DIAGNOSING ORGANISATIONAL CULTURE
AND CRITICAL SUCCESS FACTORS
FOR AN AIRLINE:
THE CASE OF THAI AIRWAYS INTERNATIONAL
IN STAR ALLIANCE

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CONTENTS

CONTENTS.......................................................................................................................... 2
LIST OF TABLES ....................................................................................................................... 7
LIST OF FIGURES ..................................................................................................................... 8

ABSTRACT ............................................................................................................................... 9
DECLARATION .......................................................................................................................... 10
COPYRIGHT STATEMENT ......................................................................................................... 10
ACKNOWLEDGEMENT ............................................................................................................. 11

CHAPTER 1 INTRODUCTION .......................................................................................... 13
  1.1 RESEARCH BACKGROUND ......................................................................................... 13
  1.2 RESEARCH MOTIVATION ........................................................................................... 14
  1.3 RESEARCH AIMS AND OBJECTIVES ......................................................................... 15
  1.4 RESEARCH QUESTIONS .............................................................................................. 15
  1.5 SCOPE OF INVESTIGATION ......................................................................................... 16
  1.6 METHODOLOGICAL APPROACH ................................................................................. 17
  1.7 RESEARCH OUTLINE ................................................................................................... 19

CHAPTER 2 ORGANISATIONAL CULTURE AND AIRLINE SUCCESS ............... 22
  2.1 INTRODUCTION ............................................................................................................. 22
  2.2 ORGANISATIONAL CULTURE .................................................................................... 23
    2.2.1 Proposed definitions of organisational culture ......................................................... 25
    2.2.2 The concept of organisational culture ................................................................... 26
    2.2.3 Various perspectives of understanding organisational culture ............................... 27
    2.2.4 Typologies of organisational culture ..................................................................... 31
  2.3 LEVELS OF CULTURE AND SUBCULTURES ............................................................. 38
    2.3.1 Strength and uniqueness of culture ....................................................................... 42
  2.4 ASSOCIATIONS OF CULTURE WITH PERFORMANCE AND MANAGEMENT ................. 44
    2.4.1 Culture and performance ....................................................................................... 46
    2.4.2 Culture’s role in organisational effectiveness and competitive advantages .............. 49
    2.4.3 Critiques of the culture-performance link ............................................................... 52
2.5 MANAGING PEOPLE IN THAI CULTURE FROM HUMAN RESOURCES PERSPECTIVES.............................................................................. 53
2.6 ORGANISATIONAL CULTURE AND AIRLINES......................................................... 55
  2.6.1 Alliencing objectives .................................................................................. 55
  2.6.2 Organisational culture and the success of airlines ..................................... 58
2.7 IDENTIFICATION OF RESEARCH GAPS............................................................ 60
2.8 CONCLUDING REMARKS.................................................................................... 61

CHAPTER 3 CONCEPTUAL FRAMEWORK .............................................................. 63
  3.1 INTRODUCTION TO SOFT SYSTEMS METHODOLOGY .................................... 64
    3.1.1 A relationship between the CVF and CSFs.................................................. 66
  3.2 ORGANISATIONAL CULTURE.............................................................................. 67
    3.2.1 Competing Values Framework (CVF).......................................................... 71
    3.2.2 Justification for the adoption of methods and the CVF ............................... 75
    3.2.3 A comparison of CVF to other major organisational culture assessment .......................... 81
  3.3 CRITICAL SUCCESS FACTORS (CSFs)............................................................. 82
    3.3.1 What is a critical success factors? ................................................................. 83
    3.3.2 A CSF primer .............................................................................................. 85
    3.3.3 Hierarchy of CSFs....................................................................................... 94
    3.3.4 Critical success factors identification techniques......................................... 98
  3.4 CONCLUDING REMARKS.................................................................................... 99

CHAPTER 4 RESEARCH METHODOLOGY ............................................................. 100
  4.1 RESEARCH THEMES AND QUESTIONS............................................................ 101
    4.1.1 Themes one: Diagnosing organisational culture.......................................... 102
    4.1.2 Theme two: Critical Success Factors (CSFs).............................................. 103
  4.2 RESEARCH METHODOLOGY............................................................................ 104
    4.2.1 Rationale of the research.............................................................................. 105
    4.2.2 Research approach – Quantitative or Qualitative?..................................... 107
    4.2.3 Research design: The case study................................................................. 108
    4.2.4 Research operationalisation.......................................................................... 114
  4.3 DATA COLLECTION: INTERVIEWS AND DOCUMENTATION ........................ 118
    4.3.1 Interview method......................................................................................... 118
    4.3.2 The interviewing process – the fieldwork (preparation and procedures) .... 123
    4.3.3 Critical success factors interviews.................................................................. 126
4.3.4 Lessons learned ................................................................. 128

4.4 DATA ANALYSIS ...................................................................... 129

4.4.1 Data analysis from critical success factors spectrums .............. 130

4.5 AN OVERVIEW OF AIRLINE ALLIANCE SECTOR .................. 134

4.5.1 OneWorld ........................................................................... 134

4.5.2 SkyTeam ............................................................................. 136

4.5.3 Star Alliance ........................................................................ 137

4.6 AN INTRODUCTION TO THE CASE STUDY COMPANY .......... 138

4.6.1 Thai Airways International Public Company Limited ............. 138

4.6.2 Thai Airways and Star Alliance ........................................... 141

4.7 CONCLUDING REMARKS ...................................................... 142

CHAPTER 5 DIAGNOSING ORGANISATIONAL CULTURE .............. 144

5.1 DIAGNOSING THAI’S ORGANISATIONAL CULTURE: AN INITIAL
FRAMEWORK .................................................................................... 145

5.1.1 Identifying an organisational culture profile ......................... 148

5.1.2 A summary of THAI’s organisational cultural profile ............ 157

5.2 THE PERCEIVED IMPORTANCE OF ORGANISATIONAL CULTURE...

5.2.1 Perceived importance of organisational culture concept to THAI and
airline industry .............................................................................. 158

5.2.2 Perceived THAI’s cultural situation ...................................... 159

5.2.3 THAI’s culture through human development and change management
................................................................................................. 160

5.2.4 Perceived relationships from executive point of views towards culture,
values, and organisational performance ....................................... 161

5.2.5 THAI’s organisational culture, values and performance ........... 166

5.3 ANALYSIS OF KEY ISSUES AND PROBLEMS DERIVED FROM THAI’S
PERCEIVED ORGANISATIONAL CULTURE .................................. 170

5.4 LESSONS LEARNED ................................................................ 175

5.4.1 Other influential cultural factors .......................................... 175

5.5 CONCLUDING REMARKS ...................................................... 177

CHAPTER 6 CRITICAL SUCCESS FACTORS .................................... 179

6.1 INTRODUCTION TO THE CSF ACTIVITY ............................... 180

6.2 BEHIND THE NEED FOR CSFs ............................................. 181

6.2.1 Background .......................................................................... 181

6.3 POSITIONING THE CSF ACTIVITY ....................................... 183
6.3.1 CSF activity scope and participants .................................................. 183
6.3.2 Data collection .................................................................................... 184
6.4 PRIMARY CONCERNS: ORGANISATION’S MISSION, VISION, GOALS
AND OBJECTIVES........................................................................................ 184
6.5 THAI’S CSFs .......................................................................................... 185
6.6 RESULTS AND THE ANALYSIS OF THAI’S CSFs ............................... 188
6.7 CONCLUDING REMARKS ...................................................................... 196

CHAPTER 7 CONCLUSIONS........................................................................... 198
7.1 REVISIT RESEARCH PROCESS: GAPS, RESEARCH QUESTIONS AND
METHODOLOGY ......................................................................................... 199
  7.1.1 Emerging identified gaps and research questions ............................. 199
  7.1.2 Research methodology ................................................................. 200
7.2 RECALLING KEY FINDINGS AND DISCUSSIONS ............................... 200
  7.2.1 Diagnosing organisational culture .................................................. 200
  7.2.2 Critical success factors .................................................................... 202
7.3 CONTRIBUTIONS TO ACADEMIC KNOWLEDGE ................................ 203
7.4 CONTRIBUTIONS TO RESEARCH METHODOLOGY ........................... 204
7.5 THESIS VALUES AND IMPLICATIONS FOR BUSINESS PRACTICES .... 205
7.6 LIMITATIONS AND FUTURE RECOMMENDATIONS .......................... 206
  7.6.1 Applicability and limitations of the research ................................. 206
  7.6.2 Future recommendations ............................................................... 208
7.7 CONCLUDING REMARKS ..................................................................... 208

REFERENCES ............................................................................................... 210

APPENDIX 1: SOFT SYSTEMS METHODOLOGY – RICH PICTURE .......... 226
APPENDIX 2: INTERVIEW QUESTIONS: GETTING TO KNOW THAI
AIRWAYS ....................................................................................................... 227
APPENDIX 3: CORE INTERVIEW ITEMS ONE – DIAGNOSING
ORGANISATIONAL CULTURE ...................................................................... 229
APPENDIX 4: CORE INTERVIEW ITEMS TWO – CRITICAL SUCCESS
FACTORS ....................................................................................................... 232
APPENDIX 5: GUIDELINE TO CSF INTERVIEW QUESTIONS .................... 233
APPENDIX 6: A SERIES OF TWENTY-FOUR SHARED VALUES .................. 236
APPENDIX 7: AN EXAMPLE OF AN INTRODUCTORY LETTER ............... 238
APPENDIX 8: AN INTERVIEW GUIDE .................................................. 239
APPENDIX 9: AN EXAMPLE OF THANK YOU EMAIL .......................... 240

Total word count: 62,870
<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 2.1</td>
<td>A summary of the existing works under the concept of organisational culture</td>
<td>23</td>
</tr>
<tr>
<td>Table 2.2</td>
<td>A summary of definition list</td>
<td>25</td>
</tr>
<tr>
<td>Table 2.3</td>
<td>A summary of cultural typologies</td>
<td>31</td>
</tr>
<tr>
<td>Table 3.1</td>
<td>Characteristics of the four management models</td>
<td>71</td>
</tr>
<tr>
<td>Table 3.2</td>
<td>Example of previous applications of the CVF on various aspects</td>
<td>77</td>
</tr>
<tr>
<td>Table 4.1</td>
<td>Disadvantages of other research strategies</td>
<td>111</td>
</tr>
<tr>
<td>Table 4.2</td>
<td>Data collection: the participants and interview sessions</td>
<td>118</td>
</tr>
<tr>
<td>Table 4.3</td>
<td>THAI’s subsidiary and associated companies (as of September 2009)</td>
<td>139</td>
</tr>
<tr>
<td>Table 4.4</td>
<td>THAI’s current fleets: 91 aircrafts (as of March 2010)</td>
<td>140</td>
</tr>
<tr>
<td>Table 4.5</td>
<td>THAI’s facts and figures</td>
<td>141</td>
</tr>
<tr>
<td>Table 4.6</td>
<td>Summary of research questions and thesis relevance</td>
<td>143</td>
</tr>
<tr>
<td>Table 5.2</td>
<td>Four main groups of informants</td>
<td>147</td>
</tr>
<tr>
<td>Table 5.2</td>
<td>Eight shared values and definitions</td>
<td>162</td>
</tr>
<tr>
<td>Table 6.1</td>
<td>CSF one – customer value</td>
<td>186</td>
</tr>
<tr>
<td>Table 6.2</td>
<td>CSF two – pricing, revenue management and distribution</td>
<td>186</td>
</tr>
<tr>
<td>Table 6.3</td>
<td>CSF three – network strategy</td>
<td>186</td>
</tr>
<tr>
<td>Table 6.4</td>
<td>CSF four – strategic positioning</td>
<td>186</td>
</tr>
<tr>
<td>Table 6.5</td>
<td>CSF five – cost efficiency and productivity</td>
<td>187</td>
</tr>
<tr>
<td>Table 6.6</td>
<td>CSF six – adaptation to external challenges</td>
<td>187</td>
</tr>
<tr>
<td>Table 6.7</td>
<td>CSF seven – organisational performance and effectiveness</td>
<td>187</td>
</tr>
<tr>
<td>Table 6.8</td>
<td>CSF eight – alliance integration and collaboration</td>
<td>187</td>
</tr>
<tr>
<td>Table 6.9</td>
<td>CSF nine – financial strengthening</td>
<td>188</td>
</tr>
</tbody>
</table>
LIST OF FIGURES

Figure 1.1 Thesis roadmap and directions ................................................................. 19
Figure 2.1 Proposed model of variable influencing organisational performance .......... 50
Figure 3.1 The role of models in SSM summarised ............................................... 65
Figure 3.2 Competing Values Framework: effectiveness criteria ......................... 72
Figure 3.3 Example of industry CSFs for an airline ............................................. 88
Figure 3.4 Example of peer CSFs for an airline ................................................. 89
Figure 3.5 Example of environmental CSFs for an airline ............................... 90
Figure 3.6 Example of temporal CSFs for an airline ........................................ 91
Figure 3.7 Example of management-position CSFs for an airline .................... 92
Figure 3.8 From a corporate view point ................................................................. 95
Figure 3.9 The CSF hierarchy .............................................................................. 96
Figure 3.10 Organisation chart of Thai Airways International .............................. 98
Figure 4.1 A roadmap to chapter four ................................................................. 100
Figure 4.2 The world’s three airline alliances ...................................................... 116
Figure 4.3 Five basic activities of the identification of CSFs .............................. 117
Figure 4.4 CSFs identification activities – data collection .................................. 126
Figure 4.5 CSFs identification activities – data analysis ...................................... 131
Figure 4.6 Example of deriving CSFs from supporting themes ....................... 133
Figure 4.7 THAI’s capital shareholders (as of 2010) .......................................... 139
Figure 5.1 A roadmap to chapter five ................................................................. 145
Figure 5.2 THAI’s organisational culture profile ............................................... 148
Figure 5.3 Summary of THAI’s organisational cultural profile ....................... 157
Figure 5.4 Importance of organisational values to organisational success ........ 164
Figure 5.5 Importance of organisational culture to organisation’s performance ... 165
Figure 5.6 Summary of organisational culture diagnosis .................................. 170
Figure 6.1 A roadmap to chapter six ................................................................. 179
Figure 6.2 THAI’s CSFs .................................................................................. 189
Abstract

The past two decades, a need in forming strategic alliance has become increasingly important, especially for small companies. Likewise, airline alliances act as a vehicle for small carriers to obtain their superior position or to survive competition in a competitive international market where they do not appear to be a dominant player. In strategic alliances, the greater integration conveys greater benefits. However, the level of failure and success are varied among alliance members. This thesis was underpinned by the aim to conduct an in-depth study under the concept of organisational culture to reveal the key issues and barriers that appear to distort the ability of an organisation to foster success as well as to boost up its ability to obtain the benefits from the alliances to the maximum level.

The empirical investigation employed a qualitative approach as a mechanism, driving this thesis through the process of research design, data collection, and data analysis. Using a single case study as a main technique, the case company of this thesis is Thai Airways. Data was collected through in-depth and semi-structured interviews. Data was analysed using thematic grouping and organised through NVivo software.

This thesis displayed the findings into two main themes. The first theme is associated with the activity to diagnose organisational culture, whereas the Competing Values Framework (CVF) was adopted as an initial framework. The main objectives are to develop a cultural profile for Thai Airways and to identify the key issues and barriers that distort the ability of Thai Airways to foster success. The key finding derived from this theme offered the identified problems and barriers derived from organisational culture. Using the Critical Success Factors (CSFs) method, the second theme is associated with the activity to identify the critical success factors for Thai Airways, deriving as a set of CSFs proposed to help enhance the ability of Thai Airways to obtain big firm’s benefits.

The outcome of this thesis could be considered as a new reference for the areas of organisational studies and the success of airlines, where the literature appears to be limited. More importantly, this thesis believed that the research journey offered an empirical experience reflecting a piece of organisational culture study in a non-Western context.
DECLARATION

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Mr. Nares Chareonsup
Mrs. Sirirat Chareonsup

And the one above who inspires
and makes my work a blessedful PhD journey
1.1 Research background

In today’s challenging business environment, organisations regardless of their sizes strive to be more competitive in order to survive the competition as well as to sustain their superior positions in the market where they appear to be dominant players. With respect to the concept of organisational culture, it has been agreed by a number of significant scholars and researchers that the importance of organisational culture has a strong relationship to creating high performance. To date, evidence from most organisational scholars and observers such as Deal and Kennedy (1982), Cameron (1986), Denison and Mishra (1995), Alvesson (2002), Den Harlog and Overberg (2004), Kaliprasad (2006), Rose et al. (2008) etc., has shown a high recognition of the concept of organisational culture, where it shows a strong influential effect on the organisation’s overall performance and long-term effectiveness.

Organisational culture appears to be a determining element that reflects the actual picture of the internal operations of an organisation, in which it establishes an interesting link to increase organisation’s overall performance (Ilies and Gavrea, 2008). Further, successful organisations hold a certain cultural property called “cultural traits of excellence”, in which it presents a positive relationship between organisational culture as well as their productivity (Ouchi, 1981). Moreover, a high-performing culture also pays dividends on the financial implications. According to Kaliprasad (2006:27), “having a high performance culture has financial implications, as indicated by a study showing non-high performers increasing net income by just one percent over an 11-year period, compared to the 756 percent improvement for the organisations identified as having high-performing cultures”.

In terms of business and management practices, many organisations appeared to be outdated, choosing to employ current business and management practices which are considered either to be no longer fit to serve today’s business environment where fierce
competition exists or making itself compatible to the capabilities offered by current technologies (Ascari et al., 1995). The majority of the organisations are looking back at taking a radical look from scratch and to seek for solutions to make them successful. In making it work, the questions of (1) what differentiates these extraordinarily successful firms from others? and (2) How have they been able to make it when others have failed?, were raised by Cameron and Quinn (1999). The answer provided was that “the major distinguishing feature in these companies, their most important competitive advantage, the factor that they all highlight as a key ingredient in their success, is their organisational culture” (Cameron and Quinn, 2006:4).

Therefore, here the question is: What are the major problems and barriers that distort the firm’s ability to obtain a healthy culture?

1.2 Research motivation

It is ironic that knowledge required for building a healthy organisational culture and successful management can easily be found and available in typical text books, journals, literature, etc. but many organisations have not been able to utilise it due to difficulties and obstacles which occur when applying the chosen business strategies to the organisational structure, internal operations, and management practices. A question which arose was, if the organisation is fully equipped, what goes wrong with how the organisation functions its internal operations and management structure?

When applying my interest into the airline industry where fierce competition exists; without a doubt, another two questions that were raised were: (1) If organisational culture is really a key ingredient to success: How can a small carrier survive competition even if they are a member of a big alliance? (2) If the higher levels of alliance integration determine the greater benefits: What makes some of the alliance members fail to obtain all benefits provided by the alliance?

As a consequence, this thesis offers an opportunity to turn a personal interest into an empirical study. To a certain extent, the results of this research journey are the response to the two questions raised above with the sound of academic approach, presenting the
answers to both questions and offering a new reference in the literature through the theoretical lenses of organisational culture and success of airlines.

1.3 Research aims and objectives

This thesis comprises of two main research questions. In order to generate the answers to the two research questions, the research design and data collection process were guided and aligned by the following specific research aims and objectives:

• To study and explore the concept of organisational culture and how it is being utilised in the case company.
• To investigate the perceived cultural situation of the case company.
• To examine the relationship between culture, values, and organisational overall performance and long-term effectiveness.
• To analyse and identify the key issues and problems derived from organisational culture and how they distort the work with Star Alliance.
• To identify and develop the critical success factors for the case company in order to enhance organisation’s overall performance and long-term effectiveness as well as to boost up the ability to obtain the alliance’s maximum benefits.

1.4 Research questions

To understand how the concept of organisational culture plays a significant role in the organisation’s performance and long-term effectiveness that relate to success as well as to respond to the question: What are the major problems and barriers that distort the firm’s ability to obtain a healthy organisational culture? This research initially aims to explore and diagnose organisational culture for a smaller carrier as a member of an airline alliance, in terms of what problems and barriers are derived from the organisational culture and how it affects the firm’s ability to foster success as well as to obtain the alliance’s benefits. The answers provided in this thesis were the results derived from the two research questions:

1. What are the key drivers and issues derived from organisational culture affecting Thai Airways International’s overall performance and effectiveness?
2. What are the critical success factors for Thai Airways International to boost up overall performance and effectiveness and to obtain maximum benefits from Star Alliance?

