

# Culture and Efficacy of Performance Management

## A Qualitative Study in Thailand

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### Abstract

Globalization has led an increasing adoption of Western modeled Performance Management (PM) systems in non-Western countries, particularly in Asia. The aim of this study is to explore *the effects of Thai culture on the efficacy of Western modeled people performance management (PM) in a cross-cultural setting*. Thailand is chosen for the setting of the study because as one of the leading industrialized countries in ASEAN, Thailand is becoming increasingly important to Australian businesses, particularly in view of implementation of ASEAN Economic Community Plan, now in its final stages.

This is a qualitative study that triangulates the experiences of 4 case subjects, 26 general participants, and the researcher's observations from spending (collectively) in excess of 12 months in the field. The case subjects / general participants were Thai nationals and expatriate workers who occupied managerial positions ranging from CEO executives to middle management, with organizations operating in Thailand.

The study extends the concept of efficacy, beyond mere 'effectiveness', to its cultural roots. It does this by juxtaposing Western values and cultural constructs of efficacy, rooted in ancient Greek philosophies, with those of the Eastern orientations, particularly Buddhism as the predominant cultural influence underpinning Thai values.

By drawing on the fields of international cross-cultural management, anthropology, psychology, and linguistics, the research show only a tenuous link between Western values, upon which PM systems are predicated, and motivational values of the host society. As a consequence, Western PM practice can fail to adequately compensate for differing cultural concepts of the *means-action-ends* relationship that constitutes efficacy, which in turn affects the efficacy of PM outcomes.

This research has implications for future cross-cultural management studies by expanding the perspectives of inquiry through cultural constructs of efficacy. It also has implications for PM design, and employee cultural awareness training and development. This will assist expatriate and host country management.