

THAI EXPATRIATE MANAGERS: ISSUES FACING THAI HOTELS OPERATING ABROAD

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Abstract

In order to succeed abroad, multinational corporations (MNCs) need, among other things, to carefully recruit their expatriate managers (those managers running their overseas subsidiaries). This has become a key issue for MNCs to achieve and maintain a competitive advantage in a global market. In Thailand, selecting competent and reliable expatriate managers is all the more critical as outward foreign direct investment by Thai companies is rapidly increasing, most notably in the hotel sector. Many Thai hotel chains are now investing abroad to diversify risk and expand their customer base, which also means that more and more expatriate managers are needed to run their overseas operations. This paper focuses on those expatriate managers and on the issues Thai hotels face finding and retaining competent “expats.” Data are primarily collected from 21 interviews with hotel managers and hotel owners that have subsidiaries overseas or have expatriates working for them. A survey of 30 students enrolled in a Hotel Management Course at one Bangkok-based university adds to the lore of data. Still, even though a mixed methodology is used as a result, this study remains quintessentially qualitative as most of the data is collected from interviews, personal observations and documents. The findings show that the demand for expatriate managers in the hotel sector is growing and that finding qualified managers and convincing them to accept positions abroad remains challenging. Several reasons account for this situation. Firstly, even though the demand for qualified Thai managers to be expatriates in the Hotel business is increasing but it is still very difficult to find the right one who would accept working abroad as they prefer not to change their habits since going abroad equates with a radical change of routine. Secondly, hotel owners are looking the people who have high social skills, high adaptability skills, and are very flexible since expatriate managers have to deal with many problems and find solutions to them in both daily life and their working life. Thirdly, most hotels provide incentives and additional benefits differently

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depend on the countries they are assigned to. As there are some countries that no one would prefer to go to, they need to attract managers by using the greater incentives. Fourthly, Thai people are often not willing to accept the assignments, especially managers, since most of them already have a family, unlike the younger generations that prefer a challenge in their life. And lastly, differences in terms of cultures is a factor that is most likely to affect their performance abroad since they are living in the place that is totally different from their own countries, the behavior and lifestyle of people are also different as well.

Keywords: Expatriate Managers, Hotel, MNC

INTRODUCTION

Foreign direct investment (FDI) can be broadly defined as investing in another country. A company can invest abroad by establishing a wholly-owned subsidiary, for example, build or acquire a hotel in China and operate it with no local partner, or they may form a joint venture with a local company.

Historically, FDI flowed from developed to developing countries. Today, however, we are seeing a sharp increase in so-called reversed FDI. Thai OFDI outflow continues to increase especially within the Association of South-East Asian Nations (ASEAN). The main sector investing abroad is the manufacturing sector, but the service sector OFDI is steadily growing as well. There are many reasons for Thai companies to go abroad such as finding new resources and locations with lower production costs, seeking new markets, or acquiring new technology. The key overall reason for investing abroad, however, remains to maintain their growth and gain competitive advantage in the global market.

Generally, when a company operates in a foreign country, the top managers in that foreign subsidiary are sent by the company HQ. This

is also the *modus operandi* for Thai companies. In Thailand, however, internationalization is becoming a challenge because companies must find talented managers willing to relocate abroad. Those managers, known as expatriates, usually come from the middle or top management level.

Expatriate managers are responsible for making sure that local employees in the foreign subsidiary understand clearly the objectives and work toward achieving the company's goals. Expatriates thus need to work with local employees to make the process run smoothly and have to deal with, among other things, with potential conflicts between the home and host countries' cultures. Obviously, expatriates play a big role in the overseas success of a company. Their ability to manage their host subsidiary according to the Company's HQ mandate is critical. If the assignment abroad fails, the company may end up losing a lot of money and incur opportunity costs. This study focuses on expatriate managers in the hotel sector in Thailand and looks at the issues they face operating abroad.

Finding the right expatriates to take on managerial positions overseas is becoming a challenging issue for Thai MNCs. Research shows that it is not easy for them to find the

right managers willing to relocate abroad. They report a high rate of expatriate failure (e.g. Causin, Ayoun and Moreo, 2011, Harzing and Cristensen, 2004).

This study aims to explore the factors giving rise to the issues of finding and retaining competent expatriate workers. To this end, it focuses on expatriate employment issues in the hotel sector in Thailand. To provide a more general view of the range of issues involved, interviews were conducted with hotel owners and managers in various parts of the country who have subsidiaries overseas or have expatriates working for them in Thailand.

More specifically, this study seeks to determine (i) The nature of the difficulties experienced by hotel managers when recruiting expatriates; (ii) The particular attributes they look for in applicants; (iii) The packages they offer to make assignments attractive; (iv) The level of motivation and interest among Thai employees to take assignments abroad; (v) The factors making the assignments successful or problematic; (vi) The extent to which being married or single, male or female, or having children may interfere with the expatriates' performance abroad; and (vii) The expectations expatriates entertain upon their return and whether they wish or are even willing to take another assignment abroad.

To do so, it seeks to answer the following five research questions: 1. How difficult it is to recruit expatriates for overseas assignments? 2. What specific qualities do hotels look for when they select expatriates? 3. What incentives do companies offer them? 4. Are Thais generally willing to accept assignments abroad? 5. What is most likely affects the performance of expatriates on assignment?

LITERATURE REVIEW

This section discusses the key operative concepts used to address the research questions.

Key Concepts

- Expatriate Manager

Broadly speaking, an expatriate is a person who is staying or working in a country that is not his/her own native country. Many are international managers assigned to complete a specific assignment in a foreign country by a multinational corporation (MNC) (Lasserre, 2007). Expatriate managers are often assigned to do an overseas posting in a subsidiary of a MNC in a host country, for a specific period of time. Many are in the middle to top level of management and understand the mission and vision of company clearly (Harzing 2004).

A company may have several objectives in sending an expatriate to work in an overseas subsidiary. One is to fill positions because the local managers and employees lack the knowledge and experience to manage a specific issue and thereby to share knowledge from the parent company with local employees in both management and technical terms. Another is to develop and enhance management processes to ensure that quality is achieved to international standards. Thirdly, expatriates may be posted overseas to develop the organization (Edström and Galbraith, 1977). Fourthly, expatriates may be assigned to work in overseas subsidiaries where strategic concerns are involved.

Research indicates that approximately 40% of expatriate assignments fail, and because most of them are at middle to top

management level, the cost of failure is very high (Lewis, 2006). If local employees in the host country are dissatisfied working with an expatriate, the chance of failure may be high (Chen et al, 2005).

It takes an expatriate with the right characteristics for the assignment to be successful. It is the task of the Human Resources Department (HR), to find a person who has the appropriate skills to work overseas. The first characteristic is flexibility. An expatriate should be able to adapt to any circumstances. Expatriates should have cultural sensitivity and an open-mindset to be able to understand the differences between people and between different cultures. Leadership skills are often considered to be one the most important characteristics that an expatriate manager should have (Yooyanyong and Muenjohn, 2010)

- Expatriate Adjustment

Expatriate adjustment can be defined in terms of the degree of psychological comfort an individual has with different cultures (Gregersen and Black, 1990). Even though cultural training can help an expatriate manager understand his/her new environment, much depends on an individual's ability to change or adapt to the situation in the host country (Black 1988, 1992; Nicholson, 1984).

