Scandinavian management

A minor field study in Bangkok, Thailand

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Summary

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Title: Scandinavian management – a minor field study in Bangkok, Thailand.

Background: Asia is a region that is developing rapidly. More and more companies are moving there or build a subsidiary. To be able to do this successfully the companies need to accept and comprehend the different cultures. This thesis focuses on Scandinavian companies in Bangkok Thailand and how the Scandinavian management has influenced Thailand.

Purpose: The purpose of this thesis is to increase the understanding of how the Scandinavian management influences Thailand.

Delimitations: We will conduct this study thoroughly in Bangkok at SAS Southeast Asia office. We have focused only on SAS Southeast Asia head office in Bangkok because it gives us the opportunity to “dig deeper” and explore the different management styles.

Method: This is a research with qualitative interviews and formal- and informal observations. Our study has an abductive approach and the interviewees were chosen through convenience- and snowball sampling. The theoretical framework is about; management, culture, Thai culture and Scandinavian management.

Result: The thesis will result in this conclusion; “The Thai managers have been influenced in a way that has made them more independent and questioning. They are not afraid of speaking their mind and have learnt to adapt their way of managing according to the surroundings. They accept the new inputs from the Scandinavian management style that they believe works and improve their own management styles. When the Thai employees are amongst Scandinavians they know how to act and adapt and when they are together with Thai employees that are very Thai and can not change who they are, they can just accept the other management styles and use what they can to improve their own styles because by understanding your own culture makes it easier to understand others, Abramson and Keating (2009)”

Enjoy your reading!
Preface

We would sincerely like to thank General Manager Håkan Olsson at SAS Southeast Asia in Bangkok and his very helpful management team and all employees at the office. Thank you for your time and cooperation, this would not have been possible without your help and we are very thankful!

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1. Introduction

The introduction will give the reader information about the focus of this thesis. It will also explain the topics and define the thesis purpose and the problematic areas.

1.1 Background

Asia is a region that has developed strongly economy wise the last couple of years. Several international companies are moving some of their business to the region because of the attractive economy. According to the UN the region will have almost half of the total share of the world economy at 2050. The current financial crisis has left no one untouched and in Asia the crisis has left big marks that are hard for the economy to erase. (Government offices of Sweden, 15/2-2010)

Almost half a billion poor people live in South Asia and the differences between poor and rich are so great that it is hard to find some form of equilibrium in-between them. Thailand is one of these countries. The country invests a lot of effort in increasing domestic investments and a strong public consumption. Because of the political turmoil in Thailand both investments and consumptions have decreased according to the country report done by the Swedish embassy in Bangkok. The financial crisis led to a sharply reduced external demand for Thai-made products which meant that the “growth-figures” have been downsized according to the country report about Thailand made by the Swedish embassy in Bangkok, 2009. During the last couple of years Thailand has had the lowest growth rates in the ASEAN-region (Association of Southeast Asian Nations). North America is the largest export market but also Europe, ASEAN and China are important. (Swedish embassy in Bangkok, 2009)

Europe is today an important trading partner even though the external trade is decreasing. Many companies in Thailand are from Europe and many of them Scandinavian. This is the motive to why this thesis is conducted in Thailand, because of the outsourcing to the country. One of the reasons for Scandinavian companies to move their affiliates to Thailand is due to the low cost labor and production, which in turn cuts down on the corporate
payroll and production costs. (Swedish embassy in Bangkok, 2009) To compete internationally the companies need to adapt their national management to the global markets. When international companies create new affiliates in Thailand they are contributing to the country’s development process according to Jönsson (1996) which today is an important part of the development of Thailand international business industry and unemployment rates, according to a piece made by the Thailand Review in 2007.

1.2 Problem discussion

Many organizations are expanding internationally and Asia is today a big market and an attractive place to build an affiliate for Scandinavian companies, amongst others according to Jönsson (1996). He also mentions that it is a global competition between international organizations and the competition entail a national management style because on a global market the organization needs to adapt to the different markets and styles. The concepts leadership and management are very similar to one and other but in this report we focus on management. It is important to distinguish these two words because management is how the manager uses the resources (people, money, knowledge) in the company to reach the goals whilst leadership is how the manager motivates the employees to work to achieve the company goals, Armstrong (2008)

The Scandinavian management style’s keywords are; planning and order management, delegation of responsibility, friendship with subordinates and orientation towards innovations according to Jönsson (1996). According to the same author there is a recognizable flat organizational structure in Scandinavian companies. Jönsson (1996) explains that the national culture is an important factor that influences the management style. The Thai manager Agnes, interviewed on April 26th 2010, at SAS tells us that the Thai management style is very much influenced by the Thai culture. Phillips-Martinsson (1992) explains that the management style reflects very much on the country the company is in. In Thai businesses the focus is on the personal relationships developed by family, friends and colleagues, as well as in the national culture according to the Thailand review (2007). The Thai culture also values patience, respect for status and not loosing face which also is respected in the management style (Thailand review 2007). In Thai business relationships
are not as formal as in the rest of Asia and neither are they as relaxed nor impersonal as in Europe according to Thailand review (2007). In intercultural studies that have been conducted there is a general opinion that people from Europe and North America have a different culture compared to the Asian culture. This leaves a great risk of misunderstandings when the different cultures come together to cooperate according to Samovar and Porter (1997). There are some cultural stereotypes around the world which often are widely spread and known. The stereotypes can be both helpful and harmful but they help people to process information and make sense of experiences. In business these stereotypes can be very helpful. A study made by Lisbeth Clausen (2010) shows that people want to see their culture as the “normal way” or “the right”, which makes their culture a comfort-zone that is hard to leave. So when two different cultures meet there is a clash where the people seek their own culture for comfort. The study also shows that those who actually were successful in their cross-cultural work were able to expand their cultural understanding and translate the understanding into action. They ventured behind and beyond the cultural stereotypes and succeeded. Jackson (2002) means that for a company to be successful in another country, that is different from its national culture and management style, the company needs to be aware and willing to transfer and adapt the management styles across the differences in culture and way of managing between the countries to succeed.

1.3 Problem statement

In what way can and has the Swedish management style affected Thai employees and managers in a Scandinavian company in Thailand?

Which recommendations can we offer other Scandinavian companies who plan to establish or expand their business in Thailand?

1.4 Purpose

The purpose of this thesis is to increase the understanding of how the Scandinavian management influences Thailand.
1.5 Delimitations

We will conduct this study thoroughly in Bangkok at the SAS Southeast Asia office. We have focused only on SAS Southeast Asia head office in Bangkok because it gives us the opportunity to “dig deeper” and see the different management styles up close and see how and if the Scandinavian management style has influenced the Thai employees.
2. Theoretical framework

The theoretical framework of this thesis will treat the areas; management, Scandinavian management, Thai culture and culture. These areas must be explored first in order to be able to, later on in the thesis, analyze how and if the Scandinavian management influences Thailand. Due to the lack of literature on the topic “Thai management” we have, through our interviews at SAS, asked how the Thai managers interpret Thai management and which key words they would use to describe the management style. This in order to help us “pin down” what Thai management is and how or if it has been influenced by the Scandinavian management. This been said there is literature on Asian management or Japanese management but that is so different from the Thai way of managing that we felt that it was not relevant for our study and therefore is not included in our report.

2.1 What is management?

According to Armstrong (2008) a manager’s role is to make sure that the team he or she is responsible over does their best to achieve a desired result. The manager is a leader who decides what to do and then ensures that it gets done with help of the members of his or her team, in other words a manager practices leadership and it is necessary to distinguish between management and leadership. Management focuses on achieving results by using and controlling all the resources in a company. These resources are mainly people, money, information, knowledge and so on. Leadership on the other hand focuses on the people in the organization, focusing on how to motivate and how to gain their engagement. This distinction is important because where people are involved it is impossible to deliver results without effective leadership.

Jackson (2002) says that a manager gets judged, not only for the results he or she has achieved but also for the behavior and competence he has used to reach those results. This is also known as “behavioral competences” which basically means those aspects of behavior that lead to effective performance. Some of these aspects are communication, developing others, leadership, teamwork, planning, problem solving and so on. Depending on company, manager and even country these aspects can be dealt with in different ways. According to
Jackson (2002) there is a need to be aware and willingness to transfer people management styles and techniques cross culture.

Phillips-Martinsson (1992) highlights the importance of cross-cultural training. There are subsidiaries of Scandinavian companies all over the world which means that they need to be briefed on the Scandinavian way of doing things because the management most likely is Scandinavian. But it does not stop there, it goes both ways. The Scandinavian managers who move to foreign countries must be briefed in that specific country’s way of doing things. Phillips-Martinsson states that multinational companies need to recognize and analyze the cultural differences within their company to be able to benefit from them. It is not until then that they can exercise the competitive power and strength that these resources of cultural mix mean.

2.1.1 Scandinavian management
When people talk about the Scandinavian countries, they usually talk about Sweden, Norway and Denmark and it is therefore these countries we refer to in our report when we talk about Scandinavia and Scandinavian management.