1.5 Scope of investigation

To conduct an in-depth study in light of the concept of organisational culture, this research investigates the importance of organisational culture and its relationship and effects on organisational performance and effectiveness for an airline company, in which it is being operated as a member of an airline alliance. The scope of investigation is drawn into two main themes: (1) diagnosing organisational culture and (2) critical success factors. The empirical findings and explanation are presented into two themes based on the data collected in the fieldwork undertaken from March 2008 – March 2009.

The first theme – diagnosing organisational culture, this research places emphasis on diagnosing organisational culture, employing the eight key cultural elements reflecting the areas of organisation’s domain characteristics, organisational leadership, management of employees, organisation cohesion, strategic emphasis, internal process, criteria of success, and organisational reward (Cameron and Quinn, 2006; Jingjit, 2008). The development of an organisation’s cultural profile and the major issues and barriers derived from organisational culture formulate the scope of this theme.

The second theme – critical success factors, this research employs the Critical Success Factors method as a mechanism to assist the process of the identification of critical success factors called “Critical Success Factors Activity” (Caralli, 2004). The results derived from this theme offer a proposed set of critical success factors for the case company, in which it would act as a tool for the organisation to employ in order to increase the organisation’s overall performance and effectiveness and boost up the ability to obtain the alliance’s benefits.

The unit of investigation and analysis is the organisation with emphasis on the level of operational units of the case company. The selected case company is Thai Airways International Public Company Limited and is located in Thailand. As a national carrier,
the nature and firm characteristics of Thai Airways International is the major reason why the company is being selected as a case in reflecting the activity of organisational culture diagnosis and the identification of the critical success factors. It can also be seen that the existing studies have exclusively examined the concept of organisational culture, in which the majority of the previous researches were conducted in both public and private organisations in Western countries. Therefore, it is encouraging and worth examining the adoption of frameworks in a non-Western country and/or in a developing country, in which this research believes that the outcome of the research could potentially contribute as a new reference in the organisational studies with respect to cultural traits and attributes of Asian’s state enterprise organisation.

1.6 Methodological approach

This exploratory study employs a single-case study to explore and reveal the key issues and barriers derived from organisational culture at Thai Airways International. Based on Yin (2003), the case study approach is appropriate to address the questions of ‘how’ and ‘why’, in which it helps the researcher to gain insightful understandings and meaning of a phenomenon in an individual organisation. Further, in adopting a single-case study, this research aims to focus on an issue or concern, and then select one bounded case to illustrate the issue (Stake, 1995).

This research is primarily based on two conceptual frameworks – the Competing Values Framework (CVF) and the Critical Success Factors (CSFs) as the major tools in assisting the path to effectively address the two research questions. As a device, the conceptual frameworks formulate a coherent structure to a discussion and the analytical activity through the perceived real-world situation and to generate a piece of empirical study to address the research questions.

In addition, an introduction to Soft System Methodology (SSM) developed by Checkland and Poulter (2010) was introduced as a means to reflect the relationships and interlinks between the two conceptual frameworks. As stated by Checkland and Poulter (2010:191), SSM is “an approach for tackling problematic, messy situations of all kinds. It is an action-oriented process for inquiry into problematic situations in which users learn their way from finding out about situation, to taking action to improve it”. In
particular, the primary purpose of this research is to look at the identified problematic area/situation in order to detect and produce an interpretive representation (Lester, 2008), in which it reflects the actuality of the case company in light of the concept of organisational culture, while a set of CSFs will be proposed at the final stage of the research. A detailed discussion and explanation of how the SSM is employed will be presented in chapter three.

In diagnosing organisational culture, the CVF is considered to be the most suitable cultural framework to address research question one. The CVF is also considered powerful and useful in organising and interpreting a wide range of organisational phenomena (Cameron and Quinn, 2006). At the same time, the CVF appears to be the most appropriate tool in diagnosing the organisational culture, in which it pinpoints directly to the research’s target as it identifies the key issues and problems derived from organisational culture that distorts the ability of the organisation to enhance overall performance and long-term effectiveness.

Moreover, in identifying the critical success factors, this research deployed the critical success factors method adopted from Caralli (2004) as a technique to identify the critical success factors for the case company. As a technique, it helps guide the research process in developing the most appropriate research design, data collection, and the analysis process.

Further, this research aims to perceive the research topic through the perspective of the participants and to understand how, why, and what are the reasons behind those perspectives derived from the particular participants. In particular, this research takes interviews as the main method used to accumulate and assemble the data to a considerably sufficient level for formulating a thesis. In addition, this research creates emphasis on the use of in-depth and semi-structure interviews. Based on Kvale’s suggestion on what characteristics a qualitative interview should have being “a low degree of structure imposed by the interviewer; a preponderance of open questions; and a focus on ‘specific situations and action sequences in the world of interviewee’ rather than abstractions and general opinions” (1983:176).

Lastly, it is worth noting that the data collected is considered the features of qualitative data which are its richness and holism (Huberman and Miles, 1994), in which it comes
along with strong potential to reveal the complexity of the phenomena; such data offers a “thick description” (Huberman and Miles, 1994) in a dramatic aspect and enables the methodological process to capture the real context. With respect to richness of data, Maxwell (2004: 255) concluded, “rich data provide a test of one’s developing theories, as well as a basis of generating, developing, and supporting such theories”. Thus, the powerful depth, details, and richness in data collected help the researchers verify the data and make the theoretical interpretations in a respectful manner.

1.7 Research Outline

Figure 1.1 Thesis roadmap and directions

As shown in figure 1.1, this research is comprised of seven chapters to assemble into one thesis. The first chapter, Chapter one presents an overview chapter which acts as the research sitemap and directions to other remaining chapters. The explanation illustrated in this chapter is being performed at an introductory state, in which the
elaboration towards the discussion, arguments, and justifications are presented in a richer context which is designed and constructed (where appropriate) in other remaining chapters.

**Chapter two** – the literature review, this chapter presents a review of the existing work, literature, and empirical researches previously conducted by scholars and researchers that cover a comprehensive review on the contents of organisational studies, organisational culture, and the success of airlines. The principal focuses underpin the organisational culture literature and the relationships between organisational culture and organisational performance and effectiveness, as well as the success of airlines. The review of the existing literature leads to the identification of research gaps presented in the final part of the chapter.

**Chapter three** – the conceptual framework, this chapter presents and critically discusses the two conceptual frameworks: the Competing Values Framework (CVF) and the Critical Success Factors (CSFs), which is employed as a mechanism in guiding the research design and data collection process. An explanation on each framework used and the justification for adoption of methods will also be presented.

**Chapter four** – the research methodology, this chapter presents the methodological aspects of the research, in which it is broken down into three main parts: research design, data collection, and data analysis. Also, the presentation of the selection and justifications in adopting the selected techniques and critiques that justify the levels of appropriateness and how to utilise the selected methodological approach, leads to a need to tailor each research strategy and method to sufficient levels where appropriateness to carry out the research is presented in this chapter.

**Chapter five** – diagnosing organisational culture, this chapter presents the results and discussion containing the key areas and issues used in addressing research question one. The first part offers the identification and the development of the organisation’s cultural profile derived from the key organisational elements. The second part conveys the perceived importance of organisational culture to the case company, containing the discussion on the organisation’s cultural situation and the relationships between the importance of organisational culture and values and performance. The third section presents the analysis of key issues and barriers derived from the perceived
organisational culture of the case company, assisted by how the key issues and barriers effect the organisation’s overall performance and effectiveness as well as the distortion that restrict the organisation’s ability to obtain maximum benefits from the alliance. Prior to the concluding remarks, the fourth section reveals the other cultural elements that appear to be out of coverage of the Competing Values Framework but deeply affect how the organisation is being structured and performed. These elements are treated as the lessons learned.

**Chapter six** – the critical success factors, this chapter presents results and discussion on the critical success factors activity used in addressing research question one. The first section offers the introduction to the CSF activity, followed by the rationale behind the need for CSF in section two. The positioning of the CSF activity is presented in section three, containing the scope of CSF investigation and the participants involved in the CSF activity. Section four discusses the primary concern of the CSF activity, in which deriving CSFs for the case company need to be aligned with the organisation’s mission, vision, goals and objectives. Section five offers the derived set of CSFs as a tool for the case company to enhance the organisation’s performance and long-term effectiveness, as well as to increase the ability to obtain the alliance’s maximum benefits. Section six contains a summary of the chapter’s results and analysis of the derived CSFs, followed by the concluding remarks presented in the final section.

**Chapter seven** – the conclusions, this chapter revisits the research process, recalling the research gaps, research questions, and methodology. Along with these, the key arguments that pinpoint the significant of this thesis will also be presented. The twilight parts of the chapter is offered to four main areas, consisting of the contribution to academic knowledge, contribution to research methodology, implications for business practices, and the applicability of research and future recommendations; this is followed by the concluding remarks.
CHAPTER 2
LITERATURE REVIEW:
Organisational Culture and Airline Success

2.1 Introduction

This chapter aims to explore and review existing literatures in the field of organisational culture and the linkage between the importance and the affects of organisational culture and performances. One of the primary objectives of this research deals greatly with the interrelations between the concept of organisational culture and performance, as well as their joint effects derived from both concepts; which leads to a distortion for the case company to obtain potential benefits from adopting strategic alliances. Therefore, this research primarily reviews the literature according to the culture-performance link spectrums, as well as covering other important areas relating with the paths to an effective analysis such as managing people from a human resources perspective and organisational culture in the success of airlines.

The review of this particular topic was primarily gathered from articles, journals, and published books, in which these sources were derived from both the academic fields and the business practices. The notion of these sources complied in this chapter were considered groundbreaking in their field during their first publication in the early 1980s and 1990s. However, these sources are still essential today in many research levels and business practices when the study of organisational culture is concerned.

In light of organisational culture, the first part of this chapter presents the general background of the concept of organisational culture, containing the proposed definition, the concept, the various perspectives of understanding the concept, and the typologies. Subsequently, the levels of culture and subcultures will together help explain the strengths and uniqueness of culture. The following section engages with associations of culture with performance and management link, instituting of culture and performance, culture’s role in organisational effectiveness and competitive advantage, and the critiques of culture and performance link. The final section of this chapter presents the
content of organisational culture and the success of airlines, before offering the identification of research gaps which is situated in the concluding remarks section.

2.2 Organisational culture

Since the 1980s, the concept of organisational culture has been considered as a prevailing topic among researchers in management literatures (e.g. Barley, Meyer, and Gash, 1988; Salama and Easterby-Smith, 1994). The attention was paid to the concept of organisational culture in the early sociological studies in the 1950s (Barley et al., 1988) and until the late 1970s and early 1980s, both researchers and practitioners started to gain appreciation towards its importance in organisational life. Afterwards, the concept of organisational culture has been playing a significant role in many well recognised areas related in business fields, in which a strong correlation could be found between the relationships of organisational culture and successful business practices. Moreover, the concept of organisational culture has received high attention from many famous scholars, in which the published works of these valuable literatures combined the concept and the use of organisational culture to create linkages in areas, namely competitive advantage, organisational effectiveness and performance, economic and financial performance, leadership, values and shared values in the workplace, etc. Based on the contents and keywords, a summary of the work of the scholars and famous writings are illustrated in table 2.1.

Table 2.1 A summary of the existing works under the concept of organisational culture

<table>
<thead>
<tr>
<th>Areas/scopes of investigation</th>
<th>Authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category</td>
<td>References</td>
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<td>--------------------------------------------------------</td>
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2.2.1 Proposed definitions of organisational culture

Through various existing literatures and the published works of organization researchers, a number of definitions of organisational culture have been put forward in the literature of organization study. Firstly, Edgar Schein (1985) defined the concept as “the deeper level of basic assumptions and beliefs that are shared by members of an organization that operate unconsciously and define in a basic ‘taken for granted’ fashion an organization’s view of its self and its environment.” Moreover, a set of common definitions which convey similar concepts have been presented by several authors, in which the list of definitions can be found in Schein’s book, Organization culture and leadership (Schein, 1985). The list of definitions are summarised in table 2.2 below.

Table 2.2 A summary of definition list

<table>
<thead>
<tr>
<th>Definitions</th>
<th>Authors</th>
</tr>
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<tbody>
<tr>
<td>The observed behavioural regularities</td>
<td>Goffman (1959, 1967); Van Maanen (1979)</td>
</tr>
<tr>
<td>The norms that develop in working groups</td>
<td>Homan (1950)</td>
</tr>
<tr>
<td>The dominant values espoused by an organisation’s policy</td>
<td>Ouchi (1981); Pascale and Athos (1981)</td>
</tr>
<tr>
<td>The rules of the game for getting along in the organisation</td>
<td>Schein (1968, 1978); Van Maanen (1976, 1979); Ritti and Funkhouser (1982)</td>
</tr>
<tr>
<td>The feeling or climate that is conveyed in an organisation which carried out by the physical layout and the way in which organisational member interact to one another</td>
<td>Taguiri and Litwin (1968)</td>
</tr>
</tbody>
</table>

Source: Schein (1985)

However, the ingredients derived from a set of common definitions given by several authors above convey general consensus leading the term ‘culture’ to an expression through practices, values, beliefs, and underlying assumption and suppositions of the members in the organisation (Frost et al., 1991; Quinn and Rohrbaugh, 1981; Schein,
Moreover, Sackmann (1991) pointed out the concept as “a proper way of doing things” as a descriptive characteristic, in which the definition of the concept is employed within a certain context. Kilmann (1985) looked at the corporate culture from the dynamic quality aspect, the author argued that corporate culture is not simply a product of a organisational’s leaders’ creation, the term also represents a process which affects the behavioural patterns of the organisation’s members as well as the overall performance. Furthermore, Wilkins (1983) stated that organisational culture is best seen as people’s customary behaviour and how they perceive the world in their ‘taken-for-granted’ ways. Schein (1985) further argued that culture consists of three dimensions – assumptions, values, and artefacts. The three dimensions were defined in the work of Bradley and Park (2000): assumptions are widely held, embedded subconscious views of human nature and social relationships that are taken for granted; values represent preferences for alternative outcomes, in which those values are the means to achieve those outcome; and artefacts highlighted the more solid or physical representation of culture that includes rituals, slogans, traditions and myths. Similarly, Cameron and Quinn (1999:14) followed up in line with Wilkins (1983) and Schein (1985) saying that organisational culture “refers to the taken-for-granted values, underlying assumptions, expectations, collective memories, and definitions present in an organization”. However, another imperative aspect is related to the idea that organisational culture is typically passed on to newcomers with an aim to ensure that the continuation of the goals and values of the organisation is carried forward (Kilmann, 1985, Trice and Beyer, 1993).

2.2.2 The concept of organisational culture

Reviewing the concept of organisational culture is not a new phenomenon. As mentioned above, organisational culture started to gain attention through sociological studies in the early 1950s. Later on in the early 20th century, the concept of organisational culture genuinely appeared in the field of management and organisation study. Thus, scholars revealed the rationale of the concept of organisational culture quite differently during the time the concept had been recognized and accepted.

In the US, the concept was first proposed by Chester Bernard (1983,1960:88), in which Bernard puts his emphasis on the differences between “an organization personality and an individual personality”. It was claimed that the irrational behaviour of workers in a
number of classic studies is the factor reflecting the issue of culture. However, the most significant was found in Taylor’s “scientific management”, in which the work has reflected the aim to preclude worker’s subversion of rationality by engaging the techniques that help eliminated ambiguity from work processes (Kanigel, 1997). Within the management literature, the term culture was first proposed by Elliot Jaques (1951) in his book *The Changing Culture of Factory*.

The recognition of the concept of organisational culture became more popular in the early 1980s, which came after the publication of two pioneer books: *Corporate Cultures: The Rites and Rituals of Corporate Life* by Deal and Kennedy (1982) and its companion volume *In Search of Excellence* composed by Peters and Waterman (1982). Both pieces of work highlighted the introduction of a substantive and evaluative sense to the concept of organisational culture as an influential tool for guiding behaviour. The two contrary standpoints appeared to come into sight for management in two aspects: the formal – focus on control by rationality and the informal – focus on cultural influence; both aspects are important dimensions of an organisation.

2.2.3 Various perspectives of understanding organisational culture

The concept of organisational culture comes in various perspectives and can be explained in different ways using several theoretical lenses to match the scope of one’s research. For instance, Harris and Cronen (1979) viewed organisational culture as a “master contract”; that involves the organisation’s reputation and rules which act as a tool in organising beliefs and actions. Goffee and Jones (1996) believed that culture is a ‘community’, in which it is the source of outcome of how people relate to one another. Pettigrew (1979) paid respect to the concept of purpose, commitment, and order, in which the author focused on how these factors are generated in an organisation. Through the feelings and actions of the founder, along with a set of beliefs, ideology, language, rituals, and myths, Pettigrew (1979) called it organisational culture. On the other hand, Schwartz and Davis (1981) looked at the same concept from a different angle: to look at what the organisational culture is *not*. The authors claimed that culture is *not* climate. This claim was also held by Trice and Beyer (1993). However, the confusion in the literature between culture and climate did exist according to confirmation by Cameron and Ettington (1988). Moreover, Schwartz and Davis stated that culture comprises of a pattern of beliefs and expectations in which the
organisation’s members are sharing both. Further expansion made by Trice and Beyer (1993) on the list of what cultures are not; not groupthink, not a social structure, not a metaphor, and not always being the key to success. Trice and Beyer concluded that cultures are collective, emotionally charged, historically based, inherently symbolic, dynamic, and inherently fuzzy (Saele, 2007).

In addition, Greet Hofstede (1991) who is an expert in national culture believes that organisational culture is holistic, historically determined, related to anthropologist study, constructed through social settings, and intricate to change. According to Hofstede (1991), there are five cultural dimensions: Power Distance Index (PDI), Individualism (IDV), Masculinity (MAS), Uncertainty Avoidance Index (UAI), and Long-Term Orientation (LTO). Power Distance Index (PDI) is defined as “the extent to which the less powerful members of institutions and organisations within a country expect and accept the power is distributed unequally” (Hofstede (1994:28). Individualism (IDV) is defined as “individualism pertains to societies in which the ties between individual are loose: everyone is expected to look after himself or herself and his or her immediate family”. Masculinity (MAS) particularly focuses on the degree to which ‘masculine’ values like competitiveness and the acquisition of wealth are valued over ‘feminine’ values like relationship building and quality of life (Tamas, 2007). Uncertainty Avoidance Index (UAI) generally deals on the level of tolerance for uncertainty and ambiguity; it ultimately refers to man’s search for truth (Hofstede, 1994). Thus, it indicates to what extent a culture directs its members to feel either comfortable or uncomfortable in unstructured situations. Lastly, Long-Term Orientation (LTO) tends to focus on the degree the society embraces, or does not embrace, long-term devotion to traditional values (Tamas, 2007).

However, there was a debate made by Baskerville (2003:1) stated that “the continuation of accounting research utilising Hofstede’s cultural indices suggests an absence of sufficient consideration for the reasons behind the rejection of such a universalist approach in anthropology and sociology. These reasons include the assumption of equating nation with culture and the difficulty, and limitations on an understanding of culture by means of numeric indices and matrices”. Further, Baskerville (2003) puts a consideration upon the development of ideas on the concept of culture and its quantification claimed by Hofstede as well as the theoretical bases for Hofstede’s cultural indices. In the work called “Hofstede never studied culture”, there were three
major points Baskerville (2003:1) puts into a debate – (1) the assumption of equating nation with culture (2) the difficulties of, and limitations on, a quantification of culture represented by cultural dimension and matrices and (3) the status of the observer outside the culture. At last, the conclusion upon this examination suggests that the path in which Hofstede instituted the dimensions of culture as well as the subsequent of culture which are treated as a variable in cross-national studies, particularly in accounting research, directed to a misleading dependence on cultural guides as an explanatory variable of differences in accounting research in terms of practices and behaviour.