Mendenhall and Oddou, (1985) have identified three dimensions in an expatriate assignment

(i) The relationship dimension pertains to the relationships that the expatriate builds with the local employees in the host country. The better an expatriate's adjustment and social skills, the better will be his/her relationships

with locals both at work and in his/her daily life (Hechanova et al., 2003).

(ii) The perceptual dimension relates to understanding the differences in behaviors of the local people and knowing how to interact with them appropriately (Mendenhall and Oddou, 1985). Cultural differences can be very sensitive and influence work outcomes. (Yiu and Sanner, 2000).

(iii) The self-dimension concerns the expatriate's personal ability to deal with stress and a new environment (Black et al., 1999). An expatriate who has a high self-confidence level will be able to perform the work better in an unfamiliar situation (Chao and Sun, 1997).

Collectively, these three factors underline how an expatriate assignment differs from a domestic work assignment. An expatriate manager who is better adjusted to a host country will have higher levels of self-efficacy (Harrison et al., 1996). Obviously, the better the adjustment, the better the expatriate's performance is likely to be. Training therefore plays an important role in terms of improving adjustment skills, particularly in relation to the control of emotions and increased flexibility skills. Ideally, expatriates need to understand in advance the new environment they are entering as well as the unfamiliar problems they may face.

Research by Bhaskar-Shrinivas et al. (2005) also indicates that the ability to adjust to the host country is one of the strongest determinants of the performance and effectiveness of expatriates and whether they are going to complete their assignment abroad or not.

- Expatriate Failure

Expatriate failure generally refers to a manager quitting and returning to his/her home country before the assignment is completed (Magnini and Honeycutt, 2003). Several factors may lead to failure of performance. For one thing, an expatriate may not have a strong enough ability to adapt to a foreign environment, so he/she may have culture shock and feel overwhelmed by stress, which is likely to make the quality of his/her work fall below standard. Another factor is the absence of strong family support during the assignment or if the family cannot adapt to the new environment. This will result in greater pressure to go back home. Expatriate failure, however, does not always mean that expatriate managers withdraw from their assignment and return prematurely to their home country. Failure may occur when, for example, corporate performance has declined, productivity decreased, market share or competitive advantage dwindled, or if local employees have ceased to be manageable (Shaffer and Harrison, 1998, cited by Vögel and Van Vuuren, 2008).

- Expatriate Assignment

Generally, expatriate assignments are made for controlling an overseas subsidiary (Edstorm and Galbraith, 1977). This means that expatriates are sent to a subsidiary not only to transfer technical skills to local employees but also to control and coordinate the management structure, operational processes, and the overall strategies of the company (Adler and Ghadar, 1990). International assignments give expatriates a chance to develop their own skills as international managers and make them more valuable employees for the company in the

future. An overseas assignment can help expatriates improve their innovation skills and personal skills as they are often assigned at an early stage of a company making an investment abroad (Franko, 1973).

An expatriate assignment can be a very challenging task especially when it involves quality control, as the success of the company may depend on the quality of its products or performance. This often requires that corporate norms and corporate culture have to be monitored by the expatriate manager (Adler and Ghadar, 1990).

In the hospitality industry sector, expatriates are often assigned to host countries in order to transfer knowledge and skills (Adler and Rigg, 2012), technical expertise, (AsadSadi and Henderson, 2005), and technology. They may also have to manage issues relating to the corporate structure of a local subsidiary in order to ensure that it relates to that of the headquarters (Lomax, 2011, cited by Ho, 2012). Moreover, Ho (2012) found that the most difficult managerial challenges facing expatriate managers in the hotel industry are the differences in cultures and religions, language barriers, management style variables, and conflict between work and family life.

- Expatriate Performance

Expatriate performance refers to an expatriates' ability to work effectively in the subsidiary during his/her assignment overseas. The performance measure is based on the ability to adjust, commit to the company, perform the task at hands and complete an assignment within a specific period (Kraimer and Wayne, 2004). Expatriate performance can also be defined as both task performance and contextual performance, which is viewed

as a multidimensional construct (Motowidlo and Van Scotter, 1994). In addition to the task itself, task performance also relates to the “contextual performance,” that is to how well the expatriate adjusts or reacts to the psychological environment of the host country.

- Perceived Organizational Support

Organizational support can be defined as the perception of expatriates on how the organization treats them during the overseas assignment (Eisenberger, Huntington, Hutchison and Sowa 1986). If the company provides good support to expatriates, they will feel more loyal to the company, which will help to improve their performance and reduce the turnover rate.

- Cross-Cultural Understanding

Research indicates that lacking knowledge relative to cultural understanding may easily lead to the failure of an international assignment (McEvoy and Parker, 1995). Most companies focus on cross-cultural training as essential pre-departure training for the expatriate to ensure better adjustment on an overseas assignment. Factors to zero in on include among others, the expatriate’s personality (Caliguiri, 2000), or knowledge learnt from previous overseas assignments (Black, 1988). Language differences are one of the most important factors in terms of cultural variables that expatriates have to deal with as they may make communication less effective. Furthermore, a different cultural context may reduce communication skills (Shaffer et al., 1999). In a country where English is not spoken, greater social skill will therefore be required to communicate with the local employees. Moreover, expatriates may experience more stress if they have to deal with the language

barrier and if the language from the home country is totally different from that of the host country.

In order to give expatriates a deeper understanding of cross-cultural differences, a company needs to provide culture-specific training. Cross-cultural training can be divided into awareness training and specific training.

Cross-cultural awareness trains individuals to deal with different challenges when working in a foreign workplace. Each culture has different characteristics and expatriates need to have different knowledge sets for different cultures (Gliatis, 1992).

Culture-specific training allows expatriates to go to the specific country to which they are assigned and interact directly, more effectively, with the local people. It helps them to learn how to build better relationships within that specific culture.

- International Staffing Policy

An international staffing policy is meant to select a person to work abroad (Bonache et al., 2001). Various approaches can be used to select a person. The first one, the ethnocentric approach focuses on the parent company selecting the person from HQ so they can have the full leadership over the subsidiary. A second approach, the polycentric approach, is meant to respond to the local environment more and focus on the structure of the subsidiary in the host country. The third approach is the geocentric approach reflects the influence of globalization and is the most commonly used among international businesses. A company applying this approach will select the person most appropriate regardless of his/her nationality. Under the last approach, termed regional-centric, the manager selected will be made responsible for

a specific region during the international assignment (Harvey et al., 2001; Perlmutter, 1969; Taylor et al., 1996).

- Hofstede's Cultural Dimensions

Three of Hofstede's cultural-based dimensions are especially relevant to this study: individualism versus collectivism, power distance, and uncertainty avoidance. Individualism versus collectivism refers to the degree of people's concern for themselves. Westerners focus more on individual goals than on team work while Asians or people from other collectivist cultures focus more on the successful outcomes of the team work (Hofstede, 2010).

Power distance refers to the way people with different levels of power react toward one another. Countries with high power distance such as Asian nations exhibit fewer relationships between different power positions than countries that have less power distance (Hofstede, 2010).

Uncertainty avoidance indicates the extent to which people are willing to take risks or deal with unpredictable situations. People from countries that have high uncertainty avoidance (Asians among others) tend to avoid risk or feel uncomfortable when they are facing the unpredictable (Hofstede, 2010).