The Scandinavian management style has changed the latest decade and the main features of these changes are that the managers have shown an increased emphasis on strategic planning and a developing focus on bottom line business concepts. According to Brewster et al (1993) many Scandinavian managers have developed a leadership that creates visions, accepts challenges and risk-taking. It also focuses on development, changes, knowledge and experience of the employees are very important and also participation and responsibility for the employee. It is more accepted for an employee to make their own decisions and it is becoming more common that managers encouraged entrepreneurship. According to Forslund (2009) entrepreneurship at the operational level of the staff initiates and contributes to the development of the organizations services, products or processes. This can be enhanced if the leader stimulates, inspires and motivates its employees to be more creative and innovative thinking. But all employees are not susceptible to this new way of working because they are used to routines and the "old" way of working. It is therefore extremely important that the leader is there to support the employee and that the manager
is prepared for possible failures. Should a new idea fail it is of importance that the manager does not act criticizing so that the desire to be entrepreneurial is suffocated. Brewster et al (1993) means that the workforce needs to feel engaged and motivated to be able to reach the companies goals and for them to grow individually, and it is up to the Scandinavian manager to create these sorts of opportunities for them. This is known as individualism through self development. It is also important for the manager to be flexible and adaptive to changes that occur in his or her environment. But it is not just about the manager’s individual work or the employee’s individual work, a successful management demands a balanced core group which works together like a team to achieve the targets the company has.

Phillips-Martinsson (1992) says that the management style reflects the culture of the country you are in and according to Jönsson (1996) the Scandinavian managerial style is dependent on Scandinavian culture and this is also what Scandinavian managers bring to foreign companies. This has, over the years, changed and the Scandinavian management style has been suppressed and has adapted more to other cultures and ways of managing. Companies in various countries have tried to import the different methods of leadership, but often without success as they did not take into account the cultural factors that exist. A specific management style for example Sweden may work well in a European country, but not in, for example, an Asian, and mostly it is because of the cultural differences that exist. It is best to seek the benefits that exist in every culture than to force a management style on a company, therefore, let the companies adapt to the new style instead of forcing them, Phillips-Martinsson (1992).

The Scandinavian countries are generally very equal with the similarity between occupations, genders and generations and so on. This means, according to Brewster et al (1993), that although leadership is classless and democratic, it is important that there is no difference between managers and employees who do not hold a managerial position, but still the manager holds a higher status than in other European countries. They wish to have a relaxed relationship with their employees but it is also important that he or she has a strong approach to employees. With that said, it should be emphasized that the heads of social status depends on the rank and not class. Leadership is something you have achieved,
worked at, and is non-authoritarian and therefore suppressed status differences within the Scandinavian style. They want to get away from the hierarchical way of thinking but still some influences remain in the Scandinavian management style.

Freedom and challenge of the job is something that is promoted by the Scandinavian style, to get the employees to feel involved and that the staff is able to influence is very important. Jönsson (1996) means that the Scandinavian management style is informal and very open. The managers perceive themselves as being less individualistic and more collectivistic in their way of managing, Brewster et al (1993). The Scandinavian manager appreciates order, structure and punctuality and is usually what they strive for. Some managers from other cultures see Scandinavian managers as boring, rigid and bureaucratic because they are so different from their own culture.

According to Brewster et al (1993) Scandinavians are very concerned about their privacy and this also applies to the Scandinavian manager. They wish to be private, ie they do not like to be known in public, instead they rather keep themselves and their family in the background. It is not usual that Scandinavian managers openly show their feelings but if they by any chance do show their emotions, they are sure not to let it affect any decision making. Leaders usually do not show emotions which leads to the general perception of Scandinavian managers as "serious" while they themselves see themselves as inhibited, quiet, polite, and withdrawn and so on. The so-called “Law of Jante” describes Scandinavians rather well, you should not believe that you are better than anyone else and if you do, you should definitely not show it and instead be "just right" like everyone else. Constantly trying to be "just right" can inhibit the entrepreneurial development because being "just right" is not acting as initiative and risk-taking as a person more assertive. The Scandinavians also distinguish between personal life and work life and can sometimes be disadvantageous in contact with managers and staff from other cultures, where this limit is usually more diffuse according to Bjerke (1998).

The Scandinavians are generally very careful in their decision making, it is better to take time other than to force a decision. To consider and analyze various scenarios belongs to the ordinary decision making process and the quietness due to all the thinking can sometimes be
unbearable for people from other cultures who generally are sensible and rational in their work in which they take very seriously. According to Bjerke (1998) and Jönsson (1996) the downside of the Scandinavian management is that they generally take so much time in their decision making that people from other cultures may think that they are indecisive and that they are overly careful which is not always seen as a positive quality when time is money. On the other hand the Scandinavian managers, according to Bjerke (1998), like to negotiate and compromise which leads to greater cooperation and consensus, and there for they hope to avoid conflicts. This is of the same opinion as Jönsson (1996) who means that Scandinavian managers avoid conflicts as much as possible. Conflicts are resolved through dialogue and compromise, however, the Scandinavian managers realize that conflict is natural and cannot completely be avoided. Instead, they try to learn from these conflicts and turn them into something positive, according to Bjerke (1998).

As mentioned earlier, leadership style is part of management, but management also consists of structure, culture and governance of the resources available according to Bjerke (1998). For instance, the structures of companies differ, but generally in Scandinavian companies the organization structure is flat and democratic, in contrast to the more hierarchical organizations. It is also important that managers are aware of the company’s culture and the culture of the country. All organizations have their culture and not taking account of this can be devastating in different ways. There are different ways to control a company due to several things, but culture and structure of the organization plays a major role in how to run a company. The literature we have found has mostly been about leadership style, which has been the central part of this chapter. However, we would like to clarify that management style, structure, culture and governance, are related in one way or another and there for the leadership chapter is relevant for this study.

2.1.2 Thai management

The Thai management is hard to define and the empirical data in this report was partly collected with the purpose to define the Thai management. The result was that the Thai management is very much reflected in the Thai culture, this is the reason why the Thai culture has been chosen as a relevant topic for the study.
2.1.2.1 Culture

From a very early age humans are taught how to be and act in their life and society by their parents and people around them. People have different beliefs; they think different, comprehend and understand differently. This is what makes us different from one and other according to Abramson and Keating (2009). People can’t change these fundamental perceptions, for example Swedish people will always stay Swedish on the inside and in their basic beliefs and instincts, but it is possible for them improve their perceptions. By understanding our own patterns and behavior people will develop their basic behaviors and create a better understanding for other people with different basic behaviors, Abramson and Keating (2009). According to Brettel et. al (2008) an individual’s culture helps the person to make sense and interpret situations and information but an individual is an own person and is just influenced by the national culture. People in the same country and the same culture have that in common and this is the reason why individuals feel a connection in their country even though they are completely different in their backgrounds, Brettel et. al, (2008).

2.1.2.2 The Thai culture

The Thai people have respect for their families according to Wise (1997). Many people live with their families, parents, friends or distant relatives and the respect for the family is ordered by; age, religious merit and gender while the head of the family is male, Wise (1997). The Thailand review wrote a piece on Thai culture in 2007 that also explains that the Thai culture values patience and has a respect for status; age and authority amongst other. They also don’t want to lose face and do everything in their power not to do so. Losing face in Thailand is equal to losing respect. These are factors that have to be respected in the business culture to be able to successfully do business, Thailand Review (2007). Thai people feel a great pride for their country and have a huge respect for tradition. They respect age and authority, the elderly (seniors) and managers in companies who have a great deal of power compared to the young, newly educated Thais called juniors. It can take a long time for a junior to be respected by the seniors even if he or she does the same work or have the same education, Thailand Review (2007).

Thai people want to please people and not hurt anyones feelings or cause them any dissatisfaction. Therefore it can be difficult for a person form a different culture to know if
they have given an accurate and complete answer to a question. An outsider can also have a
difficulties knowing if the Thai people have an open and frank opinion or if they just are
afraid of hurting some ones feelings or maybe just saving face. In many Asian cultures the
inhabitants are avoiding confrontations. Probably because they are afraid of not pleasing
authority, so they will more likely come up with an excuse. Sometimes they will even
pretend not to understand the language or may even tell you that they need to check with
someone on a higher level when this person doesn’t exist. At the same time some Thai
people find it difficult to accept a negative answer immediately, Thailand Review (2007).

A case study about educational organizations in Thailand made by Philip Hallinger and
Pornkasem Kantamara (2000) explains that Thai managers were against a more modern
educational reform if they did not completely understand it. The Thai managers did not like
big changes if they weren’t sure to what would happen. To be able to change the
educational reform a consideration towards the Thai culture must be taken because it
influences the managers way of being, Hallinger & Kantamara (2000).