At the same year, Hofstede replied to Baskerville on the work called “What is culture? A reply to Baskerville”. Hofstede (2003:811) stated that “Baskerville does not realize that there exist different paradigms in the social sciences about the meaning of ‘culture’, leading to different research approaches. Her arguments are therefore largely irrelevant to cross-cultural accounting research”.

Another view towards the concept of organisational culture has put forward to industry characteristics and its role in organisational culture (Gordon, 1985, 1991). In 1985, Gordon suggested “factors such as the characteristics of the industry, the marketplace and the diversity, size, and market position of the organization define the broad outlines of an appropriate culture” (p.121). His research showed that successful companies offered greater value on factors than those who were less successful. However, his view also differed from what Peters and Waterman (1982) believed as it was rare to discover one winning culture because industry determinants of organisational culture development still exists. Moreover, Chatman and Jehn (1994) put their study towards an aim to generate a more systematic assessment of industry effects on organisational culture manner, in line with the discussion towards Gordon’s view. From their research, two empirical supports were given: the similarities of those firms who are operating in the same industry and the link between culture and industry characteristics. Also, the research discovered that the factors such as innovation, stability, people-orientation, result-orientation, the emphasis on being easy, and the importance of great collaboration and team orientation are considered as “pervasive organizational culture themes” (Chatman and Jehn, 1994:543).

The last two perspectives of understanding organisational culture are from a cognitive, functionalist and symbolic perspectives. Firstly, the idea has been long mentioned that
the nature of concept can be understood from a cognitive viewpoint which starts from a personal level. The idea is based on the assumption that in order for the individuals to perceive situations and to interpret their perceptions called sense making activity, a need to exploit their cognitive structure and structuring devices is essential (Seller, 1973). More recently, DiMaggio (1997) pointed out that the notion of a cognitive perspective has been regarded as a collective incident, in which the cognitions of each individual are transformed into a culture when they are shared by a group of people or organisation’s members. Sackmann (1992:141) added that it is not necessary for individual members to recognize their shared cognitions. However, an important notion should be given to the cognitive components such as beliefs, values, and basic assumptions. These elements correspond to the core of the cultural concept which appears to be widespread and shared as a common subject in organisational literature (e.g. Gregory, 1983; Dyer, 1985; Schein, 1985).

Secondly, it has also been an idea that organisational culture can be understood through functionalist and symbolist perspectives. Given the basic supposition that culture is crucial for its survival, functionalism is primarily corresponded with the question: ‘what function does culture fulfil in the organisation?’ The two arguments towards this perspective created two fundamental assumptions. The first argument was by two scholars: Smircich (1983) who pointed out that organisation is a social instrument which is used for completing given tasks and the way the organisation’s members perform such tasks reflect the culture of each organisation (Sackmann, 1991). The second argument is based on the system theory and is underpinned by a belief that organisations are cultural-producing units which can be found in an environmental setting. In this case, external context plays a role which potentially put forth upon behaviour, leading to cause interference to the internal context which attempt to manage an organisational culture. This argument was originally derived from cultural materialism (Steward, 1955) and functionalism in anthropology (Radcliffe-Brown, 1952, 57). However, Schein appeared to be the key author whose work contributes to the functionalist position. For instance, Schein (1992) often advocates his conception that in order for an organisation to deal with the problems such as external adaption and internal integration, the development of a culture within an organisation is vital. On the other hand, symbolist view puts emphasis on shared meaning, leading the researchers whose work tend to adopt this viewpoint to follow the main objective in understanding these meanings. Schultz (1995:13-17) mentioned that culture can be seen in a symbolic
way if thinking is generally engaged with a ‘root metaphor’, in which the idea is based upon the work of anthropologists. Therefore, this approach is strengthened by support from the social constructionist point of view, in which it assumes that the construction and reconstruction of meaning are fundamental requirements for building up a culture.

Finally, the last two contrasting perspectives reviewed above generates a gap to fill in the question of whether culture should be placed upon specific aspects or whether to focus and be understood as an incorporated whole. All in all, the arguments have always existed in such a way as to what the concept of organisational culture does and the importance of how it stands to the organisations. Schein (1990) pointed out the reasons why such confusion took place is because the scope of organisation culture study is large and the topic itself is influenced by a number of disciplines in the literatures, leading itself to have plentiful areas of study, within a great range of fields.

2.2.4 Typologies of organisational culture

Just like other concepts, a range of ideal types of organisational culture has been created by scholars, which come with a common purpose of categorizing the concept. However, the nature and prime objectives of the research are the key ingredients in consideration of the applicability and appropriateness of each typological model to be employed. In this section, the typology of eight models and frameworks will be reviewed. Each scholar has its own ways in typifying organisational culture, which may create both similarities and differences in comparisons. A roadmap to the cultural typologies to be reviewed is summarised in table 2.3.

Table 2.3 A summary of cultural typologies

<table>
<thead>
<tr>
<th>Author (s)</th>
<th>Model and Cultural Types</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harrison (1972), Handy (1978)</td>
<td>Four-Dimensional Framework</td>
</tr>
<tr>
<td></td>
<td>• Role, power, task, and atomistic culture</td>
</tr>
<tr>
<td>Deal &amp; Kennedy (1982), Scholz (1987)</td>
<td>Four Corporate Tribes:</td>
</tr>
<tr>
<td></td>
<td>• Tough guy or macho, work-hard and play-hard, the process, and the bet-the-company culture</td>
</tr>
<tr>
<td></td>
<td>• Production, bureaucratic, and professional culture (Scholz, 1987).</td>
</tr>
<tr>
<td>Quinn &amp; McGrath (1985)</td>
<td>Four Cultural Types</td>
</tr>
</tbody>
</table>
The first one to start with is Roger Harrison’s (1972) four-dimensional framework. The four-dimensional framework is considered to be one of the pioneering pieces of work, in which it was subsequently adapted and modified by Charles Handy in 1978. The framework consists of four categories: role, power, task, and atomistic. Each of the four categories has created a culture type. The first category is a role or Apollo culture. The key characteristics of this typology is highly formalised and usually centrally directed through bureaucratic or “scientific” management practices. Departmentalisation or specialization of individuals plays a dominant role, which propels by rules, procedures and job descriptions. Therefore, the organisations classified into this culture type appeared to have relatively slow recognition and response to change. The second category is power or Zeus culture. As for Zeus culture, there is a single source of power held by a leader who is highly competent and a charismatic founder. Such characteristics allow a person to make up or lead a group of informal colleagues in an organisation. The leaders of this culture type are fully furnished with power, authority and the ability to react and respond to change in a timely manner. Centralisation plays a dominant role; in which each individual performs their own tasks with minimal questions. Zeus culture is considerably verbal and intuitive, where trust, empathy and personal communication skills are the ingredients to hold each member together; leading to a drawback in influencing the culture to be tough and relatively hard to achieve the organisation’s objectives. The third category is task or Athena culture. This type of culture is based heavily on collaborations and teamwork consisting of
interdisciplinary project groups with a task to accomplish a specific job or project. Adaptability, flexibility, autonomy, and mutual respects are the key ingredients of this culture type where expertise plays a dominant role, while charisma shifts off to play a recessive role. The final category is atomistic or Dionysian culture. This type of culture is in contrast with the Apollo culture and is characterized by decentralization and informality. The main objective of an organisation that is classified to be a Dionysian culture is to meet individuals’ goals in which the nature of the internal control allows a group of people to choose and work independently as a cohesive team based on their own interests. Interpersonal relationships are the key ingredient that is influenced by respect, understanding, and affection, where power and authority are shared and is exercised on the basis of expertise.

An alternative typology was developed by Deal and Kennedy (1982) who put the studies upon successful companies with an aim to examine their secrets of success; hence the results derived formulates four “corporate tribes” – tough guy or macho culture, work-hard and play-hard culture, the process culture, and the bet-the-company culture. Firstly, the work-hard, play-hard culture is where fun and action play a significant role, in which the members are focusing on rapid feedback and trying to put risks to the minimal. An ability to maintain a considerably high level of low-risk activities is the key to success of this culture type. Due to the fact that this culture pays attention on quantity rather than quality, effectiveness tends to have less recognition in time when a “quick fix” solution is applied to encounter problems that occur. Secondly, the tough-guy macho culture appears to share a characteristic with the work-hard, play-hard culture as they both focus on rapid feedback on actions. However, the tough-guy macho culture is equipped with high risk-taking and a tough attitude regarding work, consequently leading to the organisation attaining cohesiveness. The focus of this culture is placed upon the present rather than the future; therefore, disagreements and competition are likely to appear to be a common occurrence within any organisation which falls into this culture type. On the other hand, the third culture type offered by Deal and Kennedy (1982) appeared to have a relatively slow or no feedback and low risk, leading the organisation’s members to obtain low stress and slow-progress work, trading off with comfort and security. However, the consequences derived from the nature and characteristics of this culture type affect the employees in terms of performance evaluation; hence, the focus is placed upon how a task is done where the concentration of quality outcomes tends to fade away. The negative point of this culture
is a lack of creativity and the inability to react and respond to change quickly. Finally, the bet-the-company culture formulates through high-risk and slow feedback environment characteristics. The emphasis of this culture type is placed upon the future and an ability to generate high efforts to ensure that things happen accordingly as planned. The key ingredients this culture type values are high quality invention and scientific discovery.

Another model is an extended version made to the four “corporate tribes”. Scholz (1987) soon pointed out that the four culture types: work-hard and play-hard, guy macho, the process, and the bet-the-company culture, developed by Deal and Kennedy (1982) are exclusively externally-induced. Therefore, the internal-induced culture was introduced, in which the concept of internal-induced culture illustrates the internal circumstances that have great influence to an organisation. Within the internal-induced culture, another three categories were added: production, bureaucratic, and professional cultures. As the name suggests, the production culture is where the production process is constant (Jingjit, 2008), leading to a high degree of standardisation of work processes. Scholz (1987) suggested that the level of skill requirements towards work is low, while the property rights are weak. As for bureaucratic culture, non-routineness appears to be higher; hence, specific rights and obligations of individuals are required in different roles. Therefore, the property rights are gradually obtained from the position. Lastly, the professional culture appears to lack routine, while a level of task variety and complexity is high, in which it forces the employees to be specialists in their specific areas they are dealing with. Therefore, the property rights are instilled in the person, not in the position he/she obtains. Moreover, the evolution-based cultures consist of five categories: stable, reactive, anticipating, exploring, and creative cultures. These five categories represent the evolution stages of an organisation, starting from the point which change is hardly possible to the period which makes change becomes possible.

Another cultural model to be reviewed was constructed by Quinn and McGrath (1985). The model itself consists of a typology, in which the four culture types were obtained: rational, hierarchical, ideological, and consensual culture. According to McDonald and Grandz (1992), the rational culture can be described as aggressive, productive, and efficient, all of which is often perceived as highly valued. A significant emphasis is set upon corporate achievement, leading to an expectation from the employees to strictly follow specific common objectives where output-based assessment is applied. Primarily, the leaders are the decision-makers who also take control of culture
management within the organisation. As for hierarchical culture, rules and regulations play an important role to propel the entire organisation to success. Unlike the rational culture, decisions are usually made by taking realistic information into account. However, the leaders tend to be conservative due to factors such as formalities, obedience and seeing order as dominating values. In the ideological culture, a significant emphasis is set upon profit. Therefore, autonomy, creativity and an ability to adapt with common attitudes created internally are a requirement that all employees should obtain. Lastly, the characteristics of the consensual culture are group cohesiveness, courtesy, quality, and moral integrity; all of these characteristics act as a propeller that drives the organisation forward. By adopting a paternalistic leadership style and participative decision-making enable the leaders to set an expectation from employees in terms of loyalty and commitment.

Another more recent cultural typology was offered by Cooke and Rousseau (1988). The authors offered three different typologies – aggressive-defensive, passive-defensive, and constructive culture. An aggressive-defensive culture is made up of power, perfectionism and competition, in which the three elements are regarded as the norms. The dominant characteristic of the employees of the organisation is highly concerned with how to secure status within the workplace. In contrast, a passive-defensive culture focuses on consent, dependency as well as avoidance. Therefore, the way the employees try to secure their status in the workplace is different from how it is presented in the aggressive-defensive culture. Therefore, the interactions among employees are put in such a way that it does not decrease their security. Finally, a constructive culture is constructed through common behavioural norms that emphasise on achievement and self-actualisation. Consequently, with regards to the emphasis on achievement and self-actualisation, the employees work in such a way to accomplish their tasks in order to satisfy their needs.

The next model was proposed by Schneider (1994) who offered the construction of the four culture types – collaboration, control, competence, and cultivation cultures. In a collaboration culture, the focus is on concrete and tangible elements. Moreover, the decision-making process tends to be informal, in which it creates a contrast to what is presented in the control culture. In a control culture, the decision-making process in this culture is dealt through an analytical and perspective process. However, a similarity can be found between the collaboration and control culture as they both put emphasis on
tangible factors, but the control culture is considered to be more appropriate in production-oriented or financial organisations. As for the competence culture, it is regarded as an impersonal culture which focuses on potential and creativity. Therefore, it is best suited to organisations where they are considered to be people-oriented. Similarly, potential, creativity, and aspirations are the elements that play a significant role in cultivating this culture. However, the decision-making process is subjective and largely people-oriented.

Another more recent model is called ‘Double-S model’ which was developed by Goffee and Jones (1998). Based on dual factors: sociability and solidarity, Goffee and Jones (1998) typified organisational culture into four main categories contributing to four culture types – communal, fragmented, networked, and mercenary culture. Sociability draws a picture in terms of friendliness in relationships amongst the members in an organisation, in which the concept values for its own sake in spite of the impact on the organisational performance. Emotion and social concern appeared to be the main driving force in the decision-making process. On the other hand, solidarity draws a picture in terms of the unity of feelings or action amongst the organisational members who shared a common interest and mutual support within the organisation. Consequently, each individual is trained to be able to efficiently and effectively understand and get along with common objectives set by the organisation regardless of the importance of the impact on relationships between one another. Thus, logic appears to be the main driving force for the solidarity aspect. By plotting the two aspects on the axes in a diagram, the four cultural types were produced. Firstly, the communal culture contains both sociability and solidarity at high levels, in which the members of the organisation are driven by shared objectives, leading to a formation of unity in social bonds. The communal culture is favourable for organisations categorised as new, small, and fast-moving. On the other hand, the fragmented culture contains both sociability and solidarity at low levels, leading to possibilities of dysfunctions and becoming out of control. In a networked culture, solidarity remains low while sociability is still high. In this type of culture, sociability can be explained through an extensive set of informal conversations and the amount of time spent outside the workplace, i.e. social activities. Finally, in the mercenary culture, sociability remains low while solidarity is high. The main focus is upon strategy and success in the marketplace. There is a norm to have specific objective sets, in which the performance evaluation forces employees who fail
to achieve the target to leave if room for improvement is impossible. As a result, this type of culture is able to respond to rapid change.

The last cultural typology to be discussed is the one proposed by Cameron and Quinn (1999). This is based on a theoretical model called the “Competing Values Framework” (CVF), which was originally developed by Quinn and Rohrbaugh (1981). The Competing Values Framework typically contains the identification of four categories of culture – clan, adhocracy, market, and hierarchy culture. The fundamental idea of the CVF is to classify the organisations in two aspects; whether they obtain a predominant internal and external emphasis and whether they put an aim towards flexibility and individuality or stability and control. Firstly, the clan culture, the main emphasis to the objective in managing the workplace is via the three main driving forces, which are consensus, participation, and teamwork. At the same time, this culture pays attention to internal elements, i.e. flexibility and discretion. Similarly, the adhocracy culture also drives forward the significance of flexibility and discretion, except that this culture is externally driven. Due to the fact that this culture takes creativity and risk taking as their prevalent values; thus, roles and physical space are usually flexible. In market culture, stability and control are highly involved. This culture is usually intimidating by the outside environment; therefore, a significant emphasis is set upon an ability of the organisation members to respond to external changes. Hence, a need to identify both threats and opportunities is essential in order to obtain and gain competitive advantages and profits. Lastly, the hierarchy culture gives credit to Weber’s theory of bureaucracy and value tradition, in which the emphasis is also placed upon consistency, cooperation, and conformity. This culture pays more attention to internal matters, i.e. stability and control, rather than flexibility. It is also considered to be the traditional ‘command and control’ model, in which it is favourable for organisations that value efficiency and are operating in a simple and stable environment.

From the above review, the cultural typologies that have been constructed by a number of authors appeared to share certain resemblances. However, the notion to the cultural typologies discussed was drawn from a typical view which aimed to simplify a concept of organisational culture in particular. Nevertheless, the issue of culture is highly complex and it could be impossible to capture the entire issue through means of simple typifying manners.
Having considered the reviewed cultural typologies, the Competing Values Framework (CVF) appears to be the only model which offers such intricacy based on its distinct assumption, in which it allows the possibility of characterization by a combination of individual cultural types contributed to this research. Therefore, the CVF appears to be adopted as a core framework for this thesis with respect to its primary justification in providing the most genuine insight to explain the issue of culture in an actual organisational setting which was especially designed for this research. However, further justifications and elaboration of the CVF as well as its application will be presented in the methodology chapter of this thesis, in which the CVF will also act as the main guideline that appears to pay great influence on the research design process.

2.3 Levels of culture and subcultures

Organisational culture has by a number of scholars been conceptualized as a layered phenomenon (Hofstede et al., 1990; Pettigrew, 1990; Schein, 1984, 1992). Whereas Harrison (2000) and Ogbonna and Harris (2000) conceptualised organisational culture as multifaceted. According to Kotter and Heskett (1992), the authors defined the levels of culture in terms of two major “levels of awareness” as when it functions to embrace both visible and tacit elements at the same time. Moreover, Alvesson (1993) and Triandis (1972) specified the two levels into two aspects of culture – “objective” versus “subjective”. The former can be represented as the expression of the latter, in which the subject component is classified as “a cultural group’s characteristic way of perceiving the man-made part of its environment” (Triandis, 1972: 4). According to Sackmann (1991: 298), the different levels of culture was considered “an understanding of culture in a given organizational setting requires an understanding of the ideational aspects of culture – the underlying process of sense making, the cognitive construction, or the cultural knowledge that exists in a particular organization and that are used to attribute meaning to observable behaviours and corporate artefacts”.

However, Schein (1985) argued that organisational culture can be understood and conceptualised from different angles. Schein (1992) labelled the concept into three levels of culture – ‘artefacts’, ‘espoused values and beliefs’, and ‘basic underlying assumptions’.
The first level consists of artefacts, in which it refers to what is visible and is the most observable and tangible facets of organisational culture. Schein (1992) pointed out even if these tangible aspects are instituted at the surface level of the organisational culture and the artefacts are visible, making sense of their meanings is not easy. Various authors (e.g. Brown, 1995; Schein, 1992; Hofstede et al., 1990, and Pederson and Sorensen, 1989) appeared to have a consensus for the classification of artefacts into five key elements: (1) physical environment; (2) written and spoken language; (3) myths and stories of the organisation; (4) technology; and (5) traditions. In addition, Schein (1992, 2004) suggested a number of elements to encompass the five key elements – rituals and ceremonies, a set of values, language, technology and products, and artistic creations.

The second level constitutes of espoused values, in which it refers to the cultural components that are shared among organisation members. However, espoused values and beliefs are less visible than artefacts which appear to directly link with ethical and morality issues. However, the room for argument exists for Deal and Kennedy (1983) to convey a message pointing out that espoused values and beliefs represent the core of culture, in which it can be partially supported by Schultz (1995) who explained the characteristics of values by which the relationships between ethical and morality issues may reflect the individual’s perception and assumption about what is right or wrong in different circumstances. Furthermore, Deal and Kennedy (1993) noted that values are considered as the unwritten rules; thus, they often apply a significant level of influence on the decision-making process. However, in order to get to a more comprehensive level of understanding towards a complete set of all levels, Schein (2004) suggested that it is important to fully understand the next category, the basic underlying assumptions.