Previous Studies

Expatriates in the Hotel Industry: An Exploratory Study of Management Skills and Cultural Training by Gina Fe Causin, Baker Ayoun and Patrick Moreo

Causin, Ayoun and Moreo (2011) studied expatriation in the hotel industry. This research studied the expatriation skills needed for the hotel industry to improve effectiveness of

expatriate forms of cross-cultural training. This research involved an exploratory study of the management skills and cultural training. The researchers focused on the international hotel business and which skills were needed for expatriation. Most research that focuses on expatriate employment ignores the hotel industry where there is a high rate of failure; many expatriates do not complete their assignments in the hotel industry. There are three factors identified in this research which assist expatriate success rates. The first factor is level of management skills. The second factor is the influence of the country of origin. The final factor is cultural training.

Expatriate General Managers' Perception of Hotel Management in Jamaican Four and Five Stars Properties by Howard Adler and Julaine S. Rigg

Adler and Rigg (2011) studied Expatriate Hotel General Managers in Jamaica, and their perceptions of human resources, organizational, and operational challenges. This paper studied the expatriates' work in the hospitality industry in the Caribbean. It shows the perspectives of expatriates in Jamaica, which has a different culture from many other countries. The researchers focused on how expatriates could adapt themselves to the new environment to reduce the failure rate. The reasons that companies sent expatriate to work overseas for hotel industry is to control the local subsidiary by transferring knowledge to the local people and to global community. The researchers found that this is a weakness facing the expansion of the hotel industry in Jamaica. There is also a significant challenge for expatriates to deal with the local employees and make the operations run successfully. From this study, the researcher found that if

expatriates wish to be successful in their assignment, they need to be flexible enough to adjust to the host country.

Expatriate Hotel Managers' Perspective on Cross-Cultural Skills by Maria-Cristina Iorgulescu and Anamaria Sidonia Ravar

Iorgulescu and Ravar (2014) studied the management challenges facing expatriates in the hotel businesses in Romania. The researchers explored which skills expatriates should have in order to manage an international assignment and how the hotel companies should provide more effective cross-cultural training. Since there are more and more multinational companies, as well as hotel businesses interested in investing abroad, expatriates are needed in subsidiaries in order to manage operations in host countries. That is one of the reasons why many companies provide cross-cultural training for their managers in order to prepare them. In this study, the researchers focused on the expatriates in the hotel businesses. The respondents were six expatriate managers from a hotel in Bucharest and from Skål International Romania. The methodology used in this research involved interviews, as this qualitative methodology was considered best in understanding the perspectives of each expatriate.

Cross-Cultural Challenges and Adjustments of Expatriates: A Case Study in Malaysia by Aida Hafitah Mohd Tahir and Maimunah Ismail

Tahir and Ismail (2007) studied the challenges expatriates may face and how to adjust to the challenges that occur due to cultural differences. In this study, the researchers focused on expatriates working in Malaysia. In Malaysia, expatriates come

mostly from Asian countries like Japan, Taiwan, and Korea. In addition, there are also groups of expatriates from Europe and America. Expatriates face different challenges in terms of culture and lifestyle that may influence their performance. Cultural adjustment is needed to ensure expatriates succeed in their assignment abroad. In Malaysia, the biggest challenges for expatriates relate to the local services, environmental issues, and the local media that is stricter than in their home countries. In this study, the researchers applied a phenomenological qualitative methodology in order to study the challenges faced by expatriates and how to help them adjust to their challenges. The respondents were expatriates who worked in Malaysia, including both males and females

The researchers found that the main challenges that expatriates face while working in Malaysia related firstly to the attitudes of Malaysian people. The second area of significant difference causing a major challenge to expatriates was identified by the researchers in terms of religion including dress code. Female expatriates appeared to face more cultural challenges than males. A third issue explored by these researchers related to social status, which is different from other countries. Lastly, challenges came from cross-cultural (A. Dan's question: Cross-cultural what? Cross-cultural is an adjective, what noun is it modifying?).

Cross-Cultural Training for Expatriate Hotel Managers: An Exploratory Study by Ben Dewald and John T. Self

Dewald and Self (2008) studied expatriate managers in the hotel industry in China. In this study, the researchers explored cross-cultural training to see whether there are measures that could be taken to help

expatriates adjust themselves to host countries more easily, given that many researchers have found high failure rates associated with sending expatriates on overseas assignments. However, the researchers also recognized that failure rates were often dependent on the countries where expatriates were assigned and that there is a high financial investment by multinational companies sending expatriates abroad. The researchers found that culture is the most important factor in terms of both behavior and business success. The research acknowledges that people from different cultures can create conflict in both daily life and also within the organization. Most companies, they found, provide cross-cultural training to their managers to reduce the conflict and provide better understanding about other's cultures. The researchers focused on the Chinese market, as today China is the second most important market after that of the USA, in terms of business importance. Many hotel businesses around the world view China as a great market for expansion due to the huge population. However, expanding into China is not simple particularly as Chinese people are very conservative.

A Framework of Intercultural Training in Hotel Work Place by Xu Li

Xu (2008) studied intercultural training for hotel businesses. In this research, the researcher focused on conflict in terms of cultures within organizations. The study indicated that cultural conflict can affect the performance of the employees in a company. Moreover, as hotel businesses are now focusing on going global, more hotels are sending their local managers to work as expatriates in the different countries. In this

study, the researcher designed a new training model for the hotel workplace by adapting and combining several cultural models, including Harzing's Cross-cultural Training Model and Hofstede's Ten Synthetic Culture Model.

The researcher developed a new intercultural training model based on case studies and semi-structured interviews which were analyzing to create an effective model for intercultural training. The new training program designed by the researcher has been called the 'Intercultural Training Framework', and includes a five part training program based on each of the following, a Needs Assessment, Objective Setting, Program Design, Implementation, and Evaluation.

What Makes Hotel Expatriates Remain in Their Overseas Assignments: A Grounded Theory Study by Zoe Ju-Yu Ho

Ho (2012) explored why expatriates in hotel businesses decide to remain in their assignments abroad. The researcher found that there are more hotels going international that send their managers as expatriates to work abroad. In this research, a qualitative method was adopted by the researcher. The researcher focused on cultural differences and how expatriates could adjust themselves to a new environment. The researcher chose to study the perceptions of expatriates from Western countries who were assigned to work in the Greater China Area (GCA). The results indicated that all respondents were active participants in hotel businesses and had high levels of social skills, which meant they preferred to meet and interact with other people. As a consequence, all respondents were able to get along comfortably with many people from around the world.

2. RESEARCH METHODOLOGY

In this study, a **mixed methodology** was chosen as the research methodology. A mixed approach means that elements of qualitative research, which collects the data through interviews, personal observations, and documents then combined with elements of a quantitative research. The quantitative element in this particular study is a survey questionnaire.

2.1 Qualitative Research

Qualitative research is suitable for the data that is related to the perceptions, opinions, ideas, and facts that cannot be explained in terms of numbers. The opinions gathered from a group of respondents thus add to the reliability of the findings. Primary and secondary data were collected via structured, semi-structured, and unstructured interviews and personal observations. Secondary data are collected from documents. The Judgmental Sampling and Snowball Sampling were applied in order to select the respondents.

