continuum, *Gesellschaft* society was characterized by social relationships involving rationally planned exchanges; wealth was money (as a standardized and formally recognized medium of exchange). Social control was based on convention, legislation and public political opinion. The basic *Gesellschaft* mentality is described as masculine in that it is based on "calculation and conscious behavior" (Martindale, 1960).

In Emile Durkheim's distinction between mechanical and organic solidarity, the bases of social relationships -and therefore social solidarity -are grounded in the division of labor of a society (Martindale, 1960; Durkheim, 1893). Mechanical solidarity characterizes a society in which people not differentiated economically or technologically. Social order in such societies is based on similarities among people developed through "friendliness, neighborliness, and kinship" (Martindale, 1960). Pressures to conform are high and individual's sense of identity grounded in acceptance by family and immediate community. Informal social controls and

legal sanctions are strong and repressive in that they seek punishment for non-conformity and discourage individuality, innovation and risk.

Organic solidarity characterizes societies in which the technology of work leads people to be highly differentiated. Whereas under mechanical solidarity social cohesion, and thus individual identity, is rooted in the mutual resemblance of the members of the group, under organic solidarity social cohesion results from interdependence and exchange of necessary but specialized goods and services. The mutual interdependence of the members of the society replaces the need for conformity as a basis of social order, and contractual, restitution (as opposed to penal, repressive) law to govern exchanges comes to dominate. Under these circumstances, the individual's social value, sense of self-worth and belonging is freed to seek individual attainment through differentiation, specialization and exchange driven by self-interest (Durkheim, 1893).

Modern development efforts and multinational business enterprises are concerned with the transfer of technological innovations from industrially developed to industrially less-developed and developing nations. If Tonnie's and Durkheim's distinctions are applicable to societies characterized by the extent of industrial development, then international managers and economic development programs will benefit from consideration of the structural bases of social solidarity, work, and exchange in that these may influence how workers respond to alternative forms of management and rewards. The question then becomes whether there are values and motivations related to work that are associated with the level of industrial development of a society.

Korean Management Style

During the Japanese presence in Korea, there was a lack of Korean inclusion in management positions, as stated by Kim and Kim (1986). Even with the late arrival of Korean management theory in the 1960s, the

growth of management units in a country half the size of California grew to 20,000 in the 1970s and, assuming five managers per unit, according to Kim and Kim, management manpower grew to reach 100,000. Some studies show that about 88,000 Koreans were employed as managers and officials (Korean statistical Year Book, 1970).

The recruiting of managers into organizations begins immediately after students complete their undergraduate or graduate programs. They are hired as either office staff or research and development engineers or scientists (Peterson, 1993). If these hired demonstrate intelligence and ability to lead others with a spirit of harmony and diligence, they are promoted up the management hierarchy based on their seniority (Peterson, 1993)

According to Kim and Kim, management activities are mostly seen in larger Korean firms, which over the years formed the Federation of Economic Men. Kim and Kim went to say that, in 1970, the 200 members of the Federation of Economic Men were employers and each employed 300 to less than 3000 workers among which were 10 to 100 managers. About 50 percent of the Federation members were owner managers of private firms and 23.4 percent were top managers of public firms while the remainder were directors of trade associations (Kim & Kim, 1986). A very large number of the members had no formal education, and most of the members were born the 1900s. As stated by Kim and Kim, 39.3 percent were born in the 1910s, 33.3 percent born in the 1920s, and 25 percent were born in the 1930s. These statistics only show one thing-most of the Korean business organizations are controlled by members of the old age group (Kim, 1985).

However, Korean management styles have progressed from the pre-industrial management pattern to the present industrial management pattern. Pre-industrial management practices were based on indigenous and traditional forces, while industrial

management in based on the management behaviors that have emerged as a result of the new, exotic, and perhaps heretofore unknown economic forces induced by the recent impetus to economic development in Korea (Suh, 1975).

The advent of industrial growth in Korea fostered the inflation of the organizational scale which in turn promoted the grandiosity of company owners (Suh, 1975). The owner of a company is respected and in given a title such as Mr. Company President. The owner of a company is considered within society as the father of its employees, and the organizational structure in hierarchical.