2.2 Summary

From an early age children are adapting to the environment which they have grown up in.
This means that they will accept the norms and values that exist in their environment and
they are usually linked to culture. These values and norms will always remain, although some
can be modified. But basically, this is a man’s origin, which is impossible to change. On the
other hand, you can customize it. By understanding a person’s values, norms and culture it
may create an understanding of how the person acts in different situations. When
understanding how people act in their environment you automatically get an understanding
of why things are done a certain way. This is important while doing business, especially
whilst doing business with people from different cultures. Stereotypes usually help
understand different cultures but you should not always trust these assumptions, because
they many times are just assumptions (Thailand Review, 2007).

The Thai culture respects the elderly and has a seniority system in their society. This can also
be seen in Thai companies where hierarchy dominates the way of doing business. This is
contrary to the Scandinavian way of managing where, according to Brewster et al (1993), the
Scandinavians believe in equality. Scandinavian management has developed over the past few years and is considered to be very open and not solely focused on the leader, there is more focus on the employees now and their well being. The Scandinavian managers are known to be very open but also slow in their decision making process. Decisions are based on facts and information which tends to slow down the process. The Thai managers make decisions from what they believe is the best solution at that point in time. This does not mean that decisions are not based on facts but they tend to take less time in their decision making process compared to the Scandinavian managers.

Armstrong (2008) believes that it is important to distinguish between management and leadership. Management focuses on achieving results by using and controlling all the resources (people, money, information etc) in a company. Leadership on the other hand focuses on the people in the organization, focusing on how to motivate and how to gain their engagement. According to Jackson (2002) a manager also gets judged for the behavior and competence he or she has used to reach results. This is also known as “behavioral competences” which can be communication, leadership, team work etc. According to Jackson (2002) there is a need to be aware and a willingness to transfer people management styles and techniques to different cultures and Phillip-Martinsson (1992) states that companies based in a country other than their own need to recognize and analyze the cultural differences within their organization to be able to benefit from them.

3. Methodology

This chapter intends to provide the reader increased understanding in our research method. We will describe how the empirical data collection is to be made, and methods through which this should be done.

3.1 Qualitative Research

According to Yin (2007) a case study is when a researcher studies a specific case, and the complex nature of its context. Since our study was conducted at SAS in Thailand, we thought that a single case study with an ethnographic inspiration would be suitable since we encountered cultural differences.
When conducting a study with an aim to study the social context in surroundings, there are in Bryman & Bell (2005) a number of different methods of collecting data the researchers can use. These methods differ from each other and are; ethnographic study (participant observation), interviews, focus groups, language-based methods for collection and analysis of data collection and qualitative analysis of texts and documents. In our study, we chose to conduct qualitative interviews in order to get a deeper level of understanding of how and if Scandinavian leadership has an impact on a Scandinavian company operated in Thailand, where the native style of management differs considerably. To reinforce our qualitative interviews, we have chosen to implement a number of observations and have also promised respondents anonymity if desired, to ensure precision and thus reduce the risk of reactivity.

3.2 Qualitative interviews
The two most common forms of qualitative interviews, according to Bryman & Bell (2005), are unstructured and semi-structured interviews. Unstructured interviews follow a particular theme and do not have specific questions, the person being interviewed may speak freely around a particular theme and follow-up questions may be addressed when the interviewer wishes to know more about something that has been mentioned during the interview. A semi-structured interview has a list of specific topics to be addressed during the interview. The list, also called interview guide, may also contain questions that can be reformulated and asked at any time during the interview, so there is no pre-determined structure for the interview except for the themes and questions to be asked. This is advantageous because the interviewee is free to formulate his or her responses and is therefore not bound by pre-determined answers. In our study, we held semi-structured interviews because we planned to interview at least six people and to make it fairly easy to analyze the empirical data it was an advantage for us if the interviews were partly structured. A disadvantage of this is that the respondent could float away and "drop" the substance and that could have been prevented if we had chosen to keep the interviews structured. Structured interviews on the other hand, as mentioned earlier, are pre-determined in the way that the questions and answers do not give space so that the respondent can answer freely and we felt that this would affect the data collection in a negative way. We wanted to get as much information as possible and structured interviews would have prevented this.
3.3 Direct observation

According to Yin (2007) direct observations can be used as a complement to interviews. This means that the researcher is observing everything from formal to informal situations. A formal position is when the researcher observes for example meetings, work in a factory or a conversation in the coffee room during the break. These formal observations are made during a specified time during the fieldwork. Informal observation involves the researcher to perform direct observations during the entire field study, even during interviews. The observations we made during our study is of both formal and informal nature. The advantage of implementing these sort of observations is that we saw how it actually works in certain situations. The people being observed did not have the opportunity to misrepresent the situation the same way that they would have if they had known that they were being observed. However, these observations leave room for misinterpretation since we, the researchers, may have interpreted the situation the “wrong” way.

3.4 Selection

We have chosen to conduct our study at the SAS Southeast Asia office in Thailand, because SAS is a Scandinavian-run business in Thailand, which fits well with our criteria for the study. As for selection, the people interviewed were managers, and we contacted those managers through our contact General Manager Håkan Olsson in Thailand. The sample for our study is primarily based on, what Bryman & Bell (2005) call, convenience sample but also snowball sampling as we were prepared to adapt the selection of interviewees from the gathered data we received. The negative aspect of the use of snowball sampling according to Bryman & Bell (2005) is that it probably will not reflect the entire population. We do not agree with this because we have interviewed all the managers at SAS, which we believe reflects the population.

3.5 Deduction, induction and abduction

As regards the connection between theory and empiricism, our study has an abductive approach, ie a mixture of induction and deduction. Induction puts focus on the generation of theories. The method is also aimed at understanding how different individuals perceive and interpret their social reality, which is an evolving process. This differs from a deductive approach which means that the theory controls the research. In our study, we have an abductive approach which means that we have read about what the Scandinavian
management is before beginning our data collection and after that added other suitable theory. This method can be described as the "golden path", a mixture of induction and deduction.

3.6 Analysis of the empirical data

When it is time to interpret, process and analyze the empirical material this can be done through various methods. There are as Bryman & Bell (2005) mention two different ways of analyzing the qualitative material collected and this is done either through conversation-or by a discourse analysis. A conversation analysis involves a detailed analysis of how the conversation goes on between people in naturally occurring situations. This means that such analysis usually is done when the researcher for some time has noticed and observed social phenomena, such as in a case study or an ethnographic study. A discourse analysis implies that not only are the social phenomena of the natural environment being analyzed, but also constructed conversations with less emphasis on the natural environment are analyzed, such as interviews. It is also important to note that these two analytical methods are not as opposites, sometimes they "fit together".

There is also a third method of analysis called content analysis. It is usually the most common approach to analyze documents. With documents we mean data sources with both personal and official documents. The method looks for different themes in documents and then investigates if there is a thematic link. (Bryman & Bell 2005)

The analysis method that has been best suited for our research is the discourse analyst. The reason for this is that conversation analysis interprets empirical data that is collected through observations and is therefore not applicable when it comes to qualitative interviews. Nor is it proposed to use the content analysis method of interpretation when dealing with documents and a qualitative interview cannot be seen as a document. As in this case the study is about collecting the empirical material through interviews, it is natural to use the discourse analysis method as it is not possible to interpret the interview material through a conversation analysis or content analysis (Bryman & Bell 2005).

3.7 Validity and reliability

According to Bryman & Bell, there are different criteria for assessing research. These are reliability, replication and validity. These concepts are mostly used for quantitative research. In qualitative research reliability is one of the criteria used for assessing but also portability
and strength / confirm are used. The reason that these concepts are available instead of those used in quantitative research is because reliability and validity requires that it shall come to one single conclusion that is the absolute answer to the social reality. This is not possible in a qualitative study and that is why those concepts are applied instead.

Precision (reliability) is the question of whether the results of a survey would be the same if it was done at another time and place, if it has been affected by the occasional and random conditions. The term reliability is used in connection with the issue of the developed measure is consistent or coherent.

Transferability (external validity) is whether the results of a study could be generalized and thus could be used in other contexts. Our study, although performed on SAS, will hopefully come to a conclusion which will be able to benefit other Scandinavian firms, not just SAS. Therefore, we believe that our result has a transferability that can be applied in other Scandinavian organizations that intend to set up or already are established in Thailand.

Reliability (internal validity) is whether the researcher has followed the rules that exist and also that he has reported the result to all those involved in the social reality that has been studied, because they will then be able to confirm that the researcher has understood the reality in a correct manner. This is also known as respondent validation. We were not able to report the result of the interviews to all those involved due to the situation that arose during our time in Bangkok. But on the other hand, all the interviews were recorded so the risk of misinterpreting was minimal.

Objectivity (strength / confirm) means that the researcher will establish that he or she has acted in good faith. Personal values and views, should not in any way affect the study and its result, but it is essential that the researcher is as objective as possible. Nor shall theoretical frames of reference affect the study.