The third level recognised by Schein (2004) comprises of the basic underlying assumptions, in which it refers to unconscious, taken-for-granted beliefs, perceptions, thoughts, and feelings. Schein (2004: 26) identified all of these elements as an ultimate source of values and action. However, the basic underlying assumptions are presented at the most insightful level of awareness. Given that the basic underlying assumptions are those invisible elements involved in this level, the notion to this level is considered as a complex cultural component that is largely embedded and can be difficult to manage. Moreover, Schein (2004: 31) compared the basic underlying assumptions to Argyris’s contribution of “theories-in-use” which represents the elements as the “implicit assumptions that actually guide behaviour, that tell group members how to
perceive, think about, and feel about things” (Argyris, 1976; Argyris and Schön, 1974). This deep-rooted aspect of culture constitutes components of the human group psychology which appears to destabilise a simple cognitive and interpersonal world, where personal interpretation of the more observable elements such as values is possible (Brown 1995; and Schultz, 1995), in which it also leads to releasing large quantities of basic anxiety (Schein, 2004). Since basic assumptions are invisible and could hardly be recognised by individuals, this leads to the difficulty in detecting or making modifications possible.

Moreover, shared assumptions are typically formed around functional units in an organisation, in which these assumptions are thought by the initiator or a founder to new members of the organisation (Schein, 1996). However, to characterise the organisation by a dominant culture is not the only path to be concluded, but just as much by what people labelled it as subcultures (Cooke and Rousseau, 1998). According to Sathe (1983), subcultures can be constituted with any community within the organisation setting, such as a work unit culture, a department culture, and a division culture. Due to the fact that these communities are likely to reflect the performance of the myriad distinct work and social environment of an organisation (Cooke and Rousseau, 1998); thus, organisation members tend to share similar experiences or educational background, where it is likely for them to create a group sorting according to these similarities present within a group or a community. Therefore, shared assumptions reflect the overall perception of each functional group, in which Cooke and Rousseau (1998) considered the creation of subculture as a natural by product of the organisation’s propensity to differentiate by level and function. However, Schein (1996) argued that to communicate across these functional groups is difficult because each functional group has different goals, in which they are likely to attribute and interpret different meanings to the same words used.

Another point of view stratifying culture was proposed by Ogbonna and Harris (1998) as well as Schein (1995) whom also pays respect to the existence of subcultures that is basically derived from hierarchical and functional lines within organisations. At this point, Schein puts a focus on the creation of alignment, in which the important ingredients are the need to ensure that the perspective of each subculture is valid and the essence of mutual understanding exists. However, the notion put emphasis on the matters of disagreement and lack of collaboration which are the sources influencing the
organisation members to fail to recognise subcultures as well as the others (Gregory, 1983). Furthermore, Van Maanen and Barley (1984) explained an understanding towards the term subculture as a subset of a corporate culture, in which each individual identifies themselves as a distinct group where mutual understanding within the group plays a significant role towards shared problems and actions taken by the group members. Another more recent study, Kaliprasad (2006: 28) described the term subculture as “the unique patterns of values and philosophies within a group that are consistent with the dominant culture of the large organisation”. The author also pointed out that strong subcultures can usually be found in high performance task forces, teams, and special project groups within an organisation (Kaliprasad, 2006). Moreover, subculture is considered as an element that binds each individual to work in a certain manner in order to accomplish an activity or a given task.

With regards to the different levels of conflict occurring between dominant cultures and subcultures, Martin and Siehl (1983) proposed the three categories of subcultures which include enhancing, orthogonal, and counter culture. In the enhancing culture, people are typically strongly attached to the dominant culture, in which this type of climate often occurs for members with long organisation tenures. In contrast, the main culture in counter culture is challenged by subculture, particularly referring to a reform period and when resistance to organisational change of policies is relatively strong. According to Kaliprasad (2006: 28), the author described the term counter culture as “the patterns of values and philosophies that outwardly reject those of the larger organization”. In addition, counter culture may create mergers and acquisitions within an organisational setting. Hence, both organisation members and managers of an acquired firm simply share certain values and assumptions that are likely to be inconsistent with those of the acquiring firm (Kaliprasad, 2006). Lastly, in the orthogonal culture, it is characterised by the situation when the organisation members significantly value both dominant cultures and other subcultures.

As one can see, this section has presented a review of different levels of organisational cultures as well as explaining the subcultures through a number of different scholar’s theoretical lenses. This research attempted to represent the focal point of these basic assumptions but it was not carried out given that the basic assumptions are usually held without conscious awareness, thus leading to a great difficulty to measure. Hence, the decision was made to focus on the core of the culture which will also examine
underlying values as a whole. At this certain point, it has been argued through a lens of a contemporary organisational culture theory, where the employees in the same organisation may possibly perceive their culture in different ways, leading subcultures to exist (Martin, 1992). Despite an awareness of this claim, the investigation of this research was carefully carried out based on the belief that even if each subculture is unique, all subcultures do share certain common characteristics under the same culture roof, which is consistent to what Cameron and Quinn (1999: 134) suggested that “in each separate element in a holographic image, unique information exists that differentiates that particular element from all others. Yet each element also contains common information from which the entire image can be reproduced”. Thus, in this research a decision was made to emphasise on the cultural characteristics of the case, as well as how the organisation members perceived and valued their culture and subcultures, whereas another significant point to focus is on the investigation towards the issues and barriers derived from organisational culture can create a linkage to the organisation’s effectiveness and performance. The next section will focus more specifically on the cultural parts that perform a linkage of organisational effectiveness and economic performance and an aim to place the contributions derived from the scholars as a tool to facilitate the study process.

### 2.3.1 Strength and uniqueness of culture

With a need to create such a strong culture in order to enhance organisational effectiveness (Deal & Kennedy, 1982; Peters and Waterman, 1982), two reasons why strong culture is valuable were proposed by O’Reilly (1989): (1) the compatibility between organisational culture and business strategy and (2) the increasing level of commitment of the employees to the organisation. With the two reasons proposed by O’Reilly, the author noted that these reasons are the factors that help create a competitive edge; thus, an organisation that builds a strong culture obtains an advantage over their competitors. However, Schein (1984) challenges such a claim of the need to achieve effectiveness is to create a strong culture by pointing out how the relationship must be more complex. Instead, Schein (1984: 7) put an emphasis on the need for contingency or situational approach, in which some critical variables were included and those critical variables are referred to as “contents of the culture and the degree to which its solutions fit the problems posed by environment”. Also, Schein acknowledges that cultural strength is derived from the cultural dimension of primary interest created by
organisation members. From Schein’s point of view, other scholars such as Deal and Kennedy (1982) and Sathe (1983) agreed to the same beliefs, in which shared beliefs and values are the sources that reinforce organisational behaviour, resulting in a strong culture. In addition, Peters and Waterman (1982: 76-77) mentioned the significance of having strong culture in their book as “without exception, the dominance and coherence of culture proved to be an essential quality of the excellent companies. Moreover, the stronger the culture and the more it was directed toward the marketplace, the less need was there for policy manuals, organization charts, or detailed procedures and rules. In these companies, people way down the line know what they are supposed to do in most situations because the handful of guiding values is crystal clear.

On the other hand, weaknesses inherent in a strong culture can still be found. The five weaknesses presented by Saffold (1988) are the ambiguity of strength as a measure of culture, dependence upon composite culture profiles, insufficient attention to culture-performance links, and the use of inadequate methodologies. In his study, Saffold also proposed three correctives to enhance the validity of culture as well as performance studies. The first corrective is to employ the appropriate measures that are better suited to the evaluation of cultural phenomena and impacts rather than to generalise the notion of cultural strength. The second corrective is that it is more appropriate for the research to capture the contextual context rather than a model analysis. Alternatively, in Saffold’s study, Pettigrew suggested that the research can make use of a cultural-performance framework that illustrates and examines how the process can contribute to outcome because it is a better solution than to point out “a general fog of thick culture and to suggest that in some way this swirling mist boosts performance” (Saffold, 1988: 552). The last corrective is the attention to multiple interactions. The last corrective is essential and according to the author, it acts as a tool to assess the organisation in widely dispersed cultural features. From the perspectives derived from the attention to multiple interactions, two conclusions can be drawn (Saffold, 1988: 553): (1) culture can shape organizational processes, but processes also act to create and modify culture and (2) it is likely that culture’s link to performance is considerably less straightforward than many studies imply. However, Alvesson (2002) argued that the three correctives developed by Saffold (1988) is possible to oppose and discourage the researcher from attempting to place an emphasis on the study of culture-performance relationship.
With regards to the uniqueness of culture, Barney (1986) placed arguments upon how organisations can enjoy competitive advantages over their competitors by sustaining superior financial performance, in which the author suggested that such goals can be achieved through three conditions (Barney, 1986: 658): (1) culture must be valuable, (2) culture must be rare, and (3) culture must be imperfectly imitable. Firstly, the culture must be valuable in such a way that it must enable the organisation to do things and behave in ways that enhance the improvement on sales, the reduction in costs, and obtaining high margins. In other words, it should add financial values to the firm. Secondly, the culture must be rare in such a way that the characteristics found in the culture should not share common features to a large number of other firms. Lastly, the culture must be imperfectly imitable in such a way that if any firms try to imitate the culture, if successful, they will be at some disadvantage. Moreover, the author placed an emphasis on the need for an imperfectly imitable culture due to “the culture-driven success of one firm creates an incentive for other firms to modify their cultures to duplicate that success” (Barney, 1986: 659). Thus, this is considered as an essential element that needs secure protection, as it is also a way the organisation can harvest and obtain strong competitive advantages. In addition, the explanation and discussion upon an imperfectly imitable culture has been set to play a significant role behind a number of organisational success stories in the past three decades. Thus, this research will take the uniqueness of culture as a tool to investigate and facilitate the proposed research project.

2.4 Associations of culture with performance and management

As reviewed above, the foundations of literature on organisational culture offered a large degree based on the studies by scholars and famous writings from late 1970s to the mid 1980s (e.g. Denison, 1984; Martin & Siehl, 1983; Ouchi & Price, 1978; Ouchi & Wilkins, 1985; Pettigrew, 1979; Schein, 1984, 1985, 1995; Smircich, 1983; and many more). According to Halley (1998), before the 20th century, the concept of organisational culture referred to the content involved in the terms of civilisation – knowledge, belief, art, morals, law and customs acquired by the members associated in the society. However, Clayton et al. (2006:28) mentioned, “a broad sweep of literature does show that the origins of the current usage of the concept lie in the 20th century – most emphatically in its second half”.

44
In addition, the concept and the association of culture with performance and management links has been shaped by a variety of potent and effective thinking and influences from the 1940s (Alvesson, 2002). Also, contributions from groundbreaking published books by various experts (e.g. Cameron & Quinn, 1999; Deal & Kennedy, 1982; Ouchi, 1981; Pascale & Athos, 1981; Peters & Watermann, 1982; Schien, 1985, 1992) were the colours making the concept of organisational culture become a prominent topic which has created a strong linkage to business and management fields.

Firstly, Wilkins (1983) believes that the concept of organisational culture started to receive attention as a result of major factors affecting American businesses, in which Trice and Beyer (1993) appeared to share this viewpoint. The first factor was given to the economic turbulence in the early 1980s, resulting in strategic changes, acquisitions and mergers as well as increased in innovation. The second factor was given to the evolution of the Japanese industry; its innovation advancement and management styles, which has shown that the Japanese took a different path to deal with business and was able to run their industry differently from the Americans. The Japanese appeared to place concern on the role and the significance of how organisational culture links to business (Ouchi, 1981; Pascale and Athos, 1981). Furthermore, Weiss (1984) agreed with the claim that the result of high performance in some Japanese companies was derived from their personnel and investment practices, in which the management decisions appeared to be one of the reason for high productivity. However, Schein (1981) criticised the work of both Ouchi (1981) and Pascale and Athos (1981) with a claim that none of the authors were able to supply enough evidence to justify the hypothesis due to the fact that Schein believes that the success of Japanese organisations were mainly the result of the management styles they utilised. Nevertheless, following the works of these scholars who explained how the Japanese do business have also later agreed that both successful Japanese and American organisations shared the same concern and significance in the formation of strong cultures (e.g. Deal & Kennedy, 1982; Peters and Waterman, 1982). It took a while for the concept of organisational culture to become well accepted in such a way that organisational culture is considered an integral part of organisations as well as its potential in creating a linkage to organisational performance and effectiveness (Cooke and Rousseau, 1988). Today, the concept of organisational culture appears to be accepted and it gives light to more and more leaders and managers to accept or even to consider organisational culture as an
integral element that could potentially propel the organisation to enhance and show signs of improvement and success.

2.4.1 Culture and performance

Organisational culture and performance have been theoretically and empirically linked to the organisational success and effectiveness. During the 1990s, evidence of culture-performance link were established through a number of theoretical lenses by a number of scholars (e.g. Calori and Sarnin, 1991; Denison, 1990; Denison and Mishra (1995); Gordon and DiTomaso, 1992; Kotter and Heskett. 1992), in which such comparative studies showed that certain culture orientations are conductive to organisational performance (Simosi and Xenikou, 2006).

The significant role of organisational culture in relation to organisational performance has received high attention among scholars (e.g. Saffold, 1988; Kaliprasad, 2006), and a topic being covered in many literatures. Although each study employs different lens as a tool to investigate their specific phenomenon, different viewpoints and findings is derived to its relevance. Firstly, Alvesson (2002) concluded the views on the relationships found between organisational culture and performance into four aspects. The first aspect is the strong-culture thesis, in which it refers to any organisations that obtain strong culture leads to high performance. The second aspect appeared to be the opposite, in which it refers to any organisation showing high levels of performance leading to a formation of a strong culture. The third aspect refers to the contingency approach in which certain cultures are appropriate and is an important factor that propels the organisation. The final aspect refers to the adaptive culture, in which the ability to respond and quickly adapt to changes is the key to better performance.

In the beginning of the organisational culture era, Peters and Waterman (1982) argued their case for those organisations who obtained a strong culture in their work place called 62 Excellent US Companies, leading a generation of researchers to pay more attention to the investigation on the organisational culture-performance link. Furthermore, in the mid eighties, Denison (1984) argued that there is little evidence on the relations between organisational culture and its performance; however, new discoveries were presented. At the same time when the organisations in dynamic industries started to share common cultural values, Gordon (1985) discovered that such
evolution brought about the increased in stability for the organisations. Ironically, not long after Denison placed an argument on the presence of little evidence on organisational cultural-performance link, the author established a work stratifying the link between the two concepts in the year 1990. Denison (1990) found out that an organisation that employed participative cultures tended to perform better than those that did not. Similarly, the work of Burt et al (1994) agreed on the same direction while the emphasis was placed on the features of organisational culture is important and that creates links with the organisation’s performance as a whole.

In the light of human resource management where the organisations see ‘people’ as the company’s greatest resources and “the way to manage them is not directly by computer reports, but by the subtle cues of a culture” (Deal and Kennedy, 1982:15). In the work “Putting people first for organizational success” written by Pfeffer and Veiga (1999), the authors suggested the seven critical practices of successful organisations: employment security, selective hiring, self-managed teams and decentralisation as basic elements of organisational design, comparatively high compensation contingent on organisational performance, extensive training, reduction of status differences, and sharing information.

Later on, after the first initial period conducted interests around the scope of organisational cultural-performance link, a number of scholars such as Detert et al (2000), Denison and Mishra (1995), Gordon and DiTomaso (1992), Kotter and Heskett (1992), Marcoulides and Heck (1993), Ogbonna and Harris (2000) started to build on the foundation presented by Daniel Denison through empirical studies. Moreover, Rashid et al (2003) also found out that there is a crystal clear link between culture and performance.

Furthermore, another more recent research conducted by Kaliprasad (2006) created a link between the organisation’s long term success and a high performance culture. The author believes that an organisation’s long term success depends heavily on the ability of the organisation to sustain quality products and services offered to its customers, however, many organisations appear to fail in the area of sustainable high performance culture. Further, the author mentioned the three major reasons that deter the organisation’s ability to sustain high performance (Kaliprasad, 2006:27), which are the following: (1) the senior management of an organisation could have inaccurate
understanding of the marketplace in which the organisation is to compete (2) the behaviour required to successfully implement the business strategy could misaligned with the customer and marketplace requirements and (3) organisational systems and processes often fail to support the organisational vision and strategy.

Subsequently, Kaliprasad (2006) follows the concept of organisational culture proposed by Schein (1992) who defines the terms organisational culture as “a pattern of shared, basic assumptions that the group learned as it solved problems of external adaption and internal integration, that has worked well enough to be considered valid, and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems”. Kaliprasad (2006) places emphasis upon the aspects of a high performance culture, involving the areas of business excellence, beyond excellence, external adaptation, and internal integration. The first two areas are concerned with some of the dynamics that enable an organisation to obtain the position of business excellence and to go beyond business excellence or to obtain a high performance culture. Both areas pay high attention to factors such as the importance of teamwork, effective communication towards the concept of business excellence, on-going education, performance standards, and dynamic leadership. Next, external adaptation is typically associated with the reaching of a set of goals and the proper ways to deal with outsiders. With this, the organisation members focus on the tasks or activities to be accomplished, as well as the methods to be employed in order to achieve the said goals and to cope with success or failure. Lastly, internal integration deals greatly with the creation of a collective identity in such a way that the members are working and living together within an organisation (Kaliprasad, 2006).

Lastly, Lewis (1994) conducted a study through an Australian’s tertiary institution in which the result derived from her study concluded that behaviour tends to be the only thing that directly affects how the organisation performs. The author also pointed out that “while behaviour may be one embodiment of culture, culture is certainly not the only determinant of behaviour” (Lewis, 1994: 51).

Although the range of literature reviewed above created an idea that the relationship between culture and performance is difficult to prove in some viewpoints as well as the differences found in terms of degree of correlations between one another, the role of
organisational culture in performance has continuously received high attention and interests, along with its acceptance over the years.

2.4.2 Culture’s role in organisational effectiveness and competitive advantage

As mentioned above, the concept of organisational culture appeared to play a significant role in other elements in the organisational life, in which it creates a strong linkage to the overall performance and practices of an organisation. In this section, a review on the relationships of organisational culture and competitive advantages as well as effectiveness and profit will be presented. The writings in the field of competitive advantage, effectiveness, and profit include works by Barney (1986), Chan et al. (2004), Pascale and Athos (1981), Peters and Waterman (1982), Pfeffer (1995), Sadri and Lees (2001), and Ilies and Gavrea (2008).

Furthermore, the interest in organisational culture can be explained and illustrated by the assumption that certain organisational cultures has a potential to lead to an increase in corporate financial and economic performance (Ilies and Gavrae, 2008). Thus, this assumption, according to Scholz (1987) can be found on the perceived role of culture generating competitive advantages. In addition, Krefting and Frost (1985) pointed out that organisational culture tends to create competitive advantage when the boundaries of the organisation are specifically design in such a way that it facilitates individual interactions as well as when the scope of information process is limited to favourable levels. However, this assumption has been argued by the theorists that the values that are being shared by organisation members enable managers to predict employee reactions towards certain strategic options, resulting in minimizing the scope for undesired outcomes (Ogbonna and Harris, 2000). Moreover, Barney (1986) proposed in order for a firm’s culture to achieve and sustain competitive advantage, three specific conditions need to be achieved. The three required conditions developed by Barney (1986) appeared to be the same as those mentioned above in the uniqueness of culture. The three conditions are that the culture has to be valuable, the culture has to be rare, and a culture must be imperfectly imitable.

An ability to obtain superior business performance has been viewed as a result derived from an interaction between the relationships of organisational culture, industry environment, and top management. The evidence of this can be found in the works of
Wright, Theerathorn, Tu, Gilmore and Lado (1992), in which the authors studied these interrelated relationships through the lenses of 47 businesses, involved with the significance of organisational culture. Their studies based upon the work of Gordon (1985) whose study was attempted to review and discuss upon the industry characteristics and its role in organisational culture. However, apart from the study of organisational culture and industry environment, Wright et al (1992) further added top management as another factor to be examined in their studies. In addition, Ouchi (1981) characterises Japanese firms through the lenses of financial success, in which strong emphasis is put on humanistic values, in which the author showed a positive relationship in terms of organisational culture and productivity. In the same year, Pascale and Athos (1981) also studied the Japanese firms and discovered that in comparison between American firms and Japanese firms, most Japanese firms tend to respect the significance of organisational culture and focus more on human relations.