Judgmental Sampling

The researcher selected the respondents based on personal judgment. The respondents can be lumped into four distinct categories:

1. Hotel owners who either recruit expatriate managers for their foreign subsidiaries or foreign employees for their Thai hotels.
2. Thai expatriates with experience as expatriate managers in the hotel industry.
3. Thai managers in luxury hotels that have subsidiaries overseas

- Snowball Sampling

Snowball sampling can be defined as a chain method recommended for searching for respondents over and over until enough data is received (Patton, 2002).

In this study, the researcher applied the snowball technique by obtaining more respondents on the recommendation of previous respondents or through acquaintances. Since this study uses primarily qualitative research, the sample size is smaller than in quantitative research (Ritchie et. al., 2003). To determine the sample size the researcher applied the concepts of data saturation and diminutive return. Data saturation is generally described as the process of collecting data from new respondents as primary data until enough data is obtained or the research has reached the diminishing return point. There is no exact rule for finding the correct sample size in a qualitative study. The saturation of the data collection is reached when there is nothing new to be found through this study (Bowen, 2008; Miles and Huberman, 1994).

A total of 21 interviews were conducted; 6 structured interviews, 10 semi-structured interviews, and 5 unstructured interviews.

Structured Interviews

Six structured interviews were conducted; five with hotel owners and one with a Thai expatriate.

The owner-interviewees own luxury hotels in Thailand (in Bangkok and outside) and have expatriates working for them. Some have subsidiaries abroad with Thai expatriates working there.

All the interviews were first contacted via telephone calls and/or via e-mail. The interviews sought the owners' views on

recruiting and working with expatriates. The researcher prepared the same set of questions for all hotel owners with all of them answered in the same order.

The following six questions were asked to the interviewees: (1) What quality do you look for in an expatriate? (2) What incentives do you provide to expatriates? (3) Do you have training program for an expatriate? (4) Is it difficult to find qualified expatriates willing to go abroad? (5) Have you ever faced a problem with an expatriate before? (6) Do managers abroad have to be of Thai nationality? If not, why?

The sixth interview was conducted with a Thai expatriate with the purpose of hearing the perspective of an expatriate. The interviewee worked for a hotel chain in China and in Australia and is now working as the HR Director of one of the largest luxury five-star Bangkok-based hotel chains which has Thai expatriates in its wholly-owned subsidiaries and also employs expatriates in its Bangkok location.

The interviewee was contacted via e-mail to set up an appointment for a face-to-face interview at his office at the interviewee's convenience. The following six open-ended questions were asked: (1) Please talk about your assignments; (2) What is the most difficult part of being an expatriate and how did you deal with it? (3) How did you manage your daily private and work life? (4) How did you adapt in the first place? (4) What are the most important skills that expatriate should have? (5) What were your expectations as an expatriate and when you were repatriated? (6) What recommendations would you give to Thai people who want to work abroad as expatriates?

Semi-Structured Interviews

Unlike a structured interview, which has an extremely prearranged set list of questions to which the respondent is encouraged to provide restricted choice responses, a semi-structured interview is an interview in which the questions posed to the interviewee are not extremely pre-arranged, allowing for naturalness and for questions to build up during the progress of the interview. In short, semi-structured interviews are more flexible than structured interviews (Darmer, 1995).

Ten semi-structured interviews were conducted; five with hotel managers and five with students. The managers work at luxury hotels in Bangkok and other cities, some of which with wholly-owned subsidiaries in various countries and with foreigners working for them in Thailand.

The students are enrolled in a Hotel Management Program (their major) or in the MBA program in Assumption University (they were interviewed as potential expatriates).

The interviewer used open-ended questions. All the interviews started with the same question: If you had an opportunity from your current (or future) employer to work as an expatriate in one of their subsidiaries for 3-5 years, would you volunteer for the assignment? Admittedly, the questions that followed were different for each interviewee as they depended on their answers to the preceding question.

Unstructured Interviews

Typically, unstructured interviews (also referred to as 'informal' or 'conversational' interviews) do not involve pre-set questions but are based instead on the natural invention of questions in a natural interaction (Gall et al., 2003). The interviewer converses with

people in the field informally and builds questions as he/she moves forward. The researcher's responsibility is to be as inconspicuous as possible once the ball gets rolling and the subject is introduced and allow the interviewee to build up his/her thought and pursue them.

Five unstructured interviews were conducted with people working in the hotel business in Thailand as managers as well as with people who have experience working abroad with foreigners.

All interviews were in form of natural conversations, which means, among other things, that no questions had been prepared before the interview. All the interviews were face-to-face interviews and were conducted as informal meetings.

Personal Observations

This category of observation refers to what the researcher observed and paid attention to in relation to the topic of this research. In other words, the researcher looked at the world around her and tried to draw conclusions from what she observed (Thomas, 2003). It is clear from the above definitions that observations can take place in many places. Moreover, they can happen in many situations, including on the spur of the moment. Many of the observations made for this study were made by dint of circumstances; a discussion with a friend, a family member, a colleague at the company where the researcher was previously employed.

Documents

Documents can be defined as material that provides additional information that complements the data collected through the survey questionnaires, interviews, and personal

observations. As Yin (2003) stated, "the most important use of documents is to substantiate and supplement other sources. For the purpose of this study, the term 'document' refers to publications (e.g magazines, newspapers, articles, and books) and various websites such as, for example, the bank of Thailand website.

2.2 Quantitative Research

Given that the survey comes as additional material, and not as the only data available, and given the strong and definite qualitative orientation of this research study, whatever correlations there may be between the data obtained need not be proven by a statistical method.

- Judgmental Sampling

The researcher selected the respondents based on personal judgment by selecting the group of Students enrolled in a MBA Hotel management program as they are the group of people who are able to be expatriate managers in the future. This research uses qualitative questionnaires as they can be used to collect particulars regarding peoples' attitudes, their mind-set, and knowledge.

The target population for the questionnaire survey is students enrolled in the Hotel Management program at a Bangkok university. Although all the respondents have the same major, they are in different levels (junior or senior). Some of them are still studying but some have already graduated.

Thirty questionnaires were randomly distributed to the target respondents who were available and found it convenient to answer. Most of the questions are close-ended questions with a few open-ended questions to enable respondents to articulate their

opinions. Each questionnaire consists of three parts. Part one includes screening questions meant to find out about the students' experience working in the hotel sector and with foreigners. Part two consists of ranking questions (close-ended questions) about the respondents' opinions about working abroad. It applies a 5-point Likert scale. Part three establishes the respondents' profile as it asks questions about their demographic characteristics (gender, age, and education level).

3. RESEARCH FINDINGS

The results of the interviews and survey questionnaires as well as personal observations are discussed by themes.

- Structured Interviews with Hotel Owners

Question 1: What quality do you look for in an expatriate? -All of the hotel owners emphasized the fact that any expatriate they would hire must have a high level of adaptability and strong social skills. All of them prefer expatriates who can get along easily with other people.

They also all agreed that expatriates must be able to make decisions effectively and appropriately when facing unpredictable problems either personal or work-related.

One of the interviewees indicated that expatriates must have a strong desire to work abroad and be independent enough to go somewhere where there are hardly any Thais. They also need to have self-confidence. Two owners mentioned that expatriates must have a lot of perseverance because the assignments are generally not as simple as in the home country.