3.8 Interviews

The interviews with managers and employees have been implemented at SAS South East Asia office in Bangkok. Before we started interviewing we spent a lot of time at the office so that everyone got used to our presence and we also had a meeting with all the managers where we presented ourselves and told them what sort of interviews we were planning to
conduct and the main topics of them. We were thinking of giving the interview guide to all the interviewees in beforehand but after some consideration we decided not to, because we did not want to give them a chance to think of answers they thought we wanted to hear. The first interview was conducted in a conference room and when the respondent came into the room and sat down she said that it felt like she was in an interview. This was not good, as we wanted them to feel comfortable, that they were in their natural environment. So after this interview, we asked the others who were interviewed were they preferred to sit, if they preferred to sit in their office or in the conference room. To our surprise, most of them came to the conference room because they saw it as a break from all the chaos (we had booked the interviews during the week as the volcanic eruption on Iceland was).

Once in the conference room we conducted semi-structured interviews where we were both active during the interviews, this was possible because the interviews were recorded on a Dictaphone. The interviews took about 40 minutes to complete. Initially the respondents were a little nervous, some of the interviewees sat on their hands, some answered with a trembling voice and others started sweating more than usual, but after a few minutes we all felt comfortable and more relaxed. We were also a bit concerned about how it would work in terms of the language, and how well they could understand us and vice versa. This was not surprising because we had not talked to them earlier and did not really know what to expect but we were pleasantly surprised. We understood each other and if there was something that was unclear they would let us know and we would then reformulate the question or the respondent would reformulate their answer, it worked both ways.

3.9 Interviewees
The interviewees were selected by so-called convenience and snowball sampling. Those interviewed are both department managers but also staff in various departments of SAS. The 5 managers interviewed at SAS were sales manager, regional director of marketing and sales support, customer relations manager, finance manager and Euro Bonus department manager. These managers have been working for SAS between 8 to 26 years, but they have not all been a manager throughout their time at SAS, they have all started as “juniors” and when they had more experience, and the opportunity had been right, they were promoted. A part from the five managers we also interviewed five staff, to see if they had the same
view of management as their own manager. In our empirical chapter the interviewees have been given “code names” due to the fact that we promised them that they would be anonymous.

3.10 Summary of methodology

Our study is a qualitative research and we have conducted qualitative interviews and formal-hand informal observations. Our study has an abductive approach and the interviewees were chosen through convenience- and snowball sampling. The interviewees were different department managers and staff from SAS. The interviews were recorded with our Dictaphone to make it easier to compile the data that was collected. We have analyzed the data through so called discourse analysis.

4. Empirical data

This chapter contains the empirical data that has been collected during this thesis. The chapter is divided into themes which are essential for the study. The respondents are anonymous but are all working at SAS Southeast Asia.

4.1 Background SAS Southeast Asia

SAS Southeast Asia has its office in Bangkok and the organization has almost 70 full time equivalents in Thailand. The office in Bangkok has almost 30 employees and the general manager is Swedish, nearly the whole management team is Thai except from a few from other countries in Asia but they are all familiar to the Thai culture and 95% of the employees are women. The interviews have been conducted with managers and staff at the office. The managers interviewed at SAS Southeast Asia are: sales manager, regional director of marketing and sales support, customer relations manager, finance manager and Euro Bonus department manager. These managers have been working within the SAS organization Southeast Asia between 8 - 26 years and they have all been managers for at least 2 years. The staff interviewed are from the sales department, customer relations, the finance department and the Euro bonus department. They have all been at SAS for at least one year, most of them for two.

While the interviews are intertwined and they are anonymous we have given the SAS managers names’ beginning with “A” and SAS staff names begins with “B”.

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4.2 Management

The manager Anna at SAS says that management is how you take care of your business, your people and your team. It is a simple explanation but at the same time very broad. Some of the staff that has been interviewed, Beth and Betty, see management as guidelines and someone that gives them directions and makes them and the department reach the goals. Amanda also adds that as a manager you must be able to run the department as efficient as possible, make the staff happy and at the same time reach the company goals. Efficient to the manager Amanda means in a “cost way”, because SAS is not a nonprofit organization the departments need to maximize the productivity and keep the costs down. Amanda’s staff Bella explains management as;

“Management for me is how you choose to run the process of work you need to do in your department. Also how one chooses to deal and confront difficulties and emergency situations and to solve them.”

When Alice talks about management she immediately says that it could be two different things, but they have to be combined. It is how to manage your staff and how to manage your work. She says that you need to concentrate on your assignment but also you need to focus on your staff. If the manager doesn’t focus on the staff they will not be able to do their work and the department will not reach their goals. Alice explains that every organization has its culture and for the staff to do their job in a better way they need to be willing to adapt to the culture to get along with the organization. Agnes is also a manager and agrees with Alice and says that it is important to motivate your staff and that she tries to be available at all times and her door is always open for her staff. The management role involves organizing, planning, staffing and, of course, motivation. Agnes staff; Bridget, thinks that management involves hard work and huge responsibilities which can be both good and less good. A manager should be able to help the staff and tell them what to do to improve their work and also be able to handle difficult situations. At the SAS office in Bangkok Anna means that there is more of a Scandinavian management style and she says that all the department managers, including herself, have adapted to the Scandinavian style. She believes this is because they all have been at SAS for almost ten years. Amanda agrees that both management styles exist in SAS. Even though the general manager is Scandinavian and
the rest are Thai she thinks there is a mix between the two styles. The managers still have to adapt to the Scandinavian management and the Scandinavian managers need to adapt to the Thai way of doing things, because there are great differences between the two cultures. A mix between the two is the best for everybody to be able to work together. Anna agrees and says that it is important that SAS has Thai management, otherwise it would be hard to understand the culture and the Thai setup in the country.

Managers’ responsibilities are to the company goals, to the staff with coaching and development, job satisfaction and motivation according to Annie. When I became a manager I went back on my experiences and used what I liked as a staff and implemented it on my staff today with some changes and complements, she says. You have to give empowerment and at the same time have control, it’s a balance. Annie’s staff Beth and Betty believe that the responsibilities of a manager is to follow-up the work, evaluate and solve problems together with the staff. The information flow is also very important. The manager needs to update the staff about the situation of the company. When there is a problem the managers responsibility is not to point fingers and blame someone, but instead solve the problem as a team. Bella thinks that the manager’s responsibilities are also to consult the staff in anything that is related to their work, to be supportive and help the staff to advance in their career life. The manager Alice believes that managers’ responsibilities are basic and clear. A manager needs to contribute to the organization, and do what they have been assigned which is their responsibility. Each department has its responsibility and as a manager it is my responsibility to make sure and control that my department works together and fulfills our goals. A manager also has to consider different opportunities in order to run the department as efficient as possible, which is also one of the main responsibilities. Anna thinks that some managers’ responsibilities are a little more than just to reach goals and run departments. Because of the seniority in Thailand the seniors at SAS have some responsibilities towards the younger employees, the juniors. The seniors should be available to give advice and help when needed.

Alice says that it is important to adjust the way you manage depending on who it is you are managing. She says that you can’t always be so open towards your staff. When SAS had the
reorganization some of the information that was given to me could not be shared with the rest of my staff for various reasons she says.

When it comes to Scandinavian and Thai management Anna explains that for a company in Thailand the Thai-management style is more efficient in general because they know the people, the setup and the culture. But if I compare the Scandinavian management in Scandinavia and the Thai management in Thailand I think that the Scandinavian management is more efficient because of the education, tools and technologies. But if the company moves they have to adapt to the culture to have a chance against the companies that are in their home environment. Amanda also says that culture is important in management. She feels like the Scandinavian and Thai management have something in common. Amanda means that;

“*We think the same, if still not exactly the same.”*

Bree believes that in Scandinavia everybody is independent and does their own tasks and here in Thailand we very often work in teams. There is good and bad in both styles but there are some differences.

All the interviewed managers were asked; “*Where, on a scale from one to ten would you place yourself as a manager if one is Thai management and ten is Scandinavian management?”* Their answerers are in the left column. The staff that was interviewed was asked to place their managers on the scale where they think their managers are. These are the results:
Anna says that as a manager she needs to be very strong and firm in her decisions and has to keep focus and know what she’s doing. Anna says she needs to be successful in cooperating and accept the other’s cultures and this is what makes her more Scandinavian than Thai. Colleagues around the world have told Anna that she is very straightforward and direct but in a way she think she has to be like that because she only has contact via e-mail and phone. If there is a problem Anna addresses it immediately, as do the Scandinavians according to her. Amanda believes that there are different management styles for each manager in each department. She herself thinks she’s a six on the scale and places herself there, not because she feels more Scandinavian in her management, because she definitely does not feel like she manages in a Thai way. She says that this has to do with the way she was raised. An example of the Scandinavian management she uses is when there are problems in the department, she makes the staff responsible work on a solution before they come to Amanda. She believes that this evolves and empowers the staff instead of feeling like they have to take orders. Bella, Amanda’s staff, say that Amanda is a four and believes so because;

“All the people in the department are Thai and have grown up to the Thai culture which is very transparent in the Thai management style.”