From another angle, the intensification of existing research on organisational effectiveness leads to an introduction to the formation of theories for factors within an organisation that make a difference in performance (Marcoulides and Heck (1993). In the work Organizational culture and performance constructed by Marcoulides and Heck (1993), the authors suggested a model of the significant number of variables that potentially influence organisational performance, see figure 2.1.

Figure 2.1 Proposed model of variable influencing organisational performance

Source: Marcoulides and Heck (1993)
According to the authors, the model speculates the existence of several concealed variables which together encompass the visible aspects of an organisation’s culture that act as an influence on organisational performance (Marcoulides and Heck, 1993). Thus, it can be explained that the organisational culture is not limited to certain set of variables due to the reason that the variables presented in the model are interconnected, in which if one variable is overlooked, the level of performance is likely to be affected.

Another recent work by Kaliprasad (2006), took organisations which are classified as high performance cultures in terms of high revenue, higher net income, workforce expansion, and stock-price growth, as case studies; the author constructed the impact of organisational culture on long-term economic performance. From Kaliprasad’s (2006) research, the author noted that in order for an organisation to maintain its high performance culture, a need to address the five performance gaps is necessary. According to Kaliprasad (2006), the five performance gaps consist of (1) marketplace and senior leaders’ perception of the marketplace (2) senior leaders’ perception of the marketplace and the organisation’s vision, mission, values, and strategies (3) the vision, mission, values, and strategies and direct leadership practices (4) leadership practices and employee behaviours that meet customer needs and (5) enabling infrastructures and support of behaviours compatible with sustainable high performance. Lastly, based on the internal systems point of view, the author strongly pointed out that to pursue the level of becoming a high-performing organisation; a better understanding of people is essential. Thus, it can be implied that if the member’s of the organisation fail to attach with the vision, missions, values, management practices and performance, as a whole, the organisation is likely to suffer. However, the results of each scholar were presented in their own unique ways, in which more or less, there is evidence of the relationships between organisational culture and other aspects. In majority, the intensification of the existing research draws the conclusion that the role of organisational culture is an important ingredient which tends to affect the organisational performance level in both theoretical and practical fashion, however, there are a number of critiques made to the idea of a link between culture and performance. The following section gives a review upon those critiques made by the scholars.
2.4.3 Critiques of the culture-performance link

As mentioned above, although the majority of the scholars mutually agreed on the significance of the culture-performance link, not all of them are at a willing level to accept that organisational culture and performance are related to one another in terms of its effectiveness as well as how its relationship stands as an influence to one another and that it conveys successful outcomes in management and practices. According to Lim (1995), his work claimed that a great difficulty in investigating the relationships exist between organisational culture and performance appeared to be related to the application and how the researchers defined the term ‘organisational culture’ as well as the obstacles in the measurement of organisational culture, in which they potentially lead to the inconclusiveness of the research. Lim (1995:20) also believed the same as a number of studies assume that “the presence of a ‘strong’ culture as a positive influence on organisational performance. However, this assumption does not appear to take into account the influence of sub-culture, while suggesting that one set of cultural values are superior to others”. Moreover, Lim claimed that the studies examining the importance of organisational culture and performance failed to discuss the other variables as the influences, i.e. organisational culture and leadership.

For instance, Saffold (1998) made a claim towards a belief that the use of simple models for the identification of culture to performance is no longer appropriate to what has been discovered in regards of the role of organisational culture in organisations. The author pointed out to the need of a more sophisticated understanding towards the relationships between culture and performance.

Moreover, results from the empirical survey studies published by Wilderom et al. (2000) reported that there are serious weaknesses that exist in such a way that the responsiveness received from the number of participating organisations and inter-organisational is low due to the reason that they are unwilling to represent their organisation’s culture as a whole. All in all, those critiques derived from a number of scholars draw a conclusion that it is difficult to create a crystal clear picture on how exactly the organisational culture brings about such impacts to a firm’s performance, but more or less, there is always a gap waiting to be addressed. Lastly, Whipp et al. (1989: 582) stated that “some elements of culture may supply vital links between the rational aspects of policy and the subjective, less tangible features of employees’
behaviour because of the way values pervade an enterprise”. Therefore, it can be concluded that the culture-performance link is not fully accepted by a significant amount of research; however, such claims were derived from different research results which were conducted through the use of different theoretical and practical lenses. Therefore, the conclusions seem to be varied.

2.5 Managing people in Thai culture from human resources perspectives

There are large numbers of literatures on the concept of organisational culture and the effects and importance of the concept to the organisations as well as to the management practices. On the other hand, there are limited empirical studies examining the concept of organisation culture in the Thai context. With respect to the rapid economic development era, whether the type found in Asia during the 1980s, or in more industrialisation nations, the concerns on human and environmental factors still exist. Thailand is no exception, as can be seen from the results in high levels of pollution (noise, dust, and vehicle emissions), severe congestion, poor planning of infrastructure, haphazard building constructions, inadequate consideration upon health and safety in industries.

From the trade unionism standpoints, according to Kamoche (2000:454), “Thailand has enjoyed an uneasy relationship with industry and politic, culminating in a general feeling among managers that unions mean trouble; managers will often go to great lengths to avoid unionization. In the study of “The challenges of managing people in Thailand”, Kamoche discovers that managers tend to be at best tolerant of, and at worst fervently opposed to, unions. Further, the tolerant views paternalism as a substitute for unionism, while the more suspicious tends to believe that the only “lazy workers joined unions “to work and make trouble”.

Furthermore, in light of culture and leadership styles, previous researches have carried out a considerable amount of interest – from studies such as Thai culture and society (e.g. Mulder, 1992), the meaning and significance of Thai cultural values and norms (e.g. Komin, 1991), the impact of Thai culture and cultural values on management practices (e.g. Runglertkrengkrai and Engkaninan, 1987; Thompson, 1989).
instance, Runglertkrengkrai and Engkaninan (1987) study the effects of culture and leadership styles, having Thai managers as their participants. From the study, the authors examined that a relative mix in the extent to which the leadership styles engage with traditional values, specifically as ‘helpful’, ‘close’, ‘warm’, ‘supportive’, etc., and urban values such as ‘discipline’, ‘hard working’, and ‘self-reliance’. However, the authors claim that this is consistent and in accordance with the Buddhist belief in the Middle Path, which have nothing to do with extremism.

Moreover, Runglertkrengkrai and Engkaninan (1987) pointed out that the economic changes are brought about by the State to further develop in investments and economic infrastructures from the early 1960s. Such efforts placed a strong emphasis on technological adaption and advancement. However, the associated implication for ‘cultural adaptation’ and their impact on management practices have been largely ignored (Kamoche, 2000). In turn, the effect of Thai culture on modern management is not well elaborated and understood. Kamoche (2000:455) proposed a selection of widely recognised Thai cultural norms:

- ‘krang jai’ involves the desire to be self-effacing, respectful, humble and considerate, and a wish to avoid embarrassing others (Siengthai and Vadhanasindhu, 1991:234)
- ‘bunkhun’ reflects the reciprocity of goodness, showing kindness, giving and receiving favours.
- ‘jai yen’ reflects calmness, patience, and the proper behaviour to maintain harmony in social situations.
- ‘mai pen rai’ refers to a common expression and is usually engaged in all sorts of situations to mean ‘it doesn’t matter’, ‘never mind’, ‘not to worry’, etc. This common term of expression reflects the feelings towards forgiving and avoiding causing offence.
- ‘sanuk’ simply refers to fun, relaxation, but also implies the importance of amiable, social relations, and goodwill towards others.

Lastly, Kamoche concluded that the mentioned common set of Thai cultural norms places an emphasis and plays a significant role in harmonious social relations and considerations for others. On the other hand, these norms also serves as the ingredients for paternalistic Thai management styles and practices in which it reflects the ways the employees expect to be treated and to be taken care of.
2.6 Organisational culture and airlines

2.6.1 Alliancing objectives

From time to time, formation of airline alliances is growing with an aim to reach marketing alliances, in which the outcomes of each airline varying levels of success and failures. From 1994 to 1997, the global airline alliances has shown evidences that the level of co-specialisation of alliance exchanges by airlines and their competitors is the cause for strategic responses. One may believe that strategic alliances and networks may be a source of competitive advantage for firms, putting their rivals at a relative disadvantage (Gimeno, 2004), while some believed that to competition takes place at a clustered level, not at a firm level.

By looking beyond individual alliances into the structures of alliance networks, the network respective has stressed the interdependencies and spillovers among different alliances (Gimeno, 2004).

In the second half of the 1990s and the early years of the 21st century, the international airline industry was characterised by a frenzy for inter-airline alliances of various kinds (Kleymann and Seristö, 2004). Since late 1997, many airlines were triggered by the deteriorating financial performance, in which they were first hit by the crisis in the tiger economics of East Asia, followed by another storm when some European states were suffered from economic slow down in 1998. Hence, this tends to draw the most active period of the formation of airline alliances. Moreover, as global economic downturns inclined to disappoint all industries in 2000; likewise, airline industry crisis deepened, especially after the September-11 attacks in New York, making alliance frenzy became more intensified. Therefore, most airlines should have believed that alliance building could potentially act as a key pillar of their survival strategy. In addition, the reason of alliance formation too many forms, but for most, it stands as a key driver to the need to generate more revenue.

Further, between the periods 1997 to 2004, a number of new airline alliances were established, while some one ones have been subsided. Yet, others had to be abandoned before they could consummate because of opposition from the regulatory authorities in the United States, Europe or elsewhere (Kleymann and Seristö, 2004). To look closely
to the rationale behind this, there were a significant number of reasons put together the airlines to join the most suitable alliance available.

Firstly, in the process of classifying the objectives of alliancing, according to Kleymann and Seristö (2001; 2004), the authors believe that there are four main objectives: efficiency-seeking, market-defensive, offensive, and gaining environmental control objectives, where an airline seeks for an alliance. The efficiency-seeking objectives deals greatly through joint resource utilisation such as airport facilities and local staffs. Next, marketing-defensive objectives can also be called ‘competitor taming’. With this, vulnerability appears to be one reason why firms enter coalitions (Eisenhardt and Schoonhoven, 1996). In other words, in order to eliminate competition with partner airlines, entering an alliance is a way to survive. Further, offensive objectives are highly involved with value enhancement of the product through better connections, access to an extensive route systems, and in some cases, being linked to a prominent brand (Kleymann and Seristö, 2001). Finally, objective of gaining environmental control refers to the fact that a single airline tends to have less power on control and negotiation over environmental factors, i.e. price charged by suppliers to the regulatory authorities. Therefore, the formation of an alliance help a group of airlines in such a way that they gain more power in negotiating the better terms and conditions with the suppliers and to some extend when lobbying power at government level may seem possible.

Secondly, Elmuti and Kathawala (2001) proposed another four reasons why firms seek for strategic alliances. The first reason concerns with growth strategies and entering new market. As Ohmae (1992) stated that “(companies) simply do not have the time to establish new markets one-by-one.” In other words, the engagement of strategic alliances and the collaboration with other alliance members act as a mean for the companies to explore and expand themselves into the new markets. To date, the effects from fast-paced world economy have reflected the validity of Ohmae’s statement. Therefore, alliancing with an existing firm in other marketplace or partnering with an international company brings about a very appealing alternative where the possibility to expand the market into unfamiliar territory appeared to be less stressful. The second reason concerns with how the firm could obtain new technology and/or best quality or cheaper cost. Partnering with other airlines who may appear a potential rival who do have the attainable resources to provide the technology or to be able to pool their
resources for the purpose that they can provide the needed technology are considered a two way benefits for both partners. The third reason deals with the ability to reduce financial risk and shared costs for research and development. The last alliancing objective proposed by Elmuti and Kathawala is to achieve or ensure competitive advantage. According to Page (1998), the author mentioned that alliancing is a path which allures small companies in such a way that they provide the tools businesses need to be competitive. In order for a small company to survive in today’s intensified market, to form with other strategic partners would somewhat ensure their competitive advantage. Page (1998) explained further that small companies see mutual benefits they can derive from alliances, especially in the areas of marketing, distribution, production, research and development, and outsourcing.

Similarly, in the same year, Gudmundsson and Rhoades (2001) established another four reasons for alliance formation. The authors placed an emphasis on the four strategic factors that drive firms to alliance formation. The first driver is the need to gain access to international markets restricted by bilateral agreements. With the one of the benefits derived from alliances, it allows carriers to serve and enter international markets without obtaining the right through country-negotiated bilateral agreements (Gudmundsson and Rhoades, 2001). The second driver is the desire to build a global seamless network. For instance, the customers can fly to more destinations with a larger network while the time to travel is generally be minimized (Tretheway and Oum, 1992). The third driver is cost reduction. In the airline industry, cost reduction is simply referred to economy of scale effect or joint activities such as parts pooling, ground handling, and joint purchasing. The last driver is the desire to maintain market presence in an area where it is unprofitable to serve alone due to the restriction of traffic pattern and/or growth (Lynch et al., 1998).

Another more recent review by Chang and Hsu (2005), the authors put forward the alliancing objectives to be in line with Bissesseur (1996) that the objectives of airline alliances can be categorised into two perspectives: supply (production) and demand (marketing). On the supply side, the objectives are managed in two ways: to decrease cost of production and to increase efficiency. In order to decrease unit of production cost, the alliance partners should combine certain of the partners’ operations and at the same time, try to utilise the resources available in terms of facility sharing, labour sharing, capacity rationalisation, and joint purchasing. (Chang and Hsu, 2005). On the
demand side, it mainly deals with accessing new markets, an increase in traffic feed and market power. The common strategies involved in the demand side are code-sharing, block-sharing, franchising, schedule and fare co-ordination, frequent flyer programmes (FFP), and international hubbing.

2.6.2 Organisational culture and the success of airlines

Ironically, when closely look at the strategic airline alliances from the position where each individual stands as an alliance members, there are a small number of critical literatures on how the culture plays a role in terms of the success of the individual airlines. However, the cases on Southwest Airlines appeared to be a point of discussion when it comes to the success of the company focusing on the strong culture they have obtained. To many scholars and popular writings, namely Bunz and Maes (1998), Gittell (2003), Quick (1992) and Smith (2004), Southwest Airlines is regarded as one of the best well known companies who pursues the stories of success in the airline industry. For instance, in the book The Southwest Airline Way composed by Gittell (2003), the story of success of Southwest Airlines was fully stretched with an emphasis on various topics such as the power of relationships, the company’s culture, leadership as well as strategy. In another research conducted by Seal and Kleiner (1999), Southwest Airlines has been written with an attempt to draw a comparison between other airlines, in which the emphasis is placed upon the identification of what the other airlines could do better. Moreover, the results derived from the research of Smith (2004) concluded that the factors and elements contributing to the airline’s culture towards success comprised of a relaxed corporate style of organisation, shared knowledge and goals, and mutual respect among organisation members.

However, the existing empirical research on how an organisational culture influences the success of the airlines still appeared to be limited. Quick (1992: 45) pointed out that “the connective tissue knitting together an organization’s people so that they can succeed in the face of environmental challenges and opportunities” in their marketplaces. This was followed by support from Smith (2004) stating that based on Southwest Airline’s competitive cost advantage point of view, apart from the importance of organisational culture, job security, fare structure system, reservation system, and meal costs are all additional factors building up the success of the airlines.
Furthermore, Quick (1992) recognises that the role of the leaders also play a significant role contributing to the organisational culture which acts as a factor that helps foster the airline’s success. Some good examples of the notable leaders are Robert Crandall (American Airlines), Herb Kelleher (Southwest Airlines), and Frank Lorenzo (Texas Air). The importance of a leader and founder on the corporate culture is in line with the work of Schein (1983) who considered entrepreneurs as strong-minded in such a way that they convey the message of what they want to do with their original idea, such action clearly affects the culture as a whole. For example, the leaders of Texas Air and Southwest Airlines are those with the strong-minds who both were able to start-up airlines.

From the records, Southwest Airlines operates with a continuous profitable performance for 32 out of the last 33 years, as stated by Flint (2005). From such records, much credit has been given to the former CEO of Southwest Airlines, Herb Kelleher, who at that time put together his niche strategy and the right combination to create a unique organisational culture; as a result, Southwest Airlines jumped right up to enjoy the status entitled as one of the most successful airlines in history. In addition, Quick (1992) noted that with the right combinations put together for the airlines during the hard times they were struggling, Kelleher was able to shape up a culture which drives the company to sweep away the challenges faced and a not so favourable work environment. Lastly, Quick (1992) drives through a highlighted path identified by Schein (1983) regarding the “artefacts” and “creation” created from the values, beliefs, and assumptions of the leader and founder, together with the people and the work itself, these are the important factors shaping the organisational culture of the airlines.

Another research that shows the correlation between culture and the performance in the airline industry was from the work of Kotter and Heskett (1992) who studied the role of organisational culture on performance using American Airlines as the illustrating case. The findings presented that American Airlines was able to create a great balance between organisational culture and the work environment they operated in, whereas their rival, Northwest Airlines, appeared to obtain the balance at the average level. With regards to value leadership, American Airlines managed to hold an appropriate culture that fitted well with the leadership style in the organisation. As a consequence from having good leadership practices, to some scholars (e.g. Kaliprasad, 2006), it will be a guide to the behaviour of organisation members to follow, leading to the possibility
of achieving goals and objectives set by the organisation, in which the improvement on organisational performance is likely to follow at various levels. Moreover, Kotter and Heskett (1992) also took a close look on the organisational performance by conducting a research through an investigation of 207 American companies based on the cultural strength each company was located in. At the time of investigation, a number of large airlines such as American Airlines, Continental, Delta, Eastern, Northwest, Pan Am, Piedmont, TWA, United, and US Air were involved in the investigation of those 207 companies. The results derived from the research reported that based on financial indicators, American Airlines appeared to be one of the strongest performers of all 207 American companies, in which American Airlines held the 12th in the highest score rank of all participating companies. The outcome concluded that American Airlines appeared to be a high-performing organisational culture. As for other participating companies, soon afterwards, Eastern Airlines and Pan Am shut down their operations due to their own failure factors, while Piedmont decided to restructure the organisation for a change.

### 2.7 Identification of research gaps

After the review the important issues surrounding the concept of organisational culture and the success of airlines, this section offers the identified gaps from literature in relations to the research questions of this thesis.

Firstly, having reviewed the concept of organisational culture, it appeared to be that the large majority of the organisational culture literatures paid greater attention on private organisations in Western countries (e.g. Ouchi and Price, 1978; Pettigrew, 1979; Schein, 1985; Sackmann, 1985; Kaliprasad, 2006). Thus, there are considerably a very small numbers of research that exclusively shed lights on the characteristics of organisational culture of both private and public organisations in a non-Western context. In particular, this research offers an insight into the distinct organisational culture attributes and the challenges of the significance of organisational culture to organisation’s performance and management practices through an organisation which classified as a state enterprise organisation in Thailand. Thus, this research believes to extend the knowledge and practices of what is currently known.
Secondly, the literature reviews on strategic airline alliances offered the concept in large scope of the area. The majority of the literature places a significant on the reasons why airlines become alliances and the success and failure factors of airline alliance. However, there are very limited numbers of literatures offering the knowledge in the context of how an alliance member of airline alliances could obtain most or all of the benefits derived from the alliance that lined up ahead or why is the success rate so low for alliance when potential benefits are so large (i.e. Frankel and Whipple, 2000). After all, the largest element that has become a barrier to alliance success is organisation rather than the matters of technical or financial. According to Frankel and Whipple (2000:22), “the greatest cost to alliance development is in ‘people’ costs that arise from both partners modifying traditional habits and beliefs while adopting new ways of conducting business”. Thus, this research takes a challenge to address the gap though the identification of critical success factors for Thai Airways International (as an alliance member of Star Alliance) to obtain the maximum levels of alliance benefits while being small.

Lastly, there are also a small number of critical literatures on how the concept of organisational culture plays a role in terms of the success of airlines. Further, the existing empirical research on how an organisational culture influence the success of the airlines still appeared to be limited. Therefore, through an assessment of the organisational culture of a case company, involving the investigation of internal process and how the company manages the balance of the right combination of internal management and the importance of organisational culture, this research believes to fill in the room to extend the knowledge and management practices on the concept of organisational culture and the success of airlines.