Question 2: What incentives do you provide to expatriates? -All hotel owners agreed that it depended on the destination and the needs of each expatriate. Typically, the incentives provided include a higher salary (not necessarily double what it is at home) and additional benefits such as insurance and perhaps a company car. One of them offered a plane ticket back home once or twice a year. Another mentioned that if the expatriate was exactly the one whom they were looking for and if they were confident that this person would help the company achieve its goals, even though the cost would be higher, the company would be willing to offer even more money and benefits. Two interviewees added that any promotion upon an expatriate's return was not part of the incentive package.

Question 3: Do you have a training program for expatriates? -All hotel owners answered 'yes' to this question. The training programs are mostly cultural training programs meant to provide information to expatriates about the assigned countries on the 'Do' and 'Don't' and also about the management structure to ensure that the expatriates understand clearly all the company's processes and operations. Since the assignments abroad often involve similar managerial tasks, two interviewees said that there is no need to train expatriates specifically for those. One interviewee noted that the training may be more extensive for some countries and also more extensive for women as codes and expectations for men and women in some parts of the world may vastly differ.

Question 4: Is it difficult to find qualified expatriates willing to go abroad? -According to the interviewees, in theory, there are more qualified expatriates today than in the past as many people can speak English

fluently and are more multi-skilled. Still, most hotel owners said it was difficult to find the right managers. Hotel owners in the provinces, however, said that it was more difficult for them due to the location of their hotels (people in the provinces tend to be less cosmopolitan as they have less daily contact with foreigners). One solution that was suggested by one interviewee could be to rotate prospective expatriates throughout the organization and thus have them exposed to more 'foreignness.'

Question 5: Have you ever faced problems with expatriates before?—All said they never really had to deal with major problems but, as they pointed out, that may be due to the fact that they only have one or two expatriates working abroad at any given time. Another reason that was mentioned was that they prepared them well to face potential problems. As one of them indicated, however, if some small problems that may end up hurting the bottom line or the management structures of the company kept recurring, they would have to recall the expatriate as a last resort. But as was also stressed by that interviewee, it is not good for the company if they keep changing their employees in an overseas assignment. One problem encountered by one interviewee occurred before the assignment started. One employee who was about to go abroad on a two-year assignment and had already signed the contract and planned everything out had to cancel almost at the last minute due to his family situation. Obviously, it was a challenge to find a last-minute replacement.

Question 6: Do managers abroad have to be Thai nationals? If not, why?—All the people interviewed said that they would most likely give priority to Thai employees in their

companies provided they qualify for the assignment. But, they also added that it does not necessarily have to be Thai managers. If foreign employees are better suited for the assignment, they would ask them to be expatriates for the company. One of the hotel owners said that choosing between Thai and foreign managers also depended on the destination of the assignment. As two interviewees pointed out, Thai managers are better in terms of customer service especially in the hotel business, so a company may try to choose a Thai managers first. However, if the company wishes to concentrate on the operations side of the assignment, it may offer the assignment first to foreign employees as they tend to be stricter, more rigorous, and better at focusing on their work.

- Structured Interview with a Thai Expatriate- As explained earlier, the researcher interviewed one expatriate with experience working abroad as an expatriate (China and Australia). Since some of the questions asked are different, the content of the interview needs to be considered separately.

Question 1: Please talk about your assignments—The interviewee is now working as the head of the HR department at an international five-star hotel in Bangkok. Before that, he had been an expatriate in China and then Australia for a total of 8 years. For both assignments, he received what he considers a generous expatriate package. In China, he held a sales and marketing position and in Australia, a quality control position. What he learned allows him to understand foreign customers and employees better and relate to them more easily.

Question 2: What is the most difficult part of being an expatriate and how did you deal with it? -The interviewee explained that while China and Australia involved clearly distinct problems both are related to culture. One of the challenges in China was that in his own experience people tend to be more conservative and less open to change or innovation in the workplace so it is difficult to make them accept anything new. While he expected some resistance to change, he did not expect it to be that high. To deal with it, he quickly learned that it was important to explain the reasons for the changes and implement them gradually. Another problem with Chinese people, at least when he was there, was the language barrier as few could use English to effectively communicate. He had to rely on the few who could speak well and have them speak in Chinese to the other employees.

The problems encountered in Australia were completely different although they also had to do with cultural traits, in this case, the well-entrenched belief among Australians that Asians lack initiative and cannot get things done. It was difficult to have Western people trust Asians to be able to complete a job on their own. In their eyes, whether in the work place or at school, Asians tend to lack confidence and feel inferior to them. Of course, as the interviewee pointed out, this is a big cliché but one that is not easy to shake. It took a few months for them to change their view as they realized the interviewee could be assertive when needed. Being nice, constant smiling, and not being as straightforward as Westerners does not mean that Asians lack authority or the ability to get things done.

Question 3: How did you manage your daily private and work life? How did you adapt in the first place? – In the words of

the interviewee, “when relocating abroad, the personal or work life will change for sure and you have to accept that”. Expatriates have to adapt to the local employees and host country’s culture even though they occupy a higher position of authority. Of course, understanding their culture is critical; so is showing respect for their culture and values and norms. As the interviewee explained, although he had received some training on the cultural differences which he was to face, he still had a lot to discover. In the first few months, he took every opportunity he had to learn more about those cultural differences and how to deal with them.

Question 4: What are the most important skills that expatriates should have? -Expatriates must be patient because everything takes time. They must also have high adaptability because they have to deal with many cultural differences in each country they work. Expatriates should also know their strengths and weaknesses and what are their goals and objectives; are they profit-driven or opportunity-driven? Each person has different motivations in his/her life. The key is to understand them well.

Question 5: What were your expectations as an expatriate and when you were repatriated? - As an expatriate, one should not try to recreate what he/she has at home as everything is a total change in and outside the office. He/she has to accept that the normal routine in Thailand is going to change especially the connections with family and friends. But this is not a big problem because now the internet is available. An expatriate also has to be on-call or available 24 hours a day.

When the interviewee was repatriated, he expected a better position and a higher salary and he was given both. As he pointed out,

though, the company had not promised anything before he left. They talked about it but only as a possibility - not a certainty. He was also offered jobs by many other companies.

Working abroad inevitably affects expatriates, their thinking process, life style, and work style in particular. They come back somewhat different. When the interviewee came back, he had to readjust to Thai life and have his lifestyle and working style fit again in Thailand.

Question 6: What recommendations would you give to Thai people who want to work abroad as expatriates? -The interviewee made the following recommendations:

- If Thai people would like to work as expatriates, first, they have to change their way of thinking because Thai people generally rely more on relationship and are less focused on producing good results from the operation. In the end, they need to reach the target set by the company. So when they go abroad, they should make sure not to focus only on relationships since the cultural context is different.

- Thai people mostly tend to focus on increasing revenue rather than reducing costs but they should look at both and not just at one at the expense of the others.

- They often are less confident than other foreign expatriates so while they should remain humble, they need to be assertive, which their position as expatriate should help them to do.

- Thai people should understand their own strengths and thrive on them.

- Thai people also tend to be too kind and that can harm them in the working environment.

- And of course, they should do their homework and learn about the culture and the country in which they are doing to be living and working.

- Semi-Structured Interviews

The researcher started with the same questions to both the 5 hotel managers and 5 hotel students and then let the interviews follow their own course, which in some cases meant improvising some questions.