Modern organization theories, however, have deprived Korean management of formal hierarchical organizational structure. Today, according to the Mooney and Reily Scalar principle, there is a delegation of authority and function (Suh,1975), and all members of the management team are held directly responsible to the proprietor at the top. Management decisions are discussed among informal groups which sometimes include lower level employees (Suh,1975:45).

In the most instances, however, in approving decisions, the head of the organization expects the subordinates to write critical decisions and for them to be approved by the Leader or proprietor.

The Leader-employee relationship is authoritarian and doctoral. The strong and directly personal influence of the leader on subordinates is what keeps the organization intact, Korean doctoral and authoritarian leadership, according to Suh, alternates to paternalistic leadership or the father-son relationship.

The true intention of Korean leadership may be explained in terms of self-actualization the confirmation of self-greatness through one's influence on others. At the same time, a reverse explanations is equally possible, namely the since the paternalistic approach is unavoidable, one has to dictate in order to minimize adverse outcomes. At any rate, either interpretation

solves the problem of organizational efficiency vis a vis leadership (Suh, 1975: 48).

Paternalistic leadership got its roots from kwallyo chedo - the bureaucratic institution of the Yi Dynasty (1392-1910) in which, according to Suh, the ruling apparatus took responsibility for all social needs of its constituents. The ruling system of the king was hierarchical because the king directly appointed and controlled all central and local officials, who unless specifically instructed by the king were responsible to no superior other than the king (Suh, 1975: 48).

The Korean government initiated the industrialization of Korea after the World War II. As a result, Korean industrial management became passive (Suh, 1975: 56). The government provided funds, and drew the blueprints for industries. Some business organizations that attempted to follow proscribed industrial management failure. Those organizations that thrived and expanded adopted the traditional approach of vertical expansion (Suh, 1975: 45).

In vertical expansion, management is the extension of the traditional method where the organizational structure is a status of identifying who is who. As an organization grows, and it becomes impossible for the leader to continue his or her total control; special departments known as pisosil are created to which supervisory functions are assigned (Suh, 1975). These departments report directly to the leader, or sometimes the leader can even receive strategic information from another chokso (right person, right place). Some experts believe that this dualism in effect adds to the operating costs of an organization.

The present understanding of leadership within Korean business organizations is owed to a few interviews with senior managers, academicians, and government officials (Oh, 1992). Interviews, however, have given some understanding of Korean leadership. According to Ho (1992), the economic success brought about by Korean leadership is based on a homogeneous

society founded on Confucian work ethics and government policies, the family-controlled growth-oriented chaebols with paternalistic and authoritarian management.

Behavioral traits of Korean CEOs

The traits of CEOs of successful firms have usually been studied in the fields of entrepreneurship (Low and MacMillan, 1988; Massie, 1987) and leadership (Bass, 1991; Locke, 1991; Yukl and Van Fleet, 1992). However, it is not easy to identify the ideal traits of Korean CEOs of small and large firms from the existing leadership literature. In addition, the ideal traits proposed by previous leadership research using data collection in other societies might not be applicable to Korean society. In this study adopted a method of directly extracting traits by analyzing actual Korean cases.

The CEO trait of successful firms, called the management's respect for employees (rated first at 30.4 percent), means that the CEO cares for the staff, respects their personalities and freedom, and tries diligently to develop the human resource. An example of this trait would be the founder of the KUMHO group (ranked eleventh by total assets in Korea), who always told his successor that "before building a product, build sincere workers." Thus, this CEO invested heavily in employee training and increased salaries up to 200 percent, even during recessions. Such employee-oriented management includes spiritual care of the employees, achievement of a community-oriented concept, endowment of freedom to the employees, and respecting and nurturing them.

With an "initiator attitude" (rated second at 22.8 percent), the CEO shows diligence and sincerity, and he practices a site-oriented concept (such as not just talking but solving problems personally at the work site or acting as a leader). For example, the CEO of the LG group (ranked third by capital) worked under his late father, personally delivered products to trading partners

at daybreak, labored manually at the factory during the day, slept at work at night, and sometimes even made visits to service malfunctioning appliances. Such traits include sincerity and diligence, initiative, site-oriented behavior, responsibility, and aggressiveness.