2.8 Concluding remarks

This chapter has offered a review through an exploration of the organisational culture, in which it was presented by starting from the introduction of the various perspectives of understanding the concept of organisational culture, the definitions, typology, and the interrelationships between organisational culture and other management aspects. The emphasis was spotted on the relationships between organisational culture and organisation’s effectiveness and performance, along with the discussion on how the
scholars have been debated on the importance of organisational culture to organisation’s performance link.

The following section was subsequently narrowed down to the matter of the relationships between the concept of organisational culture and airline management. The first part contained the discussion on strategic airline alliances, focusing on alliancing objectives, i.e. the reasons why airlines seek for alliances, comprised with the success and failure of airline alliances. The second part shed lights on the significance of organisational culture and the success of an airline. The emphasis of the discussion was undertaken on how the organisational culture influences the success of the airlines, however, the critical literatures on the subject is still appeared to be limited.

The final section of the chapter reflects the identification of research gaps in the light of the reviewed literatures and discussion presented in the chapter itself. With respects to the identified research gaps, this research in specifically conducting an in-depth study and investigation on the critical issues in the context of Thailand in believing to offer contributions in terms of theoretical, methodological, and business practices, to the discipline.
The objective of this chapter is to develop preliminary concepts at the outset of the research’s case study. There will be reliance on two conceptual frameworks, where each framework will help in guiding the design and data collection process, while assisting the procedures defining the unit of analysis and the criteria of the case to be studied.

This chapter will provide the institutes of the roadmap to the two conceptual frameworks – the Competing Values framework (CVF) and the Critical Success Factors (CSFs), used as the research’s major tools in assisting the path to effectively address the research questions as well as the analysis process. In light of the competing values framework, it is considered to be the most suitable cultural framework to address research question one. This framework is also considered powerful and useful in organising and interpreting a wide range of organisational phenomena (Cameron and Quinn, 2006). To be more specific, the CVF appears to be the most appropriate tool in diagnosing the organisational culture, in which it pinpoints directly to the target of this research, which is aimed to identify the key issues and problems derived from organisational cultures that affect the organisation’s overall performance and effectiveness, leading to prevent the ability of an airline to obtain the alliance’s maximum benefits. The first section begins with an explanation of the Competing Values Framework, assisted with the justification for the adoption of the framework.

The following section contains a review on the Critical Success Factors as well as the methods and techniques adopted and tailored to this particular research. The CSFs is the second conceptual framework that is used as a tool to address research question two, which aims to identify the critical success factors for Thai Airways International as a member of the Star Alliance, in terms of how the organisation could obtain the maximum benefits derived from the alliance while being small. The explanations of the
techniques cover the benefits of each adopted technique. Lastly, the defined scope of research activities will also presented in this chapter.

3.1 Introduction to Soft System Methodology

Soft systems methodology (SSM) was first developed by Peter Checkland in 1970s. One important notion to be made here is that the purpose of introducing SSM is not a specific issue, rather this thesis takes SSM as “an approach for tackling problematical, messy situations of all kind. It is an action-oriented process of inquiry into problematic situations in which users learn their way from finding out about the situation, to taking action to improve it” (Checkland and Poulter, 2006:191). Further, Lester (2008) underpinned the importance of SSM in terms of how the concept could be utilised as “SSM is designed to shape interventions in the problematic situations encountered in management, organisational and policy contexts, where there are often no straightforward ‘problem’ or easy ‘solutions’ ”. In particular, the “problematical or messy situations” is explained through the use of ‘rich picture’ presented in appendix 1. Using ‘rich picture’ as a device, it allows “a natural and indeed unique appeal in being able to represent such complexity in a concise and yet ‘rich’ manner” (Bell and Morse, 2010).

In a fleshed-out account of SSM, in the recent work of Checkland and Poulter (2006), the authors suggested the SSM learning cycle by using models to structure discussion about the situation and its improvement, see figure 3.1.
Figure 3.1 The role of models in SSM summarised

Source: Checkland and Poulter (2006:53)

Figure 3.1 displays the actual picture of when the researcher enters a problematic and/or messy situation and start drawing rich pictures to explain the story, the researcher begins to construct a stage of mind to become a rich appreciation of the situation. According to Checkland and Poulter (2006:49), such a way “enables the researcher to begin to name some models which might be helpful in deepening the understanding of the situation and beginning to learn the way to taking ‘action to improve’”. In other words, the models act as a mechanism which allow the researcher to take an account of discussion to be structured rather than a random one (Checkland and Poulter, 2006).
Adopting figure 3.1 as a guideline to construct this thesis, the main processes extracted from figure 3.1 are summarised as follows.

- Finding out about the problematic situation.
- Model building.
- Identifying the relevant models of purposeful activity based on declared worldviews.
- Using questions to ask of the situation.
- Perceiving real-world problematical situation
- Constructing a structured discussion about change to improve the situation.

In particular, the main purpose in looking at the identified problematic area/situation is to detect and produce an interpretative representation (Lester, 2008) reflecting the actual picture of the case company, while a set of critical success factors will be proposed at the final stage of the research.

With respect to the research aims and objectives, this research seeks for ways to diagnose the organisational culture for an organisation where a number of aspects appeared to be problematic, affecting the organisation’s overall performance and effectiveness, and at the same time, to identify the critical success factors for the case company in terms of how the organisation could obtain maximum benefits from the alliance while being small.

3.1.1 A relationship between the CVF and CSFs

In order to explore the situation deeply, the two conceptual frameworks – Competing Values Framework (CVF) and Critical Success Factors (CSFs) are used as mechanism tools in addressing the real-world situation. Both two conceptual frameworks create relationship and an interlink between one another, as how it reflects in the research questions. By explaining through ‘rich picture’ presented in appendix 1, the rich picture creates a relationship of the two conceptual frameworks in such a way the use of rich picture and the engagement of SSM helps organising ways of tacking perceived problematic (social) situations to find out and investigate the situation (CVF), while the thinking process about such situations is turned into empirical actions as well as to bring about improvement (CSFs) that can be undertaken (Checkland and Poulter, 2006). As a
device, the conceptual framework provides a coherent structure to a discussion and the analytical activity through the perceived real-world situation and to generate a piece of empirical study to address the research questions. The explanation of both CVF and CSFS are illustrated in the following sections.

3.2 Organisational culture

The main research framework guiding to the path in data collection was adapted from the Competing Values Framework (CVF). The framework itself comprises of four models – human relations, open systems, internal process, and rational goal models. Each of the model has its own history in their development, starting from the year 1900 to 1970 until the emergence of the four models were fully combined as a single framework called the Competing Values Framework (CVF).

1900 – 1925: The emergence of the Rational Goal model and the Internal Process model

The rational goal model and the internal process model emerged during a time the economy was characterised by rich resources, cheap labour, and laissez-faire policies (Quinn et al., 2007). In 1901, it was the time when oil was discovered in Beaumont, Texas. Thus, such change brought about an evolution of energy from the age of coal to become the age of oil, leading to the age of inexpensive energy. Technologically, time of invention and innovation has started, particularly in both agricultural and industrial sectors. Due to a high rate of immigrants from over the world, work force had also increased. The average level of education was 8.2 years. However, at the outset of this period, the signs of unionism and government policy in terms of the protection and rights of the workers from the demanding and primitive conditions appeared to be at minimal. One general orientation was based on Social Darwinism – the belief in “survival of the fittest” (Quinn et al., 2007). Also, during these years, the importance of the great individual industrial leaders was increased. For instance, Henry Ford developed a model called the Model T with a purpose to implement his vision towards inexpensive transportation for everyone. At the same time, Ford also used the concept of the Model T in conjunction with Frederick Taylor, who had introduced a set of techniques for ‘rationalizing’ work with an attempt to try to make it as efficient as
possible. Soon afterwards, in 1914 Ford had implemented Taylor’s idea and applied it to his company by introducing the assembly line and reducing the time for the car assembly process from 728 hours to 93 minutes (Quinn et al., 2007). As a result, Ford’s market share increased by a considerable amount to 40% in 6 years. Thus, it can be concluded that the positive consequences generated by these inventions, production methods as well as the contributions of the organisations themselves was considered to be a new phenomena. Hence, the two models began to emerge.

1926 – 1950: The emergence of the Human Relations model

During the second quarter of the century, the influence of the two enormous events – the stock market crash of 1929 and World War II, played a significant role affecting the lives and outlook of the next generations. The economy was characterised by boom, crash, and recover with the war. In terms of technological advancement, the improvement and implementation continued in all areas, particularly in agriculture, transportation, and consumer goods. The presence of the rational goal model continued to be flourish while the internal process model would be more articulated. However, although the first two models showed a sign of being accomplished, it became clear that both models were considered to be inappropriate to serve the demands of the time. Moreover, the sign of unionism started to rise which acted as a significant force and started to generate more benefits to the home of the American workers, while the industry shifted their focus to be on the production of consumer goods. A sign for prosperity was seen with more concern in recreation and survival was apparent. Since the parents of the workers had accepted the opportunity to work, factory workers appeared to be less eager and the questions about obedience to authority were dismissed. As a result, the managers and practitioners agreed that the rational goal and internal process model were no longer effective the way they should be. With regards to the shortcomings of the first two models, in the academic world, the notion made by Chester Barnard pointed out the importance of an informal organisation as well as the fact that the significant of informal relationships could act as a powerful tool for managers if they are managed properly. Scientifically, Elton Mayo and Fritz Roethlisberger conducted a research in the famous Hawthorne studies. A considerably well-known experiment engaged by these two researchers used the levels of lighting as a pathway to the investigation. The result concluded that when the level of lighting was increased, employee productivity went up. In other words, by giving more attention to
the workers, it generates a tool to increase productivity. Thus, the result derived from this study was considered as a piece of evidence for a need to emphasise on the power of relationships and informal processes in the performance of human groups (Quinn et al., 2007). Hence, the human relations model began to emerge.

1951 – 1975: The emergence of the Open Systems model

The period 1951 – 1975 was the time when the United States shifted to enjoy the position of the leader of the capitalist world. However, the economy was characterised by danger as a result of experiencing shock from the oil embargo in 1973. During late 1970s, the economy was staggering as a result from the weight of stagnation and a considerably huge amount of government debt. At the beginning of this period, Japanese products were seen to be cheap with low quality for the Americans. As time passed, Japanese companies showed dramatic improvements and shifted into sectors of the economy with an attempt to appear as the sacred domain of the existing American companies, leading a number of traditional industries including American’s manufacturing of automobiles to be tremendously affected. In addition, there was also a shift in customer demands from a clear product economy to a service economy. The technological advances continued to show dramatic improvements on a high scale and were widely accepted as a primary source of information, i.e. the invention of television and computer. Furthermore, the term “societal values” shifted remarkably, leading the concept of individualistic and conservative orientation to play a more significant role in the society. In workforce, the average education jumped from 8.2 years to 12.6 years during this period. As a result, the employees were not only concerned with salary and recreation, but self-fulfilment. Women also began to take part in professions that had been restricted to them previously. Both social and political issues began to expand on the agenda and organisations were transformed into the knowledge-intense ones. The presence of the rational goal and internal process model was firmly in place, while the human relations model was working its way to sensitising the world to the complexities of motivations and leadership (Quinn et al., 2007). In the mid-1960s, there was a need to understand how to react and manage in a fast-changing world, a number of academic and scholars began to put interests for more validations towards the existing models and theories, yet still another model. The famous scholars such as Katz and Kahn at the University of Michigan, Lawrence and Lorsch at Harvard, and a host of other institutions began to develop the open systems model of organisations (Quinn et al.,
2007), considering that this model is more dynamic than others. The open systems model was initially introduced with an aim to serve the highly systematic pictures presented in the administration and the presence of unpredictable environments, leading managers to have little time to organise and plan when rapid decision-making is needed.

Lastly, from 1970 up to present, a number of significant changes have taken place, resulting in both positive and negative conditions to all aspects discussed above. For instance, many American organisations were in trouble due reasons such as the slump in innovation, quality, and productivity in the 1980s. Also, it became apparent that Japanese products advanced its way ahead as talk of U.S. trade deficits became commonplace. In labour force, knowledge and skilled workers are in need while physical labour became rare. The labour unions experienced major setbacks because organisations tend to put efforts downsizing their staff and at the same time, aim to increase both quality and productivity. As a result, the issue of job security is considered to be prominent in labour negotiations. Apart from how the organisations are struggling with downsizing their staffs, new issues such as takeovers, mergers, and acquisitions also take place; leading to discussions in topics such as burnout and stress.

In the book *In search of Excellence*, Peters and Waterman (1982) gained popularity in line with their attempts to chronicle the story of a number of organisations that were seemingly doing it right. From the published work by Peters and Waterman, it was considered as the first attempt to supply advice on how to revitalise a stagnant company and to pay more attention to a congruent relationship with an environment turned upside down (Quinn et al., 2007). In other words, it is how one could manage most prominent unmet needs in a world where nothing is permanent but change. Furthermore, as the period of the 20th century drew near, the rate of change shifted to new heights. For example, long established political and business institutions began to fall apart. Nothing seemed to be predictable in the new global economy and things became exacerbated by the introduction of the internet and e-commerce. Therefore, these seemingly different problems are the cause of a larger problem forcing the organisations to find their ways to survive and to achieve organisational effectiveness in high dynamic market conditions located in this fast changing world. The simple solutions tend to be inappropriate tools for such complex issues, while the four management models discussed earlier and summarised in table 3.1 failed to provide a sufficient answer.
Table 3.1 Characteristics of the four management models

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Rational Goal</th>
<th>Internal Process</th>
<th>Human Relations</th>
<th>Open Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criteria of effectiveness</td>
<td>Productivity, profit</td>
<td>Stability, continuity</td>
<td>Commitment, cohesion, morale</td>
<td>Adaptability, external support</td>
</tr>
<tr>
<td>Means-end theory</td>
<td>Clear direction leads to productive outcomes</td>
<td>Routinisation leads to stability</td>
<td>Involvement results in commitment</td>
<td>Continual adaptation and innovation lead to acquiring and maintaining external resources</td>
</tr>
<tr>
<td>Action imperative</td>
<td>Compete</td>
<td>Control</td>
<td>Collaborate</td>
<td>Create</td>
</tr>
<tr>
<td>Emphasis</td>
<td>Goal clarification, rational analysis, and action taking</td>
<td>Defining responsibility, measurement, documentation</td>
<td>Participation, conflict resolution, and consensus building</td>
<td>Political adaptation, creative problem solving, innovation, change management</td>
</tr>
<tr>
<td>Climate</td>
<td>Rational economic: “the bottom line”</td>
<td>Hierarchical</td>
<td>Team oriented</td>
<td>Innovative, flexible</td>
</tr>
<tr>
<td>Role of manager</td>
<td>Director and producer</td>
<td>Monitor and coordinator</td>
<td>Mentor and facilitator</td>
<td>Innovator and broker</td>
</tr>
</tbody>
</table>

Source: Adopted from Quinn et al. (2007: 10)

By the mid-1990s, it has become apparent that none of the four management models could sufficiently assist the managers and practitioners. Kahn et al (1994) suggested that the key to eliminate such confusion was to stop assuming that which of the four models would make the best tools or to combine which of the two together. However, it was in fact necessary to take all the four management models as elements of a larger model (Quinn et al., 2007). Hence, the construction of the Competing Values Framework, hereafter called CVF, was initiated as a single framework.

3.2.1 Competing Values Framework (CVF)

The CVF was originally developed and emerged by Quinn and Rohrbaugh (1981). Fundamentally, the framework was employed on an empirical research on the question of what makes organisations effective (Quinn and Rohrbaugh, 1983). Afterwards, it has been continuously extended as a framework which makes sense of high performance on numerous topics in both social science and organisation studies (e.g. Zammuto and Krakover, 1991 and Cameron and Quinn, 1999). In addition, this framework is considered as an extremely useful tool in organising as well as interpreting.
organisational phenomena in various aspects (Cameron and Quinn, 2006). The adopted CVF for this research is illustrated in figure 3.2.

**Figure 3.2 Competing Values Framework: effectiveness criteria**

![Competing Values Framework](image)

Source: Adapted from Quinn et al. (2007) and Zammuto and Krakower (1991)

The relationships among the four management models are presented in the forms of two axes – vertical and horizontal axes. The vertical axis started from flexibility to control or focus at the bottom. The horizontal axis started from an internal organisational focus at the left to an external focus at the right. Each model comprises as one of the four quadrants and each quadrant is characterised by a culture type. Firstly, the upper-left quadrant where the human relations model is located indicates an emphasis on participation, openness, commitment, morale, and commitment. The culture type identified in this quadrant is called clan culture. Secondly, the upper-right quadrant where the open systems model is located indicates an emphasis on innovation, adaptation, growth, and resource acquisition. The culture type identified in this quadrant is called adhocracy culture. Thirdly, the lower-left quadrant where the internal process model is located indicates an emphasis on documentation, information management, stability, cohesion, and control. The culture type identified in this quadrant is called hierarchy culture. Lastly, the lower-left quadrant where the rational goal model is located indicates an emphasis on direction, goal clarity, productivity, and accomplishment. The culture type identified in the quadrant is called market culture.

From the four theoretical models into management practice, each quadrant is labelled according to the central action focus related to each model: collaborate for the human
relations model, control for the internal process model, compete for the rational goal model, and create for the open systems model (Quinn et al., 2007). Moreover, each model shares a perceptual opposite. For instance, the human relations model is defined by flexibility and internal focus whereas the rational goal model stands in the opposite and is defined by control and external focus. The open systems model is defined by flexibility and external focus whereas the internal process model stands in the opposite and is defined by control and internal focus. Finally, parallels among the four models are important by which each model pays attention and shares a specific criterion characterised by the two axes. Both human relations and open system models emphasise on flexibility. The open systems and rational goal models also emphasise on external focus. At the same time, the rational goal and internal process models share values on control. And the internal process and human relations models share values on internal focus.

As mentioned above, each quadrant typifies a culture type. Each of which also creates its own characteristics and explanation. Firstly, the clan culture holds firmly on the mixture of flexibility and internal focus and is characterised by high trust, teamwork, employee participation, empowerment and commitment to employees. Both morale and cohesion take part in personnel development, in which it is considered as a crucial factor in this culture type as goals and objectives are likely to be achieved through consensus (Zammuto and Krakower, 1991). Employee fulfilment is derived mainly from high trust between the organisation and the members, custom as well as loyalty to the organisation. In clan culture, the leader’s role is to provide and assist the employees with guidance and encouragement.

Secondly, the adhocracy culture holds firmly on the combination of flexibility and external focus when innovation and adaptation are the main ingredients to the key to corporate success. The emphases of this culture type are entrepreneurship, growth, resource acquisition as well as external supports. According to Zammuto and Krakower (1991), the organisations characterised by this culture type are dynamic and rapidly adaptive to change. In addition, rewards and incentives are usually given based on individual initiatives. The leader’s requirement in the adhocracy culture is to play a risk-taker and an innovator role.

Thirdly, the hierarchy culture holds firmly on internal and control focus and is also characterised as a bureaucratic culture. This culture is coloured by a hierarchy in which
strong emphasis is placed on information management and communications, as they are the keys to securely obtaining stability and control. In the hierarchy culture, the leaders are assigned to monitor while being given the task of encouraging rule enforcement and conformity. However, this type of culture is best described on organisations in the public sector where formal rules and procedures play a significant role to ensure conformity (Zammuto et al., 1999).

Lastly, market culture holds firmly on the combination of control and external focus and is characterised by productivity and accomplishment. Strong emphasis is placed upon enhancing productivity and competitiveness of the employees. This culture type is derived from the emergence of the rational goals model, in which this model became popular in the late 1960s when competition began to rise (Cameron and Quinn, 2006). Thus, the leader’s role in market culture is to manage and enhance employees to achieve the specified goals and objectives, after which rewards are then given based on the achieved results and outcomes.