Annie says that on the inside she’s very Scandinavian but that she needs to act Thai. This is the reason for her to place herself as three. Her staff says that the department works as a team and listens to everybody and that the reason for this is their manager Annie. Beth believes that it is not as open in the other departments because of the Thai culture and
seniority. Annie is very open and wants her staff to talk to her. The staff in other departments should be able to talk to their managers and the departments should be able to work together. Annie is very fast in decision making and also in unexpected situations. She knows immediately what needs to be done and then we work as a team and get the situation solved. In these situations everyone in the department helps each other, the staff has ideas and suggestions on what needs to be done, and this is one of the reasons why she was placed as a seven in the scale by Beth and Betty.

Agnes thinks she is too open to be a Thai manager so according to her she definitely is Scandinavian. She lets her staff speak out if they have an opinion in a matter because she wants them to learn to take initiative and make their own decisions. Agnes says that her role is to train newcomers and to coach the people who have worked for her a couple of years, so it depends on the individual but of course it is ok to speak your opinion, she says. All the staff needs to do is to send me an e-mail or come and talk to me at the office about their idea, and if I think it sounds good I’ll let them make a decision in the matter. It’s all about empowering the staff, she says. If their idea isn’t 100% correct then I can give them more details and guidance in the matter so that they still have the opportunity to solve the issue. Agnes staff, Bridget, thinks that her manager always wants to improve and works hard to do that which means that she pushes the staff (in a good way) to reach better results. This is good because the staff learns so much from this and therefore develops on as a personal level. Bridget placed her manager on seven because she is very Thai in her management style but not just Thai, she’s a mix of both. Bridget explains that everybody in the department has the right to speak their mind. At least once a week there is a meeting where the manager asks the staff for questions or ideas. There is an open conversation and the staff feels they can talk openly with the manager. Bridget explains that she never has had problems with talking to the managers, but she believes this has to do with that she is a senior. This is why she thinks it is important for everybody, both junior and senior, to speak up and learn from each other and not let the seniority stand in the way.

Alice also explains that in her department they always plan what needs to be done, they discuss the problems to be able to solve them as a team. As a manager Alice says she is straightforward and that is contrary to the Thai management so Alice prefers the
Scandinavian management style. Bree, the staff of Alice, agrees that the Scandinavian management is free and open. She believes you can speak your mind and share your opinion which she thinks is good because it gives you the chance to learn more. It is also important for everybody to make their own decisions and think critically and not only do what the manager says and follow protocol, if you don’t then you don’t learn according to Bree. If the problem is too complicated then you go to Alice but not until you have tried by yourself. Bree explains that Alice says it is important to have an own opinion before you go to her, and then we discuss the problem together and find a solution. Amanda agrees, she means that the staff will learn more and if the manager agrees with the solutions that they have come up with, it will give them more confidence and they will do a better job. Amanda explains that when she is not happy with something she talks to the higher management and tells them what is wrong. She knows that she can’t force them to do as she wishes but as long as they listen to her she is satisfied because that is important.

4.2.1 Scandinavian management

Alice prefers to be more Scandinavian in her management because it’s more open. Agnes thinks that General manager Håkan Olsson gives her freedom in her departments work and is very supportive. If they need to ask anything they can just go to his office. The Scandinavian management is very open in general and the general manager lets Agnes run her department basically the way she wishes. Alice says that at SAS it is easy to speak your mind because there is always an ongoing discussion. According to Alice this is a part of the organizational culture and this culture has inspired both Alice and her staff, she says. Alice’s staff Bree thinks that it is not wrong to go to your manager with your ideas. Now when Bridget is at SAS she feels like she can have her own opinion and shares her ideas, which is important. The managers work very well across the departments and together the employees work towards the company’s goals and objectives. SAS is managed the Scandinavian way throughout the whole office here in Bangkok according to Agnes. But she believes there are different types of Scandinavian management because people are different. They don’t all manage exactly the same way Agnes says.

Annie believes that Scandinavian management is open because you can agree to disagree. She believes there are no hard feelings when there are disagreements, the communication is
free and there is no hierarchy. Alice means that the management style is more open because it lets the manager do the job in the way he or she believes is most suitable. As long as you do what you have been assigned to do and know your responsibilities finding your own way of doing things is accepted. It’s always clear from the start what has to be done and the time frame for which it has to be done within then you. Bree who works in Alice’s department thinks that Scandinavian management allows the employees to make their own decisions and be very free and that the employees always have the opportunity to ask for advice and have a discussion before a decision is made. Bree thinks it is good to be able to make your own decisions and also that it is easy to adapt to the Scandinavian management. Agnes also believes that Scandinavian management is very open, she feels she can speak her mind and most of the time people listen. Scandinavian managers are very “good minded”, they take very good care of their staff. At SAS Anna says that everybody has the opportunity to speak their mind and sometimes they take it in consideration. Everybody has the same right to have an opinion and share it with the manager or the general manager, and I believe it is the same in today’s Thai companies. Hierarchy, from the top down means that you may face problems in the communication. Amanda says the same;

“Talking on behalf of my staff I think they are ok to speak out, but it depends on the person, whether they take decisions or not.”

Her staff Bella agrees, she explains that when she has a problem it is easy to go to her manager and it should be like this in every department. Alice has the same opinion, she needs to have the opportunity to discuss and talk to her staff about the problems that they need to solve and that it shouldn’t be difficult for the staff to talk to her. She also explains that the general manager doesn’t normally get involved with her work but when she really needs him she can always ask for guidance or just a small discussion. This is good according to Alice, she is still in charge of the department and the general manager does not interfere unless I ask him for guidance. Agnes believes, like everybody else, that the Scandinavian management style is open, it is easy to speak your mind and make your own decisions. Sometimes the communication and information flow can be overwhelming according to Annie.
“You have to learn to filter the information, I choose to brief my staff with only the most important information and then update them. I have seen that if they get too much information about the company they can’t focus on work”

Annie thinks that the Scandinavian managers are willing to discuss matters with their employees and they will then be able to get feedback. The managers are willing to listen; they might not agree to everything but just that they are willing to listen means a lot.

Scandinavian management followers are “easy” people according to Amanda. She thinks that Scandinavian management focuses on finding the easiest and quickest way out of a problem instead of doing thorough research to find the best long term solution. Bella agrees with Amanda and says that decisions are often made quickly, they can communicate quite slowly but mostly in a direct way so it is still efficient. Anna agrees and believes that Scandinavian managers are more straightforward. She has experienced a mix of the styles through her career and the European-style is more “hands-off”, they give employees an assignment and expect them to deliver a result. If the Thai employees were given the same assignment they would seek advice from the seniors before acting, because of the seniority. The Scandinavian management is flexible in that way. They are easygoing, flexible, and straightforward and they believe in the individual's ability, despite seniority. Scandinavian management is similar to the Thai management but the problem for Scandinavian companies in Thailand is that you have to be hands-on and not hands-off like Scandinavians are used to, according to Anna. Agnes explains that if she could change something in the Scandinavian management it would be the decision making process. The process is often long and that is not good because often you need a solution in a certain time. That is something to be improved according to Agnes and she thinks she knows where the problem lies.

In Sweden there are unions, there is no equivalent in Thailand so before Scandinavian managers make decisions which affect employees they have to negotiate with the union which takes time. In Thailand action can be taken immediately. Bridget, Agnes staff, also thinks the decision making process is slow and that is a negative part of the Scandinavian management style. She also believes that Scandinavians talk in a direct and firm way but still
in a nice and friendly way, which Bridget appreciates. Vera also explains that the decision making process is slow but has another explanation for it. She says they need information before they make a decision; they also need confirmation from different people. She has adapted to this because she wants people’s approval before a decision is made. She explains that she has noticed that in the long run this is the best, people can’t complain since she asked them earlier; it becomes a team decision. Of course the decision process adapts to the situation and gets short in a crisis or so. Annie on the other hand believes that Scandinavians are aggressive in their decision-making because they do not understand the culture. As a foreign manager you have to understand or be willing to learn and accept the other culture. She is getting used to the Scandinavian style and likes it. Her staff Beth and Betty says that the Scandinavians are slow when it comes to the decision making process.

The following figure is based on the conducted interviews. The interviewees were asked to define the Scandinavian management and the answerers we were given are consolidated in figure one. There you can see which words were most frequently used during the description of the Scandinavian management style. Figure 2 presents what the 13 interviewees has said when they were to explain the Scandinavian management. The most common descriptions were that the management is open and you have a free and open communication, which almost everyone said, then follows that the managers listen and that there is a slow decision making process, amongst others.

![Scandinavian management](image)

Fig 2 – Scandinavian management, own figure
Scandinavian management has hierarchy but fewer levels and they are very close, a flat organization, according to Beth. There is no problem with going to the manager or general manager to ask for advice, which is a good thing.

In Thailand the company culture is inspired by Thai culture, and according to Annie it would not be possible to survive as a company. The companies need to adapt and be aware of the different cultures. Annie explains that she likes the Scandinavian culture but has chosen to manage in a softer style because she still needs to consider the Thai culture. She says that Scandinavian managers don’t really understand why she chooses to manage like she does, simply because Scandinavians don’t manage that way. Annie also says that she is grateful for the Scandinavian management because it gives her the opportunity to develop and without it she wouldn’t have been promoted. She was promoted manager before a male senior and in Thailand that doesn’t happen. They gave me the job outside the seniority and it wasn’t easy in the beginning but now the people around me has gotten used to it because I was the most suitable according to SAS. She was promoted the Scandinavian way according to herself.