The trait “tenacity and sense of summoning” (accounting for 20.8 percent of the sample) means that, even when faced with difficulty in the course of promoting a business, the CEO will not bend his will but will show strong tenacity with a sense of calling for the job and a strong sense of achievement. The CEO of the Halla group (ranked sixteenth by capital), notwithstanding a government measure that forced the hand over of his primary factory to another firm, and his own bad health, overcame these difficulties by devoting his energies to the development of the Mando Engineering Company. Such a trait includes tenacity and obstinacy regarding the job, a strong need for achievement, a challenging spirit, an unbending will, and a sense of calling to contribute to the development of society and nation.

Through “network-building ability” (ranked fourth at 13.6 percent), the CEO promotes friendly relationships among the employees and uses external relations efficiently. For instance, the CEO of the Daewoo group (ranked fourth by total assets) built strong relationships with government officials and financial elites and used the network ties to undertake mergers and acquisitions. The above trait includes abilities for personal network-building, persuasion, communication, external-relation building, and using personal networks.

Finally, “emphasis on competency” (12.4 percent) means that the CEO strengthens competitiveness through an endless development of technology and of employees. An example is the CEO of Sambo Computer, who invested a great amount of financial capital and personal effort to develop new technologies and minimize the defect rates in spite of the firm’s unfavorable financial situation. Such traits include emphasis on competency and individual capability, and

valuing the development of new technology.

Leadership styles of CEOs of successful firms

The cluster analysis conducted on the traits of CEOs of successful Korean firms provided three types of leadership styles. CEOs in cluster number one are those who exhibit a relatively more employee-respecting management style than CEOs in other clusters, and they emphasize an initiator attitude that is site-oriented. He named this “battlefield commander style” because of its field-oriented concept, its people-oriented management, and its aspect of trying to do something personally. Ninety-four out of 164 successful CEOs fitted into this cluster. As this cluster accounted for the majority of the sample, it could be said to be the most representative leadership style of the CEOs of successful Korean firms.

Cluster number two is a style that respects subordinates while emphasizing personal networks. CEOs in this cluster can be called “network builders,” since they demonstrate network-building ability, both internally and externally. This cluster accounted for 24.2 percent of the total sample of successful CEOs. CEOs in cluster number three emphasized tenacity, a sense of calling for work, and respect for employees. Even when faced with difficulties in the process of promoting business, these CEOs showed a strong sense of achievement and tenacity without bending their wills, based on a sense that they had been summoned for the chosen job and, at the same time, showing compassion for the workers. Their leadership style can be called a “can-do spirit” and accounted for 17.4 percent of the sampled CEOs of successful firms.

The result of this cluster analysis shows that, although there is no difference in employee-oriented management and competency-emphasis management among the three clusters, there is a meaningful difference among the clusters in initiator attitude, tenacity, a sense

of calling, and network-building ability. This shows that the CEOs of successful firms vary in their emphasis on initiator attitude, network-building ability, strong tenacity, and sense of calling. However, they all strive for employee-oriented management and they all emphasize competence.

THE THAI CULTURE, THE THREE CIRCLES OF THAILAND

The Social Circle

As the newcomers to Thailand, foreigners are usually struck by the good manners of the Thais. After weeks of sightseeing in the cities and sunning on the beaches, many go home with a warm regard for the country and its people. Bangkok or “Krung Thep”, after all, really is a city of angles. In the great contrast, however, there are “bad angles” that foreigners may encounter during their vacation days: e.g., the taxi driver who says he doesn’t have the change, thus forcing you to leave a forty percent tip; the customers who disregard the queue and most impolitely squeeze in front of you at the service counter; the irresponsible citizens who throw garbage into the canals and on the beaches without a thought for others.

The Family Circle

Every individual (Thai or others) may be seen to live in roughly three different “circles”. A Thai’s innermost circle, of course, is his immediate family. In this Family Circle, the individual is closely intertwined with the fortunes of the other family members. Naturally, there are ranks within this “family circle” as well as guidelines about informal connection and a free flow of communication.