With regards to the process of assessing and diagnosing organisational culture, to cover all aspects of an organisation in a single study appeared to be hardly possible. Therefore, having considered the key aspects to cover in order to address the research questions, a decision was made to emphasise on eight key elements, which include:

1. Organisation’s dominant characteristics
2. Organisational leadership style
3. Management of employees
4. Organisation glue/cohesion
5. Strategic emphases
6. Criteria of success
7. Internal process
8. Organisational reward

These eight elements are believed to be sufficient and effective in providing the actual picture of “how things are” in an organisation. The first six elements were adopted from Cameron and Quinn’s (2006) who argued that although the six elements appeared not to be all-inclusive, previous studies undertaken about the six elements offered evidence that with the right combination, these elements enable the researcher to reflect
the actual story of an organisation and they potentially make a sufficient illustration of the corporate culture. The 7th element is concerned with how things are when closely looking at an organisation’s internal process, including an internal integration; this element has been added with an aim to investigate what are the problems and issues the organisation faces when derived from their own operational systems, in which the evidence for a number of studies by the scholars claimed that “good from within” is one of the best tools to obtain effectiveness. Finally, the 8th element is adopted from Jingjit (2008) who has successfully employed the CVF as a framework to the analysis of organisational culture and outcomes of public management reform. The last element itself is concerned with the organisation’s reward scheme, this is included in line with other elements because evidence from literature review suggests that the experiences gained from the very first interviews offered a sign to the significance of the reward system as it plays a dominant role in Thai organisations, both private and public sectors, as it acts as a propeller for employees and encourages them to work with high satisfactions. In addition, the use of the Organisational Culture Assessment Instrument (OCAI) has been introduced as a useful instrument to assist the eight key elements of organisational culture. An adoption of the OCAI questions was employed, in which the answers to such questions indicate no right or wrong answers, just as there is no right or wrong answer to culture (Cameron and Quinn, 2006). The set of OCAI questions and other additional questions used in the data collection process are presented in appendix 3.

3.2.2 Justification for the adoption of methods and the CVF

The techniques used in diagnosing and measuring organisational culture are varied and the selection of the most appropriate tool is highly depend on the scope of investigation and the specific contents the researcher is undertaken. For instance, Schall (1983) focuses on the importance of communication rules of organisation as the main ingredient in cultural studies. However, Lewis (1996) argues that this method appeared to possess a good deal of merit but it is considered insufficient to encompass the culture in rich detail. Further, in the work of Pettigrew (1979), the author believes that culture is manifested in the stories, myths, legends, symbols, rituals, ideologies, and language of an organisation (Lewis, 1996). A number of researchers has been undertaken the concept in which they tailored the specific areas proposed by Pettigrew into their scope of investigation in organisational studies. Martin et al. (1983) and Wilkins (1983, 1984)

In 1990, Tucker et al. employ a set of comprehensive questionnaires assisted by interviews and discussion with organisation’s key managers with an aim to uncover the perceived organisational culture as well as to diagnose the problems. The authors believe that the results from both questionnaires and interview were sufficiently provided preliminary information to reveal the organisational culture as well as to point out the area of concerns and the problems of the organisation.

Another method for diagnosing an organisational culture has been proposed by Hagedorn and Little (1984:30) in which the authors highlighted the use of cultural profile as “the way a corporation’s culture is experienced by a cross-section of its employees at a given time”. The authors believe that there is no specific requirement for every aspect of the organisation that needs to be tested – just those areas which reflect the organisation’s perceived management style, i.e. initiative, work norms, efficiency, and the relationships to innovation. Other researchers who support the use of cultural profiles are Wallach (1983) and Desatnick (1986). With the use of cultural profile, Desatnick (1986:49) proposes a management climate survey to measure culture to uncover the organisation’s culture, in which it can be defined as “how people view and react to the organisation’s culture, values, and norms”.

With respect to this research, to uncover the perceived organisational culture and to diagnose the issues and problems derived from organisational culture require both time and resources. Therefore, this research employs the use of combination of methods suggested in the literature, together with the techniques tailored and developed by the researcher, as it is believed to formulate the an effective path for data collection.

For years, the CVF has been widely accepted and used in many researches to assess the organisational culture for both private and public sectors. There are various reasons to undertake the CVF in particular to examine the culture. For instance, as a tool for
organisational analysis, the CVF serves primarily as a map, an organising instrument, a device to diagnose to the problems and issues, a sense-making mechanism, and a source of new ideas. In business practices, there are many different aspects within an organisation, with the CVF, it also acts as a set of guidelines helping organisational leaders to diagnose and manage the relationships, congruencies, and contradictions among all different aspects of the organisation.

Moreover, a number of studies have adopted the use of CVF to investigate organisational culture with an aim to examine the culture type required for an organisation to enhance the implementation of their management strategies as well as to investigate the consequences on corporate culture derived from organisational change. Furthermore, the CVF has been adopted to use in various scope of investigations ranging from leadership development to organisational change, see table 3.2. Afterwards, the CVF was extended by Quinn and Kimberly (1984) who employed the CVF as a tool to examine organisational culture. The authors suggested that the value orientations inherent from the CVF could be used to “explore the deep structures of organisational culture, the basic assumptions that are made about such things as the means to compliance, motives, leadership, decision making, effectiveness, values and organisational forms” (Quinn and Kimberly, 1984 as cited in Al-Khalifa and Aspinwall (2001). However, different theories and scholars explore the concept of organisational culture through different directions (McGrath et al., 1981); thus, the results derived from each study tend to be varied according to the scope of investigation they are undertaking, e.g. organisational effectiveness and efficiency, leaderships, values, quality practices, performance, etc. A crucial example underpinned how the CVF can be applied in large-scale studies of more than three thousand organisations from both private and public sectors in the US was done by Cameron and Quinn (1999).

Table 3.2 Example of Previous applications of the CVF on various aspects

<table>
<thead>
<tr>
<th>Applications of the CVF</th>
<th>Previous research by authors</th>
</tr>
</thead>
</table>


However, the majority of the existing investigations appeared to focus and examine corporate cultures of private conglomerates, while there appeared to be only a few studies that focus on the public sectors. Therefore, this is a great opportunity for this research to construct a methodological contribution through the application of the framework in a different context of public limited company that is partly classified as a state enterprise.

Furthermore, it has been suggested that it is more appropriate to employ the CVF for studies involving both qualitative and quantitative methods. The emphasis of qualitative and quantitative approaches are different (Steudel and Yauch, 2003). However, each research has its own nature and characteristics to differentiate itself from others and it is important to delicately tailor the application of the CVF to the appropriate levels where the data is sufficient allowing the researcher to carry out the answers to address the gaps of ones own research. The weakness of this study is that it relies heavily on the qualitative approach. Although the quantitative methods enable a more systematic comparison between different case studies, this research pays attention to a single case study in which an in-depth study will be undertaken to ensure that all...
aspects are fully covered and valid, and is able to analyse the data collected in a systematic manner.

In addition, it has been argued by Alvesson (1989) that the qualitative approach is underpinned by the process-oriented view of conceptualising corporate culture. The author emphasises that conceptualisations of culture exist along a range pointing from instrumental to the academic. Each point of the range is the classification and process-oriented approaches. According to Roskin (1986), the process-oriented approaches are usually based upon the assumption that corporate culture refers to a continuous regeneration of collective meaning. This idea goes in line with how Schein (1990: 111) puts a definition towards the concept as something that “a group has invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid, and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems”. Similarly, culture is possibly generated through the way the organisations deal and respond to different issues and problems in which can be perceived through the identification of individuals with organisational leaders. However, it is likely to maintain through the socialisation process of new members. There are evidences on previous studies such as Dandridge et al. (1980), Marshall et al. (2003), Pettigrew (1979), Trice and Beyer (1984a), and Yu and Wu, (2009) who successfully applied the use qualitative methods to examine to the depth of organisational culture.

Nevertheless, certain weaknesses of the qualitative techniques should be put into consideration, while a solution to address the weaknesses and to utilise the strengths of its application is essential. A crucial claim made by Sackmann (1991) who argued that qualitative approaches do not allow systematic comparisons between cases with significant variations that exist between different studies. However, this research puts emphasis on a single case study in which the CVF is adopted as a tool in diagnosing the issues and problems derived from the organisational culture and that the identified issues and problems restrict and affect the ability of an organisation to perform better than it should be. Thus, a need to engage with cross-sectional data is considered unnecessary and in doing so, the condition could hardly be met due to restrictions of time constraints.
Moreover, the methods utilising the qualitative approach is labelled as highly resource-intensive which tends to limit the possibility of achieving a high level of generalisation of the research. According to Schein (1990), the author simply agreed that a substantial number of cases are required as it allows the ways the researcher could generalise the result of a qualitative study. As for this research, the primary purpose is to develop a subjective meaning of the phenomena and to explore and understand the nature and characteristics of the selected case in order to identify the actual issues and problems through the perception and interpretation of a significant number of participants involved in the data collection process. This research goes in line with the contributions made by Yu and Wu (2009) who employed the CVF to explore an organisational culture phenomenon in the context of China that CVF is appropriate to be used as a conceptual model with the application of qualitative approach to explore the reasons and processes of organisational culture change. In addition, the authors suggested, “it is a promising research field to study the prerequisite conditions of different culture types in the CVF and the relationships between organizational culture and other variables such as organizational effectiveness, employee satisfaction, etc…” (2009: 41).

Furthermore, it is worth noting that organisational cultures are difficult to assess due to the common shared characteristics the individuals have, such as beliefs, values, and assumptions. These shared characteristics are not always explicit. Therefore, according to Marshall et al. (2003:599), “qualitative approaches help researchers to move beyond superficial explanations of culture and are greatly aided by conceptual frameworks that seeks to explain important culture dimensions”, i.e. the competing values framework.

Idealistically, qualitative methods are able to supply rich and holism data while the “thick description” enables methodological processes to capture the real context with normative reasoning and explanation, whereas the quantitative methods such as surveys or a mathematical model seemed unable to capture sufficient or appropriate type of data for this research. In addition, qualitative methods give opportunities in producing and conducting valuable pieces of data, resulting in a wealth of supply of in-depth information rather than generalising the case. Different cases and research requires different sets of methods to prepare the right ingredient for the specified scope of investigations. Since the appropriateness to the choice of using qualitative and quantitative methods depends on the underlying assumptions of the researcher as well as the nature and characteristics of each specific phenomena to be studied (Morgan and Smircich, 1980), therefore, it is important to customise one’s own research with the
right combination of methods and techniques to prevent time-consuming processes or having to end up with excessive amounts of irrelevant data.

### 3.2.3 A comparison of CVF to other major organisational culture assessments

In comparison among other major organisational culture assessments, there is still debate regarding the measurement and dimensions of organisational culture (e.g., Detert et al., 2000). In 2000, Detert et al. proposed a review of the literature by identifying the eight common dimensions of organisational culture. The eight dimensions are the basis of truth and rationality in the organisation, the nature of time and time horizon, motivation, stability vs. change/innovation, orientation to work/co-workers, isolation vs. collaboration, control vs. autonomy, and internal vs. external (Yu and Wu, 2009). To date, a number of researchers have developed a variety of models and scales to assess and measure the cultural studies according to their own theoretical lens. Among these, the major models and scales are the Theoretical Model of Culture and Traits (Denison and Mishara, 1995), the Organisational Culture Survey, the Organisational Culture Inventory (Cooke and Rousseau, 1988), the Organisational Culture Profile (O’Reilly, Chatman and Caldwell, 1991), the Multidimensional Model of Organisational Culture (Hofstede et al., 1990), the Framework of Cultural Knowledge (Sackmann, 1991), and Values in Organisational Scale (Zheng, 1990).

Compared with the models and scales listed above, to uncover the organisational culture, the CVF and the proper modification of the use of OCAI outshines the following reasons:

- The CVF comes with a two dimensions package while offering broad implications – according to Ralston et al. (2006), CVF takes account of only two dimensions while implementing the essence of the eight commonly accepted dimensions listed above into its structure. The two dimensions of control vs. autonomy and internal vs. external are directly stated in the CVF itself, while the other three dimensions (stability vs. change; orientation vs. work/co-workers; isolation vs. collaboration) are explicitly combined in the theoretical model (Yu and Wu, 2009). Further, the model also utilises, in principle, the other three organisational culture dimensions (the basis of truth and rationality in the organisation; the nature of time and time horizon; motivation).
• Empirically validated in cross-cultural research – a significantly considerable amount of empirical researches have verified the reliability and validity of the CVF (e.g., Howard, 1998; Ralston et al., 2006).

• Most extensively applied in the context of Thailand – amongst the various organisational culture models and scales, the CVF is treated as the most effective one that has been extensively used with Thai and other Asian countries (e.g. Yu and Wu, 2009; Jingjit, 2008).

With the reasons above, the adoption of the use of CVF is suitable for either qualitative and quantitative researches or a mixture of both. However, the important notion that pinpoints the appropriateness of how the research design should be depends on the nature and characteristics of the research content itself as well as the topic and the research questions the researcher wishes to address. All in all, the CVF can be used as a conceptual framework for a qualitative research with an aim to explore the reasons and the process of organisational culture diagnosis and change (Yu and Wu, 2009). Furthermore, the CVF is also a promising framework to the relationships between the organisational culture and other variables, namely organisational effectiveness, employee satisfactions, internal process, and reward systems in the context of Thailand.

3.3 **Critical Success Factors (CSFs)**

Faced with an increasing complex and intensified world and business environment, managers today are gradually being forced to identify both failures and success factors in order to survive competition. They must decide what they need to access information that is considered pertinent and relevant to their particular roles and responsibilities. A path of determining precise information needed is the “critical success factors” method (Rockart and Bullen, 1986). This section aims to give an overview of the Critical Success Factors, in which the first part will define the terms and concept with an aim to place them within the perspective of basic terms in accordance with the management of the organisation. The second part provides the general background of the critical success factors, involving the nature of critical success factors. Lastly, an introduction to the critical success factors methods employed to assist in the identification of the critical success factors for this research will be presented.
3.3.1 What is a critical success factor?

The original piece of work involving critical success factors was written by John Rockart (1979) in a Harvard Business Review article called “Chief Executives Define Their Own Data Needs”, the author observes:

“Critical success factors thus are, for many business, the limited number of areas in which results, if they are satisfactory, will ensure successful competitive performance for the organization. They are the few key areas where ‘things must go right’ for the business to flourish. If results in these areas are not adequate, the organization’s efforts for the period will be less than desired” (p.85). This definition is widely accepted among other scholars employing the critical success factors such as Boynton and Zmud (1984), Flynn and Arce (1997) and Shank et al. (1985).

In the work “A primer on critical success factor”, Rockart and Bullen (1986:5) broadens their view towards the word “critical success factors,” where they are beginning to take place with other basic terms concerned with the management of an organisation. Goals and objectives set by an organisation develops at various levels in the management hierarchy, and so does Critical Success Factors, hereafter called CSFs. In addition, the authors define the term CSFs as “the limited number of areas of which satisfactory results will ensure successful competitive performance for the individual, department or organization” (1986:7).

In addition, Rockart and Bullen (1986) provides a set of useful summary in their seminal work on critical success factors as:

- key areas of activity in which favourable results are essential to reach established goals
- key areas where things must go right for the business to flourish
- ‘factors’ that are ‘critical’ to the ‘success’ of the organisation
- key areas of organisational activities that should receive constant and careful attention from management
- a small number but truly important matters which requires a manager’s focus and attention
Another proposed definition by Hofer and Schendel (1978:77), the authors put the term CSFs as “those variables which management can influence through its decisions that can significantly affect the overall competitive positions of the various firms in an industry. These factors usually vary from industry to industry. Within any particular industry, however, they are derived from the interaction of two sets of variables, namely the economic and technological characteristics of the industry involved… and the competitive weapons on which the various firms in the industry have built their strategies…” However, Hofer and Schedel tends to argue that such factors can be easily identified through the right combination of sensitivity and elasticity analyses based on the challenge that the major problem is assessing the relative importance.

As for this research, the application of CSFs are not as obvious as what Hofer and Schendel implies. While sensitivity and elasticity analyses are considered a useful identification tool, they are by no means sufficient and to be the only useful vehicles for identifying a CSF. This goes in line with a substantial portion with the work of Leidecker and Bruno (1984) that placed an emphasis on the factor identification and the level of CSFs analysis.

Another more recent definition was proposed by Caralli (2004), where CSFs are defined in the context of an effort that must be undertaken with regards to ensure that it is successful. The author underpins the concept that when considering CSFs as a strategic driver either at the enterprise or operational unit levels, a slight distinction must be made in accordance. In this context, the position of the implication of the CSFs is more than just guiding principles. At the same time, they are one of the most important components when deciding a strategic plan that must be achieved in addition to the establishment of goals and objectives while their successful execution must drive the organisation towards accomplishing its mission (Caralli, 2004).

Looking from the elusive nature of CSFs, CSFs can be defined in various ways. In general, managers recognise their CSFs (and the organisation’s) when they closely associate with them, however, they could hardly articulate them or even appreciate their importance. In fact, most managers put concern over the variables they must manage to ensure success, yet only when problems occur and root causes are clearly identified are such variables made explicit.
Within the field of strategic management, the term “key success factors” has been extensively defined and closely related to the critical success factor concept. Ellegard and Grunert (1993) define key success factors as a qualification or resource that is worth for an organisation to invest in, in which it can be resulted in a significant part of the visible differences in organisation’s perceived value and other relative costs in organisations’ relevant market. In literature, the terms critical success factors and key success factors are often alternatively used.

Therefore, CSFs are considered powerful for the reason that they make variables explicit for a manager intuitively, repeatedly, and ever perhaps knows, take or to take action to stay competitive. However, when the variables are made explicit, a CSF can tap the intuition and perception of a good manager to make it available to direct and propel the organisation towards accomplishing the organisation’s mission.

3.3.2 A CSF primer

The CSF primer section contains the sources of material concerning the nature of Rockart’s (1979) original work. Such materials act as a supplement to an analysis of the CSFs. Based on Rockart’s observations, the materials concerned are guided through:

- the importance of CSFs
- the need to ‘tailor’ CSFs and information requirements to each individual manager’s uniquely different situation
- the sources of CSFs, a useful classification of the CSFs
- the hierarchy nature of CSFs

3.3.2.1 The importance of CSFs

To recall the work of Rockart and Bullen (1986:12), “critical success factors are the relatively small number of truly important matters on which a manager should focus their attention”. For this reason, the term “critical success factors” is aptly specifically chosen as it reflects and implies the few ‘factors’ which are considered ‘critical’ to the ‘success’ of the manager or organisational concern. Typically, in every manager’s life, there are both expected and unexpected occurrences to which his or her attention can be diverted. Thus, the key to success for most managers is to focus and emphasise on their
limited resources (their time) on those things affecting the difference between success and failure (Rockart and Bullen, 1986).

Moreover, according to Rockart and Bullen (1986), most managers spend considerable amount of time and energy identifying those few areas of activity which are “close to the bone” in order to think about ways to improve performance in such areas. The value of the CSF process is here to stay because it makes such areas explicit, not merely implicit; leading to an ability to aid and assist in an organisation’s planning process as well as to enhance communication within the organisation. Therefore, it becomes essential for managers to determine goals and objectives which later act as the target one will shoot for. In addition, it is also important to pay attention in determining explicit manners towards what the basic structural components that will most likely influence the success and failure in an attempt to pursue the goals and objectives set. Such considerations are the critical success factors.

From one angle to another, the importance of the CSFs can be reflected from its exclusive benefits identified by Rockart’s (1986:87) master piece of work as:

- The process helps the manager to determine those factors in which he or she should focus management attention. It also helps to ensure that those significant factors will receive careful and continuous management scrutiny.
- The process forces the manager to develop good measures for those factors and to seek reports on each of the measures.
- The identification of CSFs allows a clear definition of the amount of information that must be collected by the organisation and limits the costly collection of more data than necessary.
- The identification of CSFs moves an organisation away from the trap of building its reporting and information system primarily around data that are “easy to collect”. Rather, it focuses attention on those data that might otherwise not be collected but are significant for the success of the particular management level involved.
- The process acknowledges that some factors are temporal and that CSFs are manager specific.
- The CSF concept itself is useful for more than the information system design. Current studies suggested several addition areas of assistance to the management process.
According to Caralli (2004:30), regardless of the application of CSFs, the advantages of having this type of common focus for the organisation are summarised as follows:

- CSFs can reduce organisational ambiguity.
- CSFs are more dependable than goals as a guiding force for the organisation.
- CSFs are more likely to reflect the current operating environment of the organisation.
- CSFs provide a key risk-management perspective for the organisation to consider.
- CSFs can be valuable for course correction.