1. Would you accept an assignment abroad for 3-5 years and why?—All the interviews started with this question. Three managers said they would because they would like to improve their careers. They were then asked if the implication was that upon their return they would be promoted. All said that is what they would expect in exchange for accepting such big changes in their lives.

Two said ‘no’ because they are not interested in going abroad. When pressed further, they said they are happy in Thailand and do not want to relocate. They also added when asked that they did not expect this would affect their careers in a negative way.

All five students said they would gladly accept an assignment abroad as it is an opportunity for them to discover new managerial methods and enhance their chances of having a quick promotion afterward.

2. Where would they prefer to go and why? -All the managers, including those who answered ‘no’ to the first question, said they would prefer to go to Europe, or Asia or to countries which they feel familiar with rather than unknown far-away places with which Thai people are not really familiar. Like everybody else, they were especially interested in English-speaking countries. This brings up the question of who would go to the less desirable places.

Those who said 'yes' to the first question, replied that they would have to be given more incentives and go there first to see the place and see if they could live and work there for a few years.

As to the students, none of them wanted to go to countries that do not use English because it would be too difficult for them to communicate with the employees there. They also feared that it could cause the assignment to fail. When it was suggested they could take language classes to learn other languages, three said it would not change their mind. Both managers and students are also not interested in countries that are perceived to be dangerous (in Africa or in the Middle East) or to be "very" boring for working though very attractive for tourists.

3. *What kind of compensation package would they expect?* - Most managers believe that working abroad can help them earn more money. The expectation is that they can save more money working abroad than they can if working in Thailand. But as one of the managers mentioned, the truth of the matter is, that working abroad does not necessarily translate into more savings as the cost of living abroad is generally higher and commensurate with the higher income (one earns more but also spends a lot more). One manager indicated that he has turned down assignments abroad because living in Thailand is simple, easy, and inexpensive. So, in his view, it is very important for expatriates to conduct a cost/benefit analysis before accepting the assignment.

The interviews with students also indicate that a good compensation package is part of the expectations. In fact, they rank it as their top motivation. However, as one manager realistically pointed out, with more qualified

expatriates available for companies to select, the benefits granted tend to be less generous than they used to be. This is one of the reasons why this particular manager will not accept an assignment abroad. In his view, the money is not worth all the troubles which expatriates may have to deal with.

4. *Could they easily adapt to cultural changes?* - Both managers and students agree that today cultural differences are less of a problem than they were when there was no internet. IT has made it easier for people to communicate with one another and also to learn about other cultures. Some students, however, said they would be concerned about the culture shock they would be subjected to if they were assigned to countries which they do not feel familiar with.

But, as one manager pointed out, in many cases, people often fall in love with a new place before they go through culture shock (usually the second stage when living abroad). Most managers also mentioned that they have to be open-minded and ready to learn new things.

In their opinion, the most difficult part about cultures might be the nonverbal aspect of communication; the body language, which can create serious misunderstandings between people.

5. *Do they see an assignment abroad as a necessary step to career improvement?* - All managers believe that successfully completing an assignment abroad tends to boost one's career. Two of them, however, realize that this is not a given anymore as they have seen expatriates who did not get promoting upon their return and managers who never worked abroad moved up the managerial ladder.

As they pointed out, in the long-term it would probably help them to be promoted because of the experience gained abroad in dealing with foreigners, making decisions, and learning from foreigners. In fact, one manager said that he would like to work abroad in order to gain a lot of experience, which would be good for his long-term career plan either with the same hotel chain or with a different one.

A few managers also indicated that in the hotel business, experience can be more important than education, hence the value of going abroad. In their views, the opportunity to gain experience, new knowledge, and insights abroad is invaluable and one of the best ways to ensure a successful career even if going abroad does not necessarily mean immediate promotion upon returning.

Students, on the other hand, see the benefits of going abroad less in terms of career plans and more in terms of opportunities to improve their language skills and ability to work with different types of people. If they can succeed in acquiring better skills in these two areas, they believe it will help them achieve a good career in the long term.

- Unstructured Interviews

No specific question was asked, except one initial question to get the conversation going (how is it to work with expatriates?). In response to this initial question, the managers pointed out the difference in terms of working style between Thai and foreigners. According to managers, the Thai working style is mostly based on relationships whereas the foreign style is essentially based on producing a good outcome for the company. As stressed by the interviewees, this can result in both advantages and disadvantages to the companies and the individuals concerned. Relationships can

create benefit in terms of trust gained from the local employees. Thai managers have more of an ability to form good and lasting relationships due to their tolerance and easy-going attitude as well as their flexibility and ready accommodation of others' shortcomings (they seek harmony rather than confrontation).

But, one of the disadvantages is that sometimes Thai managers can easily gain the trust from local employees but that in itself may not ensure a good performance or one as good as it should be. As one manager stated, this is especially true in a foreign context where being close to employees may be counterproductive or when dealing with foreigners employed in Thailand (the very experience of this manager). Too much reliance on relationship can harm the working style and if the Thai managers have problems with one of their team members, they may find it difficult to take harsh remedial measures. Thai people prefer to work with people they like and can relate to and work very well if they have their friends on their team but when foreigners are included into the team, there may be a lack of synergy detrimental to the whole team's performance.

Foreigners in the experience of the managers interviewed, on the other hand, especially Westerners, are more individualistic and less focus on relationship and more on getting things done. This is true even though they may have personal issues with some employees in the work place. They try not to let relational issues interfere with their work and the job at hand. One way for them to do that is to have experience in hotels in Thailand working with foreigners. All the managers concurred with the fact that they have been learning invaluable things from having foreign managers in their team or as team leaders. Should these interviewees have an opportunity

(with their current employer or with a different one) to go and work abroad, they feel they will have been well-prepared to deal with some of the cultural differences they would encounter. In any case, they feel they know what to look for and realize that it is important to understand cultural differences well.

- Personal Observations

The following is a summary of the personal observations made by the researcher.

- Thai people staying abroad for a while seem more likely to miss their home country than non-Thai citizens - This observation is based on what the researcher has noted about friends or acquaintances staying abroad and foreigners living in Thailand. Thai people seem to miss their home countries more than foreigners do. For one thing, Thai people cannot stay away from Thai food for long and will often exclusively look for Thai restaurants abroad instead of trying foreign cuisine. This is even truer in places where the food is totally different from Thai food. Thai people do not easily adapt to international food, which in a business context may be a problem and may be seen as an insult by the locals entertaining them. Moreover, having to search for Thai food can make them feel more home sick. While foreigners may also have cravings for home food, they seem more open to other cuisines when traveling and in some cases eager to try new food. In short, they appear to be more adventurous, which, may prove useful, especially when expatriates have to attend local events.

- Staying with local people as much as possible as opposed to staying with a group of Thai people makes it easier to adapt and helps to learn about other cultures and otherness - Making Thai friends when living

abroad can make one feel happier and help one get through the culture shock. On the other hand, too much time spent with only the Thai community means less of a chance to adapt rapidly. It also keeps one from opening up to another culture and learning about it.