KRENG JAI

One of the most important and intriguing of Thai concepts is the term, *kreng jai* (pronounced a like *graeng*

Blood is thicker than water. Compared to the West where families have become more of a desire and necessity, Asia is said to have blood ties that may even be thicker. For those who can afford it, grandparents often live with their grandchildren in a three-generation household. Aunts and uncles are often called on to help in solving family complications.

The Cautious Circle

Members of your Family Circle may forgive you for your transgressions and mistakes. Members of the Cautious Circle may not be so forgiving. This second circle comprises people with whom the Thai individual interacts frequently but more “officially” such as his work colleagues, his doctor, his children’s schoolteacher, his tailor, or a regular market lady. It is in the circle where behavior tends to be “proper” Thai behavior—courteous, cautious, deferential, friendly, but somewhat formal. The reason for the high standard of manners in the Cautious Circle is the fact that the Thai depends on these associations regularly. Because of the frequency of contact, each side in these relationships has a certain continuing sanction or leverage on the other. Each side wants to keep the relationships functioning smoothly for the good of both sides. The existence of the personally face-to-face contact does maintain the standard of behavior.

The elements that make up this “standard of behavior” are directly relevant to the foreigner who operates most of the time in this second circle, namely the Thai work place. The latter part of this chapter examines these elements, particularly the values and behavior from which Thais expect others in the Cautious Circle.

jai). At one Thai University, more than a hundred master degree theses have been written by students, dealing

with the useful and detrimental effects of krong jai in national development. It is a significant concept not only in the abstract but also in the daily behavior of Thais, practiced by individuals from lower ranks of society all the way up to ministerial level. Of particular relevance to supervisors and managers is the use of krong jai as a motivator.

Thais themselves often find it difficult to get Expatriates a complete or coherent definition of krong jai. And yet the practice of krong jai is found in dozens of daily situations; a term very much at the front of most Thai's minds as they try to create and nurture good human relationships. The behavior is dominant in most social relationships, and to a large extent, in work as well.

Krong jai Towards Juniors:

Krong jai is practiced most commonly by juniors toward senior's seniors with whom they have frequent contact and therefore have reason to treat with consideration and honor. But on some occasions, a senior will show krong jai toward a junior. If an elderly couple have just entertained a large group of guests at home until a late hour, the hostess may tell her maids to sleep late the next morning; or she may help straighten up the living room herself. Or, coming home late from a party, the same couple may open their gate themselves rather than wake up their household staff to do it.

Krong Jai in Government:

Krong jai, as implied earlier, can intervene in the high levels of government. Two examples: In recent years, efforts have been made from time to time to investigate government officials on charges of corruption. When a relative of the accused learns that one member of the investigating committee is also a relative, the investigation slows down or comes to a halt. In one such case, some of the suspected officials were of very high rank. A department regulation required that the

probing committee must consist of "members of a higher or similar rank, and the ministry had no official of such rank." Thus the investigation could not even get off the ground.

At high levels of government, krong jai makes it difficult for a bright subordinate to contradict a director-general or minister on crucial matters of policy.

Don't Krong Jai Me:

Many Thais and Expatriates who have achieved a successful two-way flow of ideas and information have done so by reducing the formality or severity they project to subordinates. They have required weeks or months, trying to prove that they are sincerely receptive to employee's questions, opinions, objections, and even criticisms. A manager may tell his people, "You do not need to be krong jai to me." He need hardly fear that his people may drop their krong jai toward him altogether. As long as they have esteem for him they will continue to show him consideration in many other ways, some obvious, some less so. But over time, their use of krong jai as a reason for not being open can be reduced to a level acceptable to both the Expatriate and Thai. In this way, the foreign manager has made use of the term krong jai as a motivator to improve communication and trust.

Phrakhun

Head of the family: If the Thai manager holds considerable power, he also feels that he must carry a greater degree of responsibility for the personal lives of this of his constituents than does his western counterpart. He is seen, to some extent, as father figure.