Lastly, CSFs are relatively important to identify key areas that require special attention from managers in a consistent manner, while the current status of performance in each area should be continuously measured, evaluated, and implemented from time to time to give accessibility for management’s use.

### 3.3.2.2 Different managers – different CSFs – different information

According to Rockart, the need to ‘tailor’ CSFs and information requirements to each individual manager’s uniquely different situation is highly essential in accordance to the industry, the organisation as well as each individual in the organisation’s hierarchy. In this context, it is compulsory to understand what the CSFs are not. Bullen and Rockart (1986:14) place a strong emphasis that “they are not a standard set of measures, sometimes called ‘key indicators’, which can be applied to all divisions of a company. They are not limited to factors which can be reported on by solely historical, aggregated, accounting information”.

On the other hand, the CSF method looks at the world from a manager’s standpoint in the current situation he or she is operating. CSFs are specific to each manager, division, and point in time. Thus, they demand diverse and specified situational measures in which the evaluation can be engaged through soft, subjective information and not to be collected in an explicit formal way. Hence, it is almost impossible for the standard set of organisation-wide “key indicators” to provide the necessary operating information.

### 3.3.2.3 Prime sources of CSFs
As discussed above, the need to tailor the CSFs to the particular manager, division, and point of time is highly essential. Caralli (2004) supports the notion that a number of management levels can be found in a typical organisation, in which each of which appear to have different operating environments, leading CSFs in the organisation to come from many contributing sources for the accomplishment of the organisation’s mission, regardless of their source. To many scholars, the specific five prime sources of CSFs are derived from the original work of Rockart (1979) which are the industry, competitive strategy and industry position, environmental factors, temporal factors, and managerial position.

**Industry CSFs**

Each industry has its own characteristics in which it is considered as a source to determine a unique set of CSFs, hence, it is important for each organisation to pay attention to these factors. An example of industry CSFs is illustrated in figure 3.3.

**Figure 3.3 Example of Industry CSFs for an airline**

![Industry CSFs: Reduce cost per passenger mile. Deliver on-time service. Monitor the legal and regulatory environment.](image)

Source: Caralli (2004:17)

In other words, every organisation inherits a specific set of operating conditions and challenges are typically inherent to the industry (or segment of the industry) the organisation chooses to do business and according to Caralli (2004), this usually results in a derivation of a unique set of CSFs in which the need for an organisation in the industry to strive to achieve, maintain, or to increase their competitive positions along
with a high attempt to achieve their goals as well as to accomplish their mission is very important.

**Competitive strategy and industry position CSFs**

Each organisation within an industry reflects in an individual situation which can be determined by the organisation’s history and current competitive strategy. In addition, the organisation’s resulting position in the industry dictates some CSFs (Rockart and Bullen, 1986). Likewise, the geographic positioning of the organisation is also considered the source of CSFs.

In addition to Rockart’s (1979), Caralli (2004) includes peer-group CSFs as a further set of delineation of industry-based CSFs. An example of peer-CSFs is illustrated in figure 3.4. The author defines this type of CSFs as specific to an organisation’s unique position relative to their peer group in the industry in which they operate or compete (2004:18).

**Figure 3.4 Example of peer CSFs for an airline**

![Figure 3.4 Example of peer CSFs for an airline](source: Caralli (2004:18))

In the case of the airline, an example of peer CSF in figure 3.4 is to “reduce cost per passenger mile” or to “increase code share partnership”. These CSFs may be a necessary tool for an airline to increase current market share in new geographical areas as well as to boost up their ability to maintain or increase their competitive positions over the rivals.
Environmental CSFs

Environmental CSFs reflect those environmental factors in which the organisation has very little control and/or to predict with a full ability to actively manage (Rockart and Bullen, 1986: Caralli, 2004). An example of environmental CSFs is illustrated in figure 3.5.

Figure 3.5 Example of environmental CSFs for an airline

Source: Caralli (2004: 19)

The two obvious environmental sources of CSFs identified by Rockart (1986) are the fluctuations of the economy and national politics. However, some organisations appear to be sensitive to additional factors such as population trends, regulatory trends, energy sources, and seasonality. For instance, the airline industry dramatically suffers from acts of terrorist, leading to severe effects and changes in airport operations and scheduling. As a result, new regulations were established for security reasons in which all airlines must comply. This reflects an inability for the airline to have full control over this issue.

Therefore, to be successful, a need for an organisation to be mindful towards macro environment is essential. Caralli (2004) states that one does not fully keep track and interact with the external environment will find it hard to survive in the long run. As a
result, it is important for an organisation to acknowledge the environmental factors that could potentially affect its ability to achieve mission accomplishment as well as to make these factors explicit in enhancing the ability to actively monitor the organisation’s performance relative to them.

**Temporal CSFs**

Typically, CSFs are bonded with long-term planning prospects of an organisation. At one time or another, it is possible for an organisation to encounter temporary conditions or situations that need to be managed for a specific period of time or to temporarily perform satisfactory in order to ensure the ability to accomplish the organisation’s mission is not impeded. An example of temporal CSFs is illustrated in figure 3.6.

**Figure 3.6 Example of temporal CSFs for an airline**

![Diagram of temporal CSFs for an airline](image)

Source: Caralli (2004:21)

Normally these temporary factors do not create CSFs (Rockart, 1986). For example, a crisis of an airplane crash resulting in the loss of a large number of executives. This would generate short term CSFs for that particular company. In addition, a temporal CSF can potentially be an indication of a permanent change in the organisation, i.e. the change of lawsuit in security issues.
Managerial position CSFs

Each layer of the management position has its own set of generic set of CSFs to deal with a different and specific perspective and focus in the organisation. An example of managerial position CSFs is illustrated in figure 3.7.

**Figure 3.7 Example of management-position CSFs for an airline**

![Diagram showing examples of CSFs for an airline](image)

Source: Caralli (2004:22)

For instance, the division of labour has to ensure both tactical and strategic actions are achieved to accomplish the mission of the organisation. Different managers manage different focuses and priorities based on the layer of management position. This gradually translates into a generic set of CSFs which reflects the type of responsibilities of each manager.

### 3.2.2.4 A useful classification of CSFs

In this section, reference is made to the dimension of the CSFs. In his original work, Rockart (1979) identifies various dimensions of CSFs that are meant to be useful for understanding a particular manager’s view of an organisation. CSFs then can be categorised into dimensions: internal, external, monitoring, and building/adapting.
Internal versus external

*Internal* CSFs refer to those CSFs that deal within the manager’s sphere of influence and control. On the other hand, *external* CSFs refer to those CSFs that relate to situations that are less under the manager’s control. For example in the airline industry, an internal CSF could be “managing flight operations” and an external CSF could be “fuel cost or seasonality”. In other words, according to Arce and Flynn (1997:312), “an internal CSF has related actions taken within the organisation, while an external CSF has related actions performed outside the organization”.

Categorising both internal and external CSFs is crucial in which it helps the manager to provide better understanding in setting goals. As a result, with an ability to control the internal operations, a manager is able to set realistic and achievable goals that enhance the achievement of internal CSFs. However, if a manager has external CSFs, according to Caralli (2004), it is important for the manager to set goals that aim to achieve the CSF in such a way that it helps minimise any possible impact on operations that may result. This is due to the reason that the manager maybe unable to ensure direct control over situations.

Monitoring versus building/adapting

*Monitoring* CSFs involve the continued scrutiny of existing situations (Rockart, 1981). The examples of monitoring CSFs in the organisations based on financial oriented CSFs are actual performance versus budget or the current status of product cost and personnel turnover rates. *Building/adapting* CSFs usually go in accordance with those managers who are dealing either with reasonable control of day-to-day operations or those who are insulated from fire fighting concerns. These people are considered as the future-oriented planners whose primary purpose is to implement major change programmes while aiming to adapt the organisation to perceive new environments (Rockart and Bullen, 1986). According to Arce and Flynn (1997:312), “a monitoring CSF is concerned only with monitoring an existing organisational situation (whereas) a building CSF is concerned with changing the organisation or with future planning”. The typical examples of this type of CSFs are the successful implementation of major training efforts and new product development programmes.
Importance of CSF sources and dimensions

The source and dimension of a CSF provides additional information for understanding the significance of a CSF as well as its contributions to assist and enhance the accomplishment of the organisation’s mission. To be effective, according to Caralli (2004:23), “managers must consider and monitor a wide range of activities, events, and conditions that occur throughout the organization and in the external environment in which the organization operates. Gathering CSFs that incorporate and reflect various CSF sources and dimensions provide an effective delineation of a manager’s field of vision – a representation of a depth and breadth of the manager’s responsibilities”.

3.3.3 Hierarchy nature of CSFs

In the initial work of Rockart (1979), a specific hierarchy of CSF was identified based on the organisation level at which the discussion was placed upon individual strategic issues. A few years later, Barat (1992) disagrees in which the author believes that the hierarchy of CSF is built upon logical dependencies in such a way that those existent between business aims and objectives and the factors affecting or influencing these aims. However, this research goes in line with Rockart’s particular approach, in which the CSF can be addressed upon the consideration towards either an industry, corporate, sub-organisational level, and individual CSFs; and in accordance with Caralli’s (2004), the enterprise CSFs and operational unit CSFs will be discussed.
As illustrated in figure 3.8, *industry CSFs* typically affect every organisation in an industry in terms of its development of its strategy, objectives, and goals. It is not possible for an organisation to afford to develop a strategy which overlooks an adequate attention to the primary factors which underlie success in any particular industry. As a consequence, the development of an organisation’s strategy, objectives, and goals lead to the development of a generic set of CSFs for the corporation according to its own circumstances, as it is so-called *corporate CSFs*. The corporate CSFs turn transform into an input into a similar CSF determination process for each sub-organisation, i.e. functional and departmental levels.

The analysis of sub-industry (where appropriate), corporate strategy, objectives, goals, and CSFs, and the identified environmental and temporal factors lead to a development of a set of *sub-organisational CSFs* for each sub-organisation in the organisation (Rockart and Bullen, 1986). In addition, an important notion was made that each sub-organisation (a division or a function) generally will be affected in the process of the development of strategy, objectives, goals as well as CSFs by its own specific set of environmental and temporal factors and of the next higher organisational level. Finally, a set of *individual CSFs* belong to the managers at each of the organisational levels, in which on one hand it depends heavily upon their own roles and temporal factors and
less heavily upon the industry and the environment on the other. However, each individual set of CSFs must be determined in light of the higher managerial level developments upon the organisation’s main strategy, objectives, goals and/or CSFs.

From the viewpoint of CSFs alone, the hierarchy of CSFs is shown in figure 3.8 representing that the industry CSFs play an important role on the development of each organisation within the industry, leading the process of CSFs identification of the organisational CSFs to play a significant role by considering the CSFs of the CEO and other executive levels in the corporation. However, each CEO or executive positions also has their own individual CSFs, depending on their management positions and responsibilities. This reflects a picture of a top-down influence pattern in which it will then repeat at each sub-organisational level.

**Figure 3.9 The CSF hierarchy**

![Diagram showing the hierarchy of CSFs](image)

Source: Author, from Rockart and Bullen (1986)

Conceptually, the development of CSFs should be formed from top-down. However, in the case where corporate or sub-organisation CSFs have not been explicitly developed,
they can be inferred upward under a consideration of a careful analysis of each individual manager’s identified CSFs (Rockart, 1986).

**Operational unit CSFs**

In addition to the discussion above, this research is heavily focused on the sub-organisational CSFs, hence, an introduction to the operational unit of CSFs by Caralli (2004) is presented.

Caralli (2004:25) describes this type of CSFs as “an organisational department, division, subdivision, or any other grouping activities that share a common function, purpose, or mission”. As discussed in the company CSF’s operational unit CSFs are not directly implied as a simple collection of the CSFs derived from the managers in any operational unit. Instead, this type of CSFs may also reflect the concerns and strategic direction derived from the senior managers in the unit in accordance with the strategic direction of the organisation. Thus, the management layer is considered a source of CSFs for the operational unit but is not entirely reflective of it (Caralli, 2004).

According to the nature of operational unit CSFs, Caralli states that operational units appear to be less influenced by the industry each organisation operates in and tends to focus more on the significant contributions which support the organisation’s goals and mission. At peer CSFs level, operational units appeared to have less responsibility towards the competitive positioning of the organisation. Thus, this is not considered to be the potential source of CSFs. At environmental CSFs level, environmental factors such as the influences from the government may filter down to an operational unit if the selected operational unit is considered a division competing in a unique industry. As a result, environmental factors may consider a source of CSFs. At temporal CSFs level, temporary issues or changes affecting the entire organisation may possibly filter down to the operational units, especially when they are dealing directly with the certain issues and problems or helping to implement changes. Therefore, some temporal CSFs may be found when identifying the CSFs for an operational unit. Finally, operational unit CSFs have a strong relationship with management layer as one of the main sources of CSFs, in terms of how it may reflect a number of significant set of unique layers of management; hence, management-function CSFs level is considered a rich source of CSFs. Therefore, the three sources of CSFs which appeared to have potential in
deriving the operational unit are the environmental, temporal, and management-function CSFs.

3.3.4 Critical success factors identification techniques

With regards to the restriction of the research time frame, it is impossible to cover every aspect in a single study. Therefore, referring to the hierarchy of the CSFs discussed above, the process of CSFs identification is undertaken through the defined scope of CSFs activities. In particular, this research aims to identify the critical success factors for Thai Airways International as a member of the Star Alliance, in which the key CSF activities are to seek ways for Thai Airways to gain the alliance’s maximum benefits while being relatively small.

Figure 3.10 Organisation chart of Thai Airways International

![Organisation chart of Thai Airways International](image)

Source: Author, Thai Airways International official website (2010)

The emphasis will be placed upon the operational unit CSFs, referring to specific divisions (which shares a linkage to one another and the scope of this thesis), i.e.
Alliance & Loyalty Management and Human Resources & General Management, in Thai Airways International (see figure 3.10). The participants involved in the selected operational unit are those with the power to supply pure contributions that serve valuable and useful information to address the research question. With respect to each layer of management in a large organisation, there is a set of conditions that must be monitored and acted upon, leading to a different set of CSFs that underline the accomplishment of the mission and to ensure the success of the organisation. However, the selected participants, sampling unit, and how the data designed to be collected and analysed will be explained in detail in the research methodology chapter.

3.4 Concluding remarks

This chapter has provided the two conceptual frameworks for the analysis of the two research questions of this thesis and to guide the design and data collection presented in the next chapter. The first framework is associated with the organisational culture spectrums, in which the selected conceptual frame, the competing values framework, will act as a tool to diagnose the problems and issues derived from the organisational culture that affects the organisation’s overall performance as well as the ability to obtain maximum benefits from the alliance.

Under the critical success factors spectrum, the second framework, the Critical Success Factors, is a vehicle for the identification of the critical success factors for an operational unit which is responsible and associated with the collaboration of the Star Alliance.

The discussion and the defined scope of research activities to be investigated and identified are especially tailored to filter out the irrelevant data as it may cause disassociation with the limited research time frame presented. Lastly, the defined scope of research activities is meant to serve as a guideline to the next chapter in which it will facilitate and assist the development of the research design upon data collection and the analysis process.
This chapter formulates selected research methods, an overview of Star Alliance, and an introduction to the case. In particular, this chapter aims to discuss the research approaches and methods employed as a tool to address the research gaps as well as to answer the research questions set, and lastly, to give an overview of the airline alliance sectors, while an introduction to the case will also be presented.

**Figure 4.1 Roadmap to chapter four**

This chapter consists of seven main sections. Section 4.1 presents an introduction to the two research questions which have been constructed into two main themes. Section 4.2 offers an overview of the research methodology, consisting of the rationale of the research, research approach, research design and research operationalisation. Data collection and data analysis are presented in section 4.3 and 4.4, respectively. Section 4.5 presents an overview of the airline alliance sector. Prior the concluding remarks is offered, an introduction of the case study company is presented in section 4.6.
To assemble the two research questions, each research question will be divided and explained into themes based on the issues and gaps found in the literature reviews lined in the previous chapters. The themes cover (1) the key drivers and issues derived from the organisational culture and its internal operations and (2) the critical success factors for Thai Airways to obtain maximum benefits from the alliance. To investigate these phenomena, the appropriate research approaches were especially tailored and particular methods were engaged: an in-depth case study and an in-depth analysis was organised to answer each research question.

The discussion on how the research design is being tailored as well as how the qualitative methods can be utilised to ensure the validity for this research will be presented in the research methodology section of this chapter.

Subsequently, to underpin a basic understanding of the airline sector, a brief overview of the current world’s three leading airline alliances: SkyTeam, OneWorld, and Star Alliance, will be illustrated. Further, an introduction to Thai Airways will also be presented in this chapter. The final section contains concluding remarks and the summary of the research method presented in this chapter by using the data summary device as a tool.

### 4.1 Research themes and questions

This research is considered to be a multidisciplinary research and is grounded in the literature on international business, strategic alliances, airline management, and organisational and cultural studies. This research was built from the two research questions set and each question will be divided into two main themes. Thus, the two themes consists of two main issues which are (1) the key drivers and issues derived from organisational culture and internal operations of the company (2) the Critical Success Factors (CSFs) for a small carrier to enhance overall competitiveness and effectiveness and to be successful. The two themes are presented as follows.
4.1.1 Theme one: Diagnosing organisational culture – key drivers and issues

In today’s challenging business environment, organisations from small to large strive to be more competitive and try hard to put efforts to sustain their superior positions in the market where they appear to be dominant players. More of them are looking back to take a radical look from scratch and to find new solutions to make them successful. Moreover, current business practices that are still employed by many organisations appear to be outdated and are considered either to be no longer fit to serve today’s competitive situation or to make itself compatible to the capabilities offered by current technology (Ascari et al., 1995). Therefore, to look at what the organisation has done in the past and to recognise their mistakes is essential, in which the identification of the key drivers and issues derived from the organisation itself play an important role to start with. For instance, culture is an important element that effects the economic performance of various countries (Hofstede, 1980; Hofstede and Bond, 1988), in which it reflects an idea that organisational culture serves as a tool for the basis of understanding the differences that exist between successful organisations (Schein, 1990). Furthermore, organisational culture appears to be determining element that reflects the actual picture of the internal operations of an organisation, in which it establishes an interesting link to increase the organisation’s overall performance (Ilies and Gavrea, 2008). In addition, Peters and Waterman (1982) stated that successful organisations hold a certain cultural property called cultural traits of excellence, in which it presents a positive relationship between organisational culture as well as their productivity (Ouchi, 1981).

Research question 1:
What are the key drivers and issues derived from organisational culture affecting Thai Airways International’s overall performance and effectiveness?

Contributions:
Firstly, this question appears to reveal as a starting point to any organisation. Thus, this research question can be applied when an organisation is trying to recognise their mistakes and is looking for a change or a restructuring approach to improve its effectiveness and performance.
Secondly, if the answers drawn from this research question indicate that the key drivers and issues derived from the organisation itself, in which it pays out a number of negative outcomes to the organisation’s overall performance, the next issues to investigate how the negative outcomes affect the ability for Thai Airways to obtain the alliance’s maximum benefits and whether there are any possible solutions to combat those negative outcomes.

4.1.2 Theme two: Critical Success Factors (CSFs)

An attempt to define success can be very challenging and appears rather tricky as success is considered to be a very subjective concept (Alamadari and Bissessur, 1998). In the airline industry, competition used to take place between carriers. However, with the change in nature and characteristics of the industry, the marketplace became much more competitive, leading the competition to shift its place to a cluster level, not at a firm level (Hamilton and Morrish, 2002; Kleymann and Seristö, 2001; 2004). However, although the carriers are under the same alliance, the alliance members remain the rivals at the same time (Holtbrugge, 2004). Such change has forced the majority of the airlines to seek for a way to survive; hence, the formation of a strategic alliance was introduced to the airline industry.

However, a number of questions regarding the success and failure of airline alliances arise, i.e. why is the success rate so low for alliances when the potential benefits are so large? (Frankel and Whipple, 2000). Likewise, any alliance members are looking for a real doorway to gain as many benefits from the alliances as possible but another simple question was raised, how?

Research question 2:
What are the critical success factors for Thai Airways International to boost up overall performance and effectiveness and to obtain maximum benefits from Star Alliance?

Once a set of