- Socializing almost exclusively with Thai people is frequent among Thai expatriates abroad. - Many of the researcher's friends who study abroad have only Thai friends, which apart from keeping them from learning about the culture, also keeps them from improving their language skills. Also, if their friends move back to Thailand, they may not be able to survive by themselves (the same could happen with expatriates). However, if they spent more time with local people, they would get to know them and learn about their way of life and would be less dependent on other Thai people for their social life. It mostly depends on the visitor/expatriate to a foreign country to open up to others and get along with local people.

- Thai people have difficulty traveling/working/studying alone in a foreign country. - From my conversations with friends who have experience working and studying abroad, it seems that Thai people do not like to stay alone outside Thailand. They tend to feel less home sick if they have some Thai friends with whom they can talk about their problems. They also tend to feel more confident when they have their Thai friends staying around. The same is not really true of foreigners who seem to be more independent minded. Thai managers in the hotel industry may end up being one of the very few Thais in the country, which means they must be strong and independent. The risk of feeling home sick may thus be high in certain places with few Thais.

- *Difficult to duplicate the lifestyle from home when abroad* - The researcher also noted that Thai people find it difficult to stay in countries with high living costs. Every time they decide to do something or go somewhere, they have to spend a lot more money than they would in Thailand. Most Thais who have the opportunity to go abroad lead a good life in Thailand so when they stay abroad, it may be difficult for them to duplicate that lifestyle, which may be a source of anguish.

Most Thai people working abroad expect that when they will be able to earn more money but earning more money does not necessarily mean saving more money. They should understand this before accepting an assignment abroad. Even though the company may provide a much higher salary, they have to compare it with the cost of living in that country. Having unrealistic expectations may be a source of potential trouble while abroad.

- Documents

The following information obtained from documents, most notably from local newspapers, supplements some of the points already made.

- *Married couples and expatriation in Singapore* - A recent article in *The Nation* (2014), a Bangkok daily, indicated that the lack of managers willing to accept an assignment abroad is hurting Singapore companies. The reason cited for the less than enthusiastic responses was the spouse's career and children. It appears that Singapore managers are unwilling to compromise their spouse's career (he/she may have to quit his/her job in order to follow his/her spouse). Prospective expatriates are also concerned about the education of their children whom they prefer to be schooled in Singapore rather

than in some remote places where the education level may be lower.

- *Working abroad to move up the MNC ladder* - Related to the above, a September 11, 2013 article in the Singaporean News, the English local daily, reported the Prime Minister's concerns about the lack of enthusiasm among managers to work abroad (mostly for the reasons indicated above) and his warning that if managers turn down assignments abroad, it will hinder development of their career at MNCs. The subtext is clear. In order to become a top manager in a MNC, it is necessary for lower-level managers to acquire experience all over the world and not just in Singapore (a veil threat meant as an incentive).

This article and the one above show that if one wants to be successful in one's career, one has to get out of one's comfort zone and be willing to work overseas under difficult circumstances in order to gain as much experience as possible and be a good leader in the future.

- *Hospitality business in Thailand faces downturn* - An October 20, 2014, article in the Bangkok Post about the Onyx hospitality Group introducing their new subsidiary in the Maldives indicated that the reasons mentioned by Onyx for investing overseas was the likelihood that the hotel business in Thailand will face a downturn. As is the case with many MNCs, Onyx' main motivation to cross borders is to expand its market since the local market is saturated. On a larger scheme of things, this means that some other hotel chains in Thailand may also expand abroad, which in turn means that more expatriates and employees will be needed to work in their subsidiaries. This situation may make it harder for MNCs to find expatriates. (<http://>

www.bangkokpost.com/business/news/440365/onyx-touts-maldives-resort, accessed on March 11, 2015).

-Difficult to find Thai expatriates - An October 21, 2013, article in the Bangkok Post about Central Group expanding overseas quoted Mr. Sudhitham, the CEO, as saying that it was very difficult to invest in business overseas in part because it was not easy to find Thai managers willing to relocate overseas. In his experience, Thai people are not really motivated to work outside Thailand especially in places that are far away. But even for neighborhood countries, it is still difficult to find expatriates.

(<http://www.bangkokpost.com/business/news/375559/central-to-splurge-b10bn-a-year-on-overseas-shopping>, accessed on March 11, 2015).

- Survey Questionnaires

A majority of the hotel management students who answered the questionnaire are females (73.33%). There were only 8 male students. 63.33 percent of them are between 20-23 years old (there is no respondent under 20 years old) and 73.33 percent of them already graduated. The rest of them were juniors (there was no freshmen or seniors among the respondents).

The respondents were first asked what they would do if they were offered an opportunity by their current employers to be an expatriate in one of their subsidiaries for 3-5 years. An overwhelming majority of them (83.33%) said they would go.

They then were asked why they would opt to go or not to go. Those who answered 'yes' said that it was to gain international experience, improve their career path, language skills, and themselves, and to get

more money. For those who would not take the assignments, the main reasons are countries too far away from Thailand, family situation, and the difficulty of working with different people.

Among the region which respondents would choose to go to, Europe came first (24 respondents) followed by America (21 respondents), Asia came third (10 respondents) ahead of Oceania and the Middle East seen as the least desirable destinations (3 respondents each).

40 percent of the respondents are fairly interested in working as expatriates, with 30 percent very interested and 17 percent interested. Only 13 percent would not even consider the option (7%, very uninterested and 6% uninterested).

4. Conclusions and Recommendations

This study aims to determine how challenging it is for Thai hotels operating abroad to find in-house managers willing to work abroad as expatriate managers and who can successfully complete their overseas assignments. Five research questions were articulated. They will now be discussed in light of the data collected through interviews and survey questionnaires and the researcher's personal observations.

Research Question 1: How difficult is it to recruit expatriates for overseas assignments?

The difficulty in finding expatriates willing to accept overseas assignments can be attributed to the following factors:

- Destination not Attractive Enough for Qualified Managers to Accept: Most managers tend to turn down assignments in

countries which they do not feel familiar with. They prefer to remain in their current employment and develop a career plan in Thailand. Younger generations, though, are more interested in going abroad as they see overseas assignments as an opportunity to develop their business skills and grow personally.

- *Cultural Gap*: Most managers said they would have problems with countries that do not use English as their main language. Moreover, some managers are not open-minded enough to want to learn about cultures that are totally different from Thai culture. Given Thai people's high level of "uncertainty avoidance" and the propensity to avoid risk, this is hardly surprising. To get managers to accept assignments in less appealing countries, employers may need to offer more attractive packages.

- *Fear of Selecting the Wrong Person*: Even if hotels can find managers willing to relocate abroad, this does not guarantee that these managers are going to succeed. A manager performing well in Thailand may not be able to operate well in another country.

- *Family Issues*: It is clear from the interviews that the younger generations (students interviewed and surveyed) are more interested in working abroad than those already working as managers as individuals who qualify as expatriate managers often have a family. It is difficult for them to leave their wives and children, especially young ones, in Thailand for a few years. If they take the whole family with them, the company may not want to cover the cost of relocating them.

Managers who are single tend to accept assignments abroad more frequently as they have greater freedom of movement. It is easier for companies to send single employees as they

do not have to cover the cost for the spouse or children in the host countries. However, most of the prospective and qualified expatriates who are working in managerial positions are already married and have children. So, it often comes down to a negotiation between the hotel and the expatriate whether the cost of paying for family members will be part of an employment contract.

Research Question 2: What specific qualities do hotels look for when they select expatriates?