Having authority entails a set of duties. If a Thai becomes rich and powerful, he takes on certain paternal and patron-like roles, both towards less fortunate relatives, and to junior members of his work entourage. If he has a poor cousin working as a housemaid, for example, he would have to make sure that she does

not have to continue working at that job once he himself has become an important person; if he neglected such a duty, other relatives would think him selfish. As for his junior work colleagues, he'd be expected to protect them, somewhat as he would care for family members, take an interest in their personal welfare and family life. All this is a way of showing his recognition for their supporting roles in his meteoric rise. It is the kind of behavior, as the Thai hotel manager explains, which contributes to the bonding process.

Many Thai managers would feel reasonably comfortable discussing employee's personal lives with them, to the extent that what was happening at home seemed to affect their work. According to some Western managers, this would be an unacceptable invasion of privacy.

A traditional senior Thai could expect to be approached from time to time by relatives and former clients to help get them jobs. Once they are on board he would be rather considerate of them. If they did poorly he might try to protect them, at least for a while.

RESEARCH FINDING ON CORPORATE CULTURE AND MANAGEMENT STYLE : THAI VESUS KOREAN

The politico-economic structure backed by illegal abuse of authority and bribery, affected the proliferation of corruption throughout the whole society. Chaebol is one sample which in some case depends on government approval. The Chaebol, is the conglomerates of many companies clustered around one holding company, but in Thai group of companies, they will be in the same industry for example if they are financial institutes, the group will consist of leasing company, securities company or even mutual fund. Both of Thai and Korean parent companies are usually controlled by one family.

But after the economic crisis in the country, they have trended to change and the anti-corruption

campaign is very strong in Thailand. This is not so serious because the businessmen can give bribes to government officers without any feelings of guilty. The corruption in Thailand is based on an inherit culture "kreng jai" (a Thai word). is a significant daily behavior of Thais, practiced by individuals from lower ranks of society all the way up to ministerial level such a culture originates the management style.

As Korea was experienced in invasion and war in the past, then when the Labor Unions in Korean are on strikes, they are very strong. But in Thai society, the Labor Union is not strong. Thais are independent and individualistic because Thailand has never been a colonized society.

The traditional Korean corporate culture (Gerardo R. Ungson, Richard M. Steers, Seung-Ho Park: 171-179) versus Thailand culture placed on the following:

1. The centrality of work: Koreans have continued their tradition of working extremely hard. They are diligent, self-sacrificing, dedicated, and dependable. Even the Japanese frequently complain that Koreans work too hard. Koreans simply spend more time on the job than most of their international counterparts. Thai people are relaxed and easy to work. They are late in starting their works and returns home very early.

2. Personal Relationships: Koreans give more credence to personal contracts and relationships while the West relies more on written contracts. This is quite similar to Thai culture.

3. Paternalism in Superior-Subordinate Relationships: In Korean firms, relationship between superiors and subordinates are characterized by a high degree of paternalism. It is expected that a supervisor or manager will assume personal responsibility for the development of his subordinates and that these subordinates will respond by showing the proper respect and obedience. They may involve with their subordinate's family. It looks the same In Thai culture. The superiors would pay

attention to their subordinates only in the office environment. Thai managers hold considerable power. They also feel that they must carry a greater degree of responsibility for the personal lives. Their authority entails a set of duties. If a Thai becomes rich and powerful, he takes on certain paternal and patron-like roles. Both towards less fortunate relatives, and to junior members of his work entourage. As for his junior colleagues, he'd be expected to protect them. He would care for family members and take an interest in their personal welfare and family life. According to some Western managers, this would be an unacceptable invasion of privacy.

4. General Job Descriptions: Korean companies are greatly aided by these nonspecific job descriptions, which support individual behaviors that is for the benefits of that company. In Thai culture individuals may support whenever their colleagues or superiors have asked them for help.

5. The Decision-Making Process and Personal Accountability: Managers care to admit, and make decisions in Korean companies. This remains highly centralized in the hands of top executives who make decisions either unilaterally or in small groups after consultation with the various parties involved. Evidences suggest that most Korean companies tend to fall somewhere between the authoritarian and the participative approaches and are more top-down oriented than comparable Thai companies.

The culture originates management style, We observed that Korean management style and Thai corporate characteristics are different in the following aspects:

1. Quasi-lifetime Employment: After the completion of their education, some of Korean employees stay in the same company for their semi-working life but it is not as long as an average of lifetime employment of Japanese companies. But in Thailand the lifetime employment is not often mentioned in Thai business style. It depends on the inter-personal relationships between

the management and employees especially in family businesses.

2. Some Mobility in Evaluation and Promotion: Even the salary level depends on length of time spent in the firm but formal education attainment plays the most significant role in Korea. Some of them can be promoted of brevity. In Thailand especially after the crisis in Asia, they are changing to be the western style. Employees in Thai companies would be more mobilized than ones in Korean companies.

3. Implicit Control Mechanisms or informal control as personal relationships: Koreans give more credence to personal relationships in the firms. They work in the harmony environment. It looks quite similar to Thai business.

4. Autocratic and consultative Decision Making: The management also needs the participation of employees. Whenever they can collect some information from subordinates or bottom up, they may practice autocratic decision making. In Thailand, there will be only top-down decision making process, especially the pure Thai owned company. The staff is not familiar with the empowerment style of the management. They are happy to be involved in development of the work process.

The organizational landscapes of the Korean firms have been changing very rapidly. An overview of the nature and origins of these developments continue to try find their place in the global marketplace. In this dynamic environment, predictions concerning and the implications for management style in Korea and it's also prior challenges in Thai society.

CONCLUSION AND RECOMMENDATIONS

Chaebol are conglomerates of many companies clustered across industries but Thailand group of companies will be in the same industry. Koreans indicate that the main cause of corruption is the relation structure

of chaebol and government approving process. The Korean government and businesses have also begun to recognize that collusive structures backed by corruption are harmful to the competitiveness of the government and businesses. Therefore the anti-corruption campaign are very strong in the whole country. While the corruption in Thailand originated from the culture, it's very difficult to change in the short period. As Korean experienced many wars, thier strikes are very serious. This is opposite to Thailand. Thai labor unions are less powerful.

Koreans are diligent, self-sacrificing, dedicated, and dependable. They work too hard and simply spend more time on the job. Thai employees are late to start working and returns home very early. Concerning personal relationships, Koreans give more credence to personal contracts and relationships while the West relies more on written contracts. This is quite similar to Thai culture.

In terms of paternalism in superior-subordinate relationships, in Korean firms, the relationship between superiors and subordinates are characterized by a high degree of paternalism. Supervisors or managers may look after his subordinate's family. It is the same as Thai culture that the superiors would pay attention to their subordinates both in the office environment and family. For general job descriptions, Korean companies are greatly aided by these nonspecific job descriptions, which support individual behaviors that are for the benefits of that company. In Thai culture, they may support whenever they have been asked by their colleagues or superiors.

For the decision-making process and personal accountability, most Korean companies tend to fall somewhere between the authoritarian and the participative approaches and are more top-down oriented when compared to Thai companies.

Regarding the management style; originated by cultures and quasi-lifetime employment: some of Korean employees stay in the same company for their semi-working life but in Thailand the lifetime employment is

not explicit in Thai companies. Even though the salary level depends on length of time spend in the firm but formal education attainment plays the most significant role in Korea. Some of them can be promoted of brevity. In Thailand especially after the crisis in Asia Thai management style has changed very fast to be the western style. Employees would be more fast promoted than ones in Korean companies.

For implicit control mechanisms or informal control as personal relationships, Koreans give more credence to personal relationships in the firms. They work in the harmony environment. It looks quite similar to Thai businesses. Concerning autocratic and consultative decision making, the management also needs the participation of employees. Whenever they can collect some information from subordinates, they may use autocratic decision making approach. In Thailand, it will be only top-down decision making process, especially in the pure Thai owned companies, the staff is not familiar with the empowerment style of management. They are happy to be involved in development of the work process.