4.2.2 Thai management
The Thai management is based on the culture which contains hierarchy and seniority, says Annie. Seniority, for example, means that even if you have worked at a company for several years but was the last person to be employed you will be seen as a junior until a new person is employed. As a senior employee you should be respected as a senior at all times. So if you are a junior and wish to advance within the company you don’t take a senior’s place, even if you are more capable for the job, explains Amanda. As an outsider you have to respect this even though it is a challenge because it is so different from Scandinavian management. Beth and Betty say that they have contact with Thai companies and the first thing that they notice is the hierarchy and seniority.

At the SAS office Bella means that it is mostly a Thai management because her manager is Thai and uses the Thai management to run the department. Beth says that the high management is Scandinavian but locally, in the departments, it is Thai. Annie means that at
SAS the management is more Thai because Annie says she only notices the Scandinavian style when she is with General manager Håkan Olsson. So, within the management team it is Scandinavian but, around Annie, in the departments the Thai management is used. Alice sometimes feels that her management is more Thai and sometimes she feels she is more Scandinavian, it depends who she is working with. Within her department she’s more of a Thai manager but when there are management meetings Alice is more towards the Scandinavian way of managing.

If you talk to a senior in a Thai company it is important not to be negative in any way because that is offending says Beth. You have to respect them and the seniority. It takes time because the Thai managers do not compromise that often. You have to discuss and explain a lot, and if there are questions you have to ask the whole hierarchy which can take some time and is not good if you need a quick decision. The Thai organization is very high Betty says. Alice explains that the traditional Thai manager can have worked for a company for many years and have their way of thinking and their own way of what is right and what is not, and therefore not liking newcomers to tell them what is a better way of doing things. Thai people do not accept being told by a newcomer that they are not doing the right thing. It is difficult because you might see that something isn’t right but feel you can’t say it to your manager because it is all about “loosing face”, you don’t want your manager to “lose face”. It’s a cultural matter with seniority she says. Agnes also thinks that the Thai management is based on hierarchy and that just having an opinion has to go through many steps and you have to be very polite and show respect when you share your opinion, you can’t speak freely to who you like. She thinks it is wrong and that it is important to listen to the young newcomers; they are so creative and have so many good ideas whilst seniors never improve themselves and I can’t understand why. Agnes says that if you would like to make a decision in a Thai organization there are many steps you must take first and they all involve higher managers. Bella agrees with them but thinks that the Thai management is easygoing and in most situations the employees can just talk to the manager even though there is a hierarchy.

Annie says she experienced some problems with being heard amongst the managers probably because of the seniority and hierarchy. When she tries to communicate with the other managers about a new idea or plan they do not want to make decisions without the
general manager’s approval. That is Thai management; they need his approval and don’t go outside the hierarchy. Annie finds it hard to maximize her potential if she can’t discuss her ideas with the colleagues without the general manager in the room. Annie believes that it would have been better that the managers all sat down and discussed some ideas before the general manager arrived and when he arrives they present what they have discussed and gives him the proposals. In the Thai managers’ world that isn’t possible and to Annie it is inefficient but she says she has to learn the culture and that she’s learning every day. Annie respects the culture and the work place but it’s going to take time. Anna explains that in Thai companies in general you never know what really is going on. You have to have a good control stage and follow-up the work that has been done otherwise you might end up with a big surprise in the end. As a Scandinavian company you might expect that when you tell someone what to do they will get it done. But in Thailand it is not the same. You have to control the flow and be very hands-on to make sure that everything gets done accordingly.

Anna explains that in the workplace you call each other sister and/ or their first names; it is a warm family feeling according to her. Bella thinks that the most positive thing about the Thai management is that you can talk to your manager about your problems and find a solution, not only work related, but also about your family, friends and private life. Anna says that the Thai manager takes care of their employees like you do in a family, it’s a friendly atmosphere and there is a focus on the people and that the westerners might think the Thai management is too much hands-on. Alice agrees and says that the Thai management focuses on more than just the job, not only does it focus on the company goals and visions, but it also focuses on the human resource perspective. The company can’t run if the staff isn’t happy according to Alice. There is more of a “chit chat” in Thai management where the manager and the employee has a professional relationship but at the same time very open and personal, where as Alice doesn’t feel that the Scandinavian management gets that close. Alice thinks that there are two types of Thai management; the traditional and the modern. The traditional manager would be controlling and give you directions on what to do and then expect you to do that with no questions asked. The modern Thai manager may be open for a discussion if the employee has a better or different idea on reaching the goal. The modern manager wouldn’t be as controlling as the traditional Alice explains.
Bridget means that the Thai manager doesn’t talk in a direct way. She believes it is because of the culture. Anna means that in the Thai culture you are very polite and pamper in a way and so in the business culture. Because they do this it would seem like the Thai management is slow compared to Scandinavian management. Bridget means that because of this the Thai management is good at compromising while they do not talk directly to each other. Annie explains that in Thai management you don’t put anyone against the wall, you are not that direct. Bella says that you do not talk direct to the other person because they are afraid to upset each other. So when a manager is not happy with some work he or she wouldn’t say that directly to your face. The manager would find another way of telling you so it is sometimes very difficult to know what you are suppose to do because they don’t tell you. Sometimes it is good because they don’t hurt your feelings but it takes time if the communication isn’t direct. If the manager told you from the beginning that “it was wrong do it like this”, you could have saved time and made less mistakes Bella explains.

The figure that follows is conducted in the same way as figure number two. The interviewees were asked to define the Thai management and we consolidated the words mentioned and in the figure the result is presented. The most frequently used term mentioned about Thai management during the 13 interviews were; seniority, hierarchy and family feeling.

Fig 3 – Thai management, own figur
The fourth column in the model is “slow decision making”. Amongst others Bella says that the Thai management’s decision processes could be very slow. Beth thinks that Thai management can make decisions quickly but not in a firm way. This might be because of the culture according to Bree, she means that people in Thailand sometimes are afraid of making a decision in respect of the seniority. Annie explains that the decision process is slow because of the culture. She says that when she works customers and partners, they expect to get special treatment and ask for things that lay outside of the system and regulations because this is “how it works”. You do favors to each other in this long process because then they owe you. Unfortunately sometimes you don’t get anything out of it but this is how it is done in the Thai culture. Annie means that if you don’t know the culture you can get in trouble without knowing that you have. For example; if Annie goes to lunch with one partner it will spread and before she knows it another partner is irritated and feels betrayed because this partner didn’t get to go to lunch with her. This can be frustrating because it is a lot of pressure on being fair, Annie says.

In the Thai management you are not free to make your own decisions Agnes says. She is very happy to work at an international company because, being as straightforward as she is wouldn’t be possible in a Thai management.

**4.3 Observations – The volcanic eruption**

Smoke from the volcano Eyjafjallajökull spread volcanic ash over Europe, which stopped the air traffic. On April 15th, all flights in Sweden were cancelled and also in several other countries in northwestern Europe. During the 16th and 17th of April the “ash cloud” spread further and further to the southeast, and on April the 17th there were airspace restrictions in 26 other countries in Europe, which meant that many tourists in Bangkok couldn’t fly home. During the volcanic eruption on Island we had the opportunity to observe how SAS dealt with all the stranded SAS passengers in Bangkok.

It all started when we arrived at the office one morning and it was almost impossible to get in because of the crowd. We knew there had been an eruption on Island but we didn’t really understand how that would have affected the flight industry. The stranded passengers had found their way to the office to try to find out what was going on. As soon as we came
through the door we felt that everyone turned around looking at us, as if we also worked at SAS and just wanting to get all the information they could out of us. We walked through the crowd and to our surprise they were all smiling and looked, despite the situation, quite happy. Another thing we noticed was how all the managers were helping each other and together tried to get the situation under control.

We went to the conference room where we usually sat and studied. We started to unpack our bags and got settled in when we saw what was written on the white board. There had been a meeting with all the managers earlier and on the white board was their action plan. It was all very structured and every manager had been given a responsibility. For example one was responsible for the inventory, another was responsible for phone announcements. We saw that they very quickly had arranged accommodation for the passengers at two nearby hotels. So they worked fast and took many quick decisions to avoid that the passengers would be affected more than necessary by the situation. We noticed that the managers and staff were quite stressed and tired but that wasn’t strange since most of them were working overtime and had come home very late at night. The managers did their best to motivate their staff during this time and we even saw one manager buy bakeries to the entire staff, not just her own department. This was a nice gesture since she didn’t know if the staff had brought food and she suspected that they all would be working late again. Unfortunately this all happened in the week that we had booked all our interviews with SAS, so after some rescheduling and talk we headed back to our hotel. Fortunately we did not need to rebook that many interviews since many of them saw it as a “break” in their chaotic daily work.