Companies look for the following specific skills:

- *High social skills*: Obviously, since hotels focus on service, prospective expatriates need to have those skills, all the more as Thais tend to be "relationship-building" people. But apart from meeting clients' needs, expatriates must have social skills to get along with the local employees and other local stakeholders in the host countries.

- *High adaptability skills*: Expatriate managers need to be able to get along with people who may be quite different, and open-minded to learn and manage cultural differences. They need to accept the fact that not everything is going to be the same as in Thailand.

- *High management skills*: A good manager needs to be able to make decisions under pressure or on the spur of the moment as working in unfamiliar places involve many unpredictable situations.

- *Patience*: expatriates should be patient. Being accepted by people from a different culture takes time especially when it involves building a trusted relationship with the local people. Changing people's perceptions takes time.

- *Knowing oneself*: Managers should understand themselves in terms of what they need in their lives and the limits of their abilities. It makes it easier for them to negotiate with the company, meet their own needs and those of the company as well and adjust abroad.

Research Question 3: What incentives do companies typically offer expatriates?

The incentives or the packages provided are different for each hotel. They can also differ as a result of the country assigned and the needs of each expatriate. So, two managers from the same hotel can be offered different incentives. For example, some managers who are single may receive less than those who are married and have children. Typical incentives include:

- *A higher salary*: Typically, the incentives that hotel owners provide come in the form of a higher salary. While this does not always mean double salary (it depends on the destination), the salary is always higher than at home.

- *Additional Benefits*: Most hotels are prepared to increase their expatriate benefits package if managers are willing to go to countries where most people do not want to go. Additional benefits may include insurance and some hotels may even provide a company car.

- *Plane tickets*: In addition, some hotels provide a round trip ticket back home once a year or even twice a year. One reason for this is that they don't want expatriates to feel they are left behind or forgotten by the company. This also ensures they can keep connections in their home country as well. Some hotels also provide a ticket for a short visit to the host country before taking the assignment so that

managers can understand the culture of the host country before they relocate.

- *Promotion*: These findings are also consistent with sub-question four about expatriates' expectations on their return from an assignment abroad. Most expatriates who accept an assignment abroad expect to get promoted when they come back. All the hotel managers interviewed believed that an assignment abroad is an upward step for their career improvement. In a sector in which experience is often considered more important than formal education, gaining international experience often leads to a higher position and a higher salary.

Another benefit from being posted abroad is the development of one's management and linguistic skills, ability to think fast under pressure, and work in a multi-cultural environment. Even if an expatriate manager does not get promoted right away, the knowledge and experience acquired will help for future promotion. All the expatriates interviewed indicated their assignments abroad helped their overall career development.

Research Question 4: Are Thai people generally willing to accept assignments abroad?

It appears that Thai people do not really like to relocate or go abroad by themselves as they do not like to take risks. Future graduates, on the other hand, are more willing to accept overseas assignments. However, when discussing other conditions, such as the length of time abroad or country destination, many respondents expressed uncertainty. Some interviewees said that the time frame might be too long if they have family responsibilities in their home country (for

example. old parents) so they would only accept short postings. But, as mentioned earlier in relation to research question 1, Thai people are not willing to accept assignments in certain countries, especially those that do not use English as a main language.

Research Question 5: What is most likely to affect the performance of expatriates on assignments?

The most important factors reported to affect performance include:

- *Culture*: Obviously the difficulties resulting from cultural differences vary from country to country. The Thai interviewee, who had experience working in China and Australia, found the problems quite different in each country. Whatever the culture, however, introducing change takes time and patience, and often a reasonable explanation for the change is required.

- *Gaining trust from Westerners*: As the interviews indicated, a Thai expatriate has the problem of gaining trust in the workplace when in a Western country. The difficulties can relate to cultural traits, or the personal characteristics of individuals. Westerners may not accept Thai or Asian people as managers as they believe that they may lack initiative or confidence. They may not be trusted to do the job undirected on their own. So, it may take some time for local employees to trust and believe in their ability.

- *Understanding and Adapting to Otherness*: Expatriates have to deal with many different changes, obvious ones such as food, and language, but also more subtle ones, such as customs and norms. This raises subtle issues which often require skills that cannot be taught from books, but rather result from personal experience. Cultural issues may also

affect an expatriate's personal daily life. If he/she cannot accept the new environment, this may create immense pressure and have an impact on his/her work performance. Students have indicated that cultural differences would not affect their performance perhaps due to their exposure to other cultures via the internet or perhaps from their lack of actual experience abroad. But individuals with experience working abroad consider cultural issues to be the most important problem on which multinational companies should focus.

- *Expectation towards Host Countries*: Expatriates often expect to save money while working abroad. Often, however, the more money you earn, the more they may need to spend on living expenses. Moreover, many Thais find staying abroad to be not as comfortable as living in Thailand. So, high expectations may lead expatriate workers to feel pressure and experience disappointment. With the number of Thai companies crossing borders and investing abroad increasing, the demand for expatriate managers is surging. Finding qualified managers can be a challenge, especially as this study aims to show, in the hotel industry. Not many Thais feel comfortable working abroad with people from different cultures. Besides many people do not like to change lifetime habits and generally are simply not interested in travelling abroad at all. In contrast, the younger generations are more interested in working abroad.

Moreover, the researcher found that while many Thai hotel companies are investing in the Middle East or in Africa (the Dusit in Kenya, for instance), few Thai people, if any, are interested in relocating in these countries. It shows that the difficulty in terms of finding expatriates to work in subsidiaries in these areas is increasing as Thai people perceive that

these countries are dangerous and hence unattractive in their eyes.

RECOMMENDATIONS

Based on the above, the following six recommendations can be made:

1. Hotels should develop a way of making the performance of expatriates on assignments more predictable.

More attention should be given to personal background when selecting expatriate managers.

2. Hotels should be more receptive to the set of motivations of prospective expatriates as part of the recruiting process.

Hotel managers should genuinely try to understand the specific motivations and needs of each expatriate so that the offers can be tailored to those needs. They should encourage prospective managers to express their goals and needs (as some managers might focus on financial related issues but some may not).

3. Hotels should focus on changing the negative perceptions that applicants have relative to some countries, thus making recruitment easier.

For example, employers could work on changing the perceptions of their employees about the countries in the Middle East and Africa. They need to show that these countries are not as dangerous and unsafe as many people think. To do so, they could enlist the help of people who have successfully completed their assignments in these countries. At present Thai people often learn from the media about how dangerous these countries

are. However, common sense dictates that if regions were too dangerous, businesses would not be investing and expanding into those areas.

4. Hotels should provide more in-depth and location-specific training programs.

The training should focus on in-depth cultural understanding. Alternatively, hotels can provide tickets for short visits to the host countries as it may be more efficient for managers to explore the local environment before actually relocating.

5. Hotels should make sure that once expatriates are abroad, they continue to receive efficient support from the companies' headquarters.

The parent company should keep supporting expatriate managers and provide them with all the help they need to succeed, especially at the start of their assignment. Helping them to make the transition to another country is especially critical.

6. Hotels should make a more systematic use of "promotion upon return" as a recruiting tool.

Expatriate managers who successfully complete their assignments should be promoted upon their return so as to create loyalty for them to stay. Successful "reintegration" would also send a positive message to other prospective expatriates who could then see the additional benefits to be gained from an assignment abroad.

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