Both Thais and Koreans have different corporate cultures and management styles. The management styles originate from different experiences and ideology, and faith. Buddhism and Confucianism, are themselves of pros and cons. The study of a cross-border investment, may show that both Korean and Thai managers may be affected by these factors and learn how to adjust both corporate culture and management style. The results of the study would certainly encourage scholars to conduct for future research.

REFERENCE

Bass, B. M. (1991), *Bass and Stogdill's Handbook of Leadership: Theory, Research, Managerial Applications*, New York: Free Press.

Blake, R.P. and Mouton, J.S. (1968), *Corporate Excellence through Grid Organizational Development*, Houston, TX: Gulf.

Cf. Kelley, L, Whatley, A., Worthley, R. and Lie, H. (1986), "The role of the ideal organization in comparative management: a cross-cultural perspective of Japan and Korea", *Asia Pacific Journal of Management*, No.3, 1986.

Christian Institute for the Study of Justice and Development (ed.) (1998), *Last Victory: An Overview of the Korean People's Struggle for Democracy in 1987*, Minjungsa, Seoul, Korea.

14 Cooper, R & C. Nanthapa (1982), *Culture Shock in Thailand*, Singapore: Times Books International.

Hofstede, G. (1984), *Culture's consequences: International differences in work-related values*, Beverly Hills, CA: Sage.

Homes, Henry, Suchada Tangtongtavy and Roy Tomizawa (1995), *Working with the Thais: A guide to managing in Thailand*. Bangkok, Thailand: White Lotus Co., Ltd.

House, R.J. and Mitchell, T.R. (1974), "Path-Goal Theory of Leadership", *Journal of Contemporary Business*, No. 5, 1974, pp. 81-97.

House, R.J., Spangler, W.D., and Woycke, J. (1991), *Personality and Charisma in the U.S. Presidency: A Psychological Theory of Leader Effectiveness*, *Administrative Science Quarterly*, Vol. 36, No. 3, 1991, pp. 364-396.

John Lie, *Is Korean Management Just Like Japanese Management?*, Sangyong Research Institute, Seoul, Korea.

Keyes, C.F. (1989), *Thailand: Buddhist Kingdom as modern nation-state*, Bangkok, Thailand: D.K. Printing House.

Lie, H. K. and Lie, LL (1982), *Three perspectives of Japanese management*, *Proceedings of the Academy of International Business*, University of Hawaii, Honolulu.

Lie, L. (1998), *Korean Management: An Introductory Investigation*, Sangyong Research Institute, Seoul, Korea.

Locke, E.A., et al. (1991), *The Essence of Leadership: The Four Keys to Leading Successfully*, New York: Lexington Books.

Low, M.B., and MacMillan, I.C. (1988), *Entrepreneurship: Past Research and Future Challenges*, *Journal of Management*, Vol. 14, 1988, pp. 139-161.

Massie, J.L. (1987), *Essentials of Management*, Englewood Cliffs, NJ: Prentice-Hall.

Reddin, W.J. (1970), *Managerial Effectiveness*, New York: McGraw-Hill.

Rhee, Y.S (1985), "A cross-cultural Comparison of Korean and American Managerial Styles: An Inventory of Proposition" in Kim, B S., Bel. D. S., Lee, C. B. (eds.), *Administrative Dynamics and Development: The Korean Experience*, Seoul Kyobo Publishing, p.85.

Shin, Y.K. (1996), *The Success and Failure of Korean Companies*, Seoul, Korea: Korea Chamber of Commerce.

Tannenbaum, R., and Schmidt, W.H. (1973), *How to Choose a Leadership Pattern*, Harvard Business Review, May-June 1973, pp. 160-172.

Whitehill, A.M. (ed.) (1987). *Doing Business in Korea*, Croom Helm, London.

Yukl, G., and Van Fleet, D.D. (1992), "Theory and Research on Leadership in Organizations" in M.D. Dunnette and L.M. Hough (eds.), *The Handbook of Organizations and Industrial Psychology*, Vol. 3, Palo Alto, CA: Consulting Psychologist Press, pp. 47-198.

มหาวิทยาลัยบูรพา
Burapha University