One evening when we came back to our hotel after eating out we saw the GM in our hotel lobby. The hotel that we were staying at was one of the hotels the stranded passengers were moved to. So the general manager was at the hotel to inform the passengers as soon as he was given new information about the situation, and this was late at night. Thinking back, we can’t remember seeing any angry passengers, of course some of them were upset but they weren’t angry. We think they were appreciative of all that was done for them and that they realized that this was a problem outside the control of SAS. For every day that passed we saw that the number of passengers decreased. Late one night, around 11 pm, we noticed a lot of people down in the lobby. We were told that there was a flight leaving and the
passengers (chosen by a priority list) had half an hour to get their belongings together. This went on for a week, and during this week SAS managed their people very well and also the stranded passengers.

4.4 Summary
All interviewees believed that the Scandinavian management generally is very open and free. Free in the sense that employees are given more responsibility and not controlled, as long as they work towards the companies goals and do so within the company’s rules and policy they may work how they wish. Some of the interviewees thought that the Scandinavian management style is very slow in its decision making process. They believe it is because Scandinavian managers wish to do thorough research and collect necessary information before making a decision which can slow down the process. However, just as many interviewees think that Scandinavian managers are quick in making decisions. Other things mentioned during the interviews were that the Scandinavian managers generally are good listeners; they listen to their employees and give them a chance to share their opinions. This isn’t common with traditional Thai managers. They are also direct, efficient and flexible which is appreciated.

When asked to describe the Thai management all interviewees mentioned hierarchy and seniority as important key factors. Four of the interviewees thought that the Thai management is slow in making decisions, just like the Scandinavian management. However, two of the interviewees considered the decision making process as quick. During the interviews they also mentioned that it can be difficult to speak directly to a manager due to the hierarchy. This could have a negative effect, things could take more time and wouldn’t be as efficient as if they felt it was possible to speak directly to the relevant manager. Other things mentioned were that the Thai management has a “family feeling”, in other words that the manager cares about the employees, is easy going, “soft” and many times speaks to them as a friend contrary to the hierarchy system.

During our observation of the managers at SAS we were given the opportunity to see how they dealt with a crisis, the volcanic eruption on Island. We saw how helpful, focused, organized, structured and service minded they were. They worked fast and took many quick
decisions to avoid that the passengers would be affected more than necessary by the situation.
5. Analysis

In the analysis the first chapter will focus on determine the Scandinavian management with help of the sources of theory and the empirical data. The second chapter focuses on analyzing the Thai management which also is based on theory and empirical data. These two chapters must be analyzed first in order to be able to analyze the third chapter; how the Scandinavian management has influenced Thailand, more thoroughly.

5.1 Scandinavian management

According to Annie the Scandinavian management style is more open and free. The Scandinavian managers give their staff more responsibilities and listen to the employees opinions. Brewster et al (1993) means that the Scandinavian management has developed in the sense that they are more risk taking and are willing to create opportunities for entrepreneurial development among their employees. Bree, who works in Alice’s department, feels that it is accepted to make her own decisions and if there is something she is unsure about she will consult her manager who will be more than willing to give her the guidance she needs. This, according to Forslund (2009), contributes to the development of the organizations different processes and at the same time it encourages the staff to be more creative. Bree and Agnes, thinks that it is good that the staff is given a chance to think for themselves and make their own decisions, the Scandinavian management is less aggressive in comparison to other management styles. They also feel that it is easy to share their opinions and the managers do their best to listen and take on what they have to say, thanks to the Scandinavian manager being so open compared to managers from other countries. This is confirmed by Brewster et al 1993 who says that it is important with self development and that the manager is open minded to new things. The Scandinavian managers wish to have a relaxed relationship with their employees but it is also important that he or she has a strong approach to employees. Despite this, the Scandinavian managers are very protective of their private life and their own being according to Brewster et al 1993, which does in some ways go against what is said about Scandinavian managers being open.
Most of the interviewees think that Scandinavian managers are quick in making decisions and that they sometimes are too quick, they think it would be better to do more thorough research to find the best long term solution. Beth and Betty on the other hand think that the Scandinavian managers are slow in their decision making. That the managers are quick in their decision making is contrary to what Bjerke (1998) says. He means that the Scandinavian managers are so thorough and take so much time when coming to a decision that managers from other cultures get the impression that they are indecisive and can’t make up their mind. The Scandinavian managers themselves, in general, believe that they are serious and efficient and think that other people see them the same way.

If Agnes could change something within the way Scandinavians manage it would be the decision making process because she feels that the process takes a long time. That is not good when a solution to a problem is needed fast. During the volcanic eruption we saw that the Scandinavian management worked differently compared to what Bjerke says about long decision making processes. The managers handled the situation efficiently and did not waste time on making decisions, but instead took action straight away. Not only did they provide accommodation to all the stranded passengers, they also spent late evenings at the hotels where the passengers stayed to inform them of the latest news concerning the volcanic eruption and the flights to Scandinavia.

Annie believes that the Scandinavian manager is very aggressive when it comes to the decision making process and feels that is not consistent with their culture. Phillips-Martinsson (1992) means that it is important not to force a management style on to a culture, where they aren’t used to that way of working. It is better to let the organization adapt slowly to the new culture but it is also important for the manager to adapt to their culture. It is therefore better to seek the benefits in the cultures instead of trying to force a whole different management style on the organization. According to Annie the organizational culture is very important and they say that managers must adapt to the culture that exists in the company they work in, otherwise it is impossible for them to get the staff to work.
The Thai employees agree with some of the theories about the Scandinavian management. Most of them agree on that it is open and is free in communication which is very appreciated by the employees. The decision-making-process is one factor that they can’t agree on. Some employees think the Scandinavians are slow and some think they are fast. In the end it depends on the situation, they say.

5.2 Thai management

Hierarchy is, according to the Thai managers at the Scandinavian company, the most describing word for Thai management. Annie means that seniority is common even though seniority is a complement to the hierarchy. Managers at Scandinavian companies say that the Thai management is influenced by the country’s culture. Abramson and Keating (2009), explains that from a very early age humans are thought how to be and act in their life and society by their parents and people around them. The culture influences the humans in their life and growing up. According to Thailand Review (2007) Thai people feel a great pride in their culture and country. This explains how the Thai culture reflects as much as it does in the Thai business world. The natives are born with the culture and raised with it. People can’t change these fundamental perceptions but people can improve them. By understanding our own patterns and behavior, people will develop their basic behaviors and create a better understanding for other people with more different basic behaviors according to Abramson and Keating (2009).

A senior employee is respected in a Thai company at all times. A junior who wants to advance in their career won’t be offered a senior position even if the junior is more qualified. As an outsider you have to respect this and the culture to be accepted even if it is difficult according to Amanda. While this great respect exists in Thai management the managers, who often are seniors, get a lot of power compared to the young newly examinee juniors, Thailand Review (2007). Alice says that the traditional Thai manager can have worked for a company for many years and have their way of thinking and their own opinion of what is right and what isn’t, and therefore not liking when juniors tell them what is a better way of doing things. Thai people do not accept being told by a junior that they aren’t doing the right thing. Alice believes it is difficult because you might see that something isn’t right but feel that you can’t say it to your manager because it is all about “losing face”, you
do not want your manager to “lose face”. It is a cultural matter with seniority she says. “Losing face” means the same as losing respect according to Thailand Review (2007) and it is an important factor in the Thai management to remember to be able to do business successfully in Thailand. In a Thai management the hierarchy is very high and spread according to Betty. To make a decision will take a long time because it must go through the whole hierarchy, she explains. In general, the decision making is slow in the Thai management. Beth says that sometimes it can be fast but then it is not very firm. The slow process could depend on several things; the high hierarchy says Betty and because the senior managers can’t accept a negative answer. According to the Thailand Review 2007, Thai people find it difficult to immediately accept a negative answer which makes the decision process longer. Bree believes that people in Thailand sometimes are afraid of making a decision in respect of the seniority. The Thailand review (2007) explains that in many Asian cultures the natives avoid confrontations, like making decisions. They do this because they are afraid of not pleasing the authority.

In a Thai management the employees aren’t allowed to make their own decisions according to Agnes. Abramson and Keating (2009) mean that a person grows up with the culture and is influenced by the surroundings and people. In this case it is the Thai culture, and the Thai culture has influenced the leaders because the management skills are identical with the culture.

The Thai management style is, as the Scandinavian, reflected in the national culture. The biggest factors are seniority and the hierarchy which can be seen through the entire management style. The employees believe that no matter how modern the organization is, it will still have some seniority and hierarchy because that is natural for Thailand.

5.3 Scandinavian management influence

According to Jönsson (1996) the Scandinavian management is dependent on the Scandinavian culture for character and development. So is also the Thai management which means that when a multinational company moves abroad with its local management styles so does the country’s culture, Jönsson (1996). At SAS there is more of the Scandinavian management style than the Thai management style according to Anna. As a manager at SAS...
she thinks that 70-80 percent of the company is managed the Scandinavian way depending on who the manager is. Amanda, who also is a manager at SAS, says that there is a mix between Scandinavian and Thai management. The Scandinavian manager has had to adapt to the Thai way of doing things but at the same time the Thai managers and employees have had to adapt to the Scandinavian way of doing things according to her. Jackson (2002) believes that there has to be an awareness and willingness from the international company when they move abroad for them to succeed because the managers and leaders must be able to transfer and adapt their styles and techniques cross cultural. The result at SAS has there for become a mix of Scandinavian and Thai according to Bella, who is staff at SAS. She believes that there is a Thai management at SAS because her manager is Thai and chooses to run the department with a Thai management. According to Phillips-Martinsson (1992) the management style reflects the culture of the country. So in other words Thai management reflects the Thai culture and there for it is important for foreign managers to adapt and learn from the country’s culture to be able to be successful.

From the study that has been done at SAS, the managers believe they have adapted very well to the Scandinavian management style, while the staff believe that their managers are Thai. The employees nationalities are Thai and have therefore the Thai culture in their mind and it will always be there just as Abramson and Keating (2009) explain when they say that from a very early age humans are taught how to be and act in their life and society by their parents and people around them, the culture. Bella means that all the people in the department are Thai and have grown up to the Thai culture which is very transparent in the Thai management style. No matter how much they try they will not be Scandinavian because inside they are Thai. According to Abramson and Keating (2009) you can’t change fundamental beliefs but you can accept new ones or improve the old ones. In a way it is good for the Scandinavian companies because there needs to be some level of Thai culture and experience in the company to get it to survive in a different country. Phillips-Martinsson (1992) means that multinational companies can exercise the strength in the different cultures but need to be able to be more successful by analyzing and recognizing cultural differences in the management styles because the management style reflects the country you are in.
The Thai managers have the Thai respect for authority as Thailand Review 2007 explains; the Thai culture values patience and has a great respect for age and authority. This is the reason why the Thai managers act Scandinavian in the management team; their manager and authority is Scandinavian. When they are in their departments they act Thai because that is who they are and because they are the authority in the departments they can be themselves and be the modern Thai manager that they are. Alice explains that sometimes she feels that she is more Thai and sometimes more Scandinavian. It all depends on where she is and who she is with. Within her department she is more Thai and in the management team she is more Scandinavian. She explains that you have to adapt to your surroundings. Thai people have a great respect for seniors so they have respect for the general manager and what he says. Annie says that she feels Scandinavian on the inside but needs to act Thai to be successful in her work. Annie also shares an example from the office; she wanted all the managers to sit down and solve a problem together without the general manager present because he couldn’t be present. The suggestion was turned down by all the other managers because they couldn’t imagine having the meeting without the general manager. It could seem inefficient but this is how the Thai management works.

Even though most of the managers might seem Thai in their management style many of them are adapting more and more to the Scandinavian. Some because they prefer the Scandinavian management style more, and some simply because they feel that they are so far from the Thai management and have no desire to manage the Thai way either. Amanda for example, feels more Scandinavian in her management style but only because she definitely doesn’t feel Thai. It is possible that some of the Thai managers feel more Scandinavian in their way of managing because it is easy to adapt to, compared to other management styles for example a style that is more aggressive. The Scandinavian style is open, democratic and easygoing whilst another style can be aggressive which goes against the Thai culture and therefore is not as easy to adapt to.

The Thai managers and employees have adapted to the Scandinavian way of managing in different ways. The most obvious adaptation is that they are more open minded and aren’t afraid to let people know their opinion. The managers want their staff to be creative and speak their minds, this is not accepted in the same way in the Thai way of managing. The
staff feel more empowered and involved in the company and feel like they can try to solve a problem on their own before consulting their manager. Forslund (2009) means that it is typical to the Scandinavian management style to introduce an entrepreneurial spirit in the management style which allows the employees to be freer in their work and ideas. The managers are not as controlling as they were before adapting to the Scandinavian management. Now they are confident that the work they assign their staff gets done without having the need to monitor every step. Another thing that they have adapted to is the flat structure of the organization. Anna says that Thai management is hierarchy and works from the top management to the staff at the bottom, with many steps in-between, and Anna means that this is not the best way to manage. Problems will occur and it is inefficient in general and, according to Brewster et al (1993), the Scandinavian management style is flat and with as little hierarchy as possible.

6. Conclusion

In what way can and has the Swedish management style affected Thai employees and managers in a Scandinavian company in Thailand?

The Thai managers have been influenced in a way that has made them more independent and questioning. They aren’t afraid of speaking their mind and have learnt to adapt their way of managing according to the surroundings. They accept the new inputs from the Scandinavian management style that they believe works and improve their own management style. The openness and free communication was quickly adapted in the Thai managers’ styles because they were accepted by the employees. When the Thai employees are amongst Scandinavians they know how to act and adapt, and when they are together with Thai employees they are very Thai. It is not possible for them to change who they are, they can just accept the other management styles and use what they can to improve their own styles because by understanding your own culture it makes it easier to understand others, according to Abramson and Keating (2009). They know how the Scandinavian style is and have learnt to adapt to it when they are around it and when they are surrounded by their Thai staff they adapt to the situation and what comes natural to them and act Thai.
6.1 Recommendations

From the results we obtained through our study we can mention a few aspects worth considering for those who choose to establish or expand a Scandinavian company in Thailand.

As a Scandinavian company in Thailand you have to be prepared for the culture in every way. Even if the Thai managers say they accept and like the Scandinavian way of managing that doesn’t have to be the case because they have respect for older people and authority they might just want you to accept them. Learn how to read and interpret the people around you and don’t just go your way, consider the culture in the country you are in and compromise and accept the differences. They respect their country and traditions, they are afraid of losing face, don’t make them do that, instead try to go around the issue and show them that you respect their traditions. Since the Thai people are very family orientated a recommendation for the Scandinavian manager is to be a little more personal with his or her employees. For example, as a manager to be able to open up more and not be afraid of stepping over the “professional” boundary that exists in Scandinavia. Being more personal at work doesn’t make you a bad manager, and maybe in the Thai culture, it might make you a better manager.

7. Reflections

The thesis was conducted from the 31/3 2010 to the 23/5 2010 in Bangkok Thailand. During this time there was a volcanic eruption on Iceland which affected the whole flight industry, and there for interrupted our studies because it all happened when we had planned on interviewing managers at SAS. We turned it into something positive and observed how the staff at SAS dealt with the situation since no one had time for an interview. The interviews were only postponed 4-5 days.

During our two months there was an ongoing demonstration in the center of Bangkok, not far from where we lived and worked. Most of our time there it didn’t affect us or our studies but when the situation compounded there was some tension at the office because the employees were worried and at times scared. Unfortunately, the last week of our stay the office had to close because of the situation with the demonstration. Luckily we had collected
as much empirical information as we needed but the whole situation was to us disturbing and at times worrying.

We are very pleased with the results from this study, even though we would have liked to "dig deeper" in the subject. We do wonder if we would have received the same results even if there had not been a volcanic eruption on Island or if there had not been demonstrations in the centre of Bangkok. Could these events have affected the study's results? And in that case, in what way? We found that the study gave us a lot of information, knowledge about leadership, management and not least culture and its effect on people. We are happy that we did this journey on this topic.

8. Suggestions for further research

Suggestions on continued research are to go deeper in the study. If there had been more time and other necessary resources we would have liked to research other markets in Thailand and compare to see the differences between businesses. If there are differences, or has the management style influenced in the same way. It would have been interesting to explore the problematic further in general.
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**Internet**

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Swedish embassy in Bangkok – 12/4 2010

**Interviews**

**SAS Managers:**

- Amanda -20/4 2010
- Alice -21/4 2010
- Anna -23/4 2010
- Agnes -26/4 2010
- Annie -26/4 2010

**SAS Staff:**

- Bella -7/5 2010
- Bree -7/5 2010
- Beth -7/5 2010
- Betty -7/5 2010
- Bridget -7/5 2010
Annex 1 - Interview guide

- Where have you worked before?
- How was your manager then?
- For how long have you been working at SAS?
- What are your main tasks at SAS?
- Who is your manager?
- Which are the largest differences between your manager today and the one at your previous employment?

Continually the respondents will answer questions about management and defining it in different angles.

- What does management mean to you? (We will question the respondents choice of words to dig deeper because the words doesn’t have to have the same meaning)
- Which are a management’s responsibilities and role in a company?
- Which are your responsibilities and role at SAS?

Important that the answers of the two following questions are analyzed so that there are no misunderstandings in choice of words. We have to question the meaning of the words to get a better understanding in the answers.

- How do you define a Thai management?
- How do you define a Scandinavian management?

The last part is about what the respondents, from the definitions made above, thinks about management.

- Which management (thai or scandinavian) exists in this organization and or department? Why?
- Can you see any differences in the management between the departments?
- Where do you see yourself as a manager in this scale?

**Scandinavian** ↔ **Thai**

- How are you as a manager?
- To what extent can all employees within the organization, take part to define and influence the decision-making?
- Do you think that all employees should be able to take part and influence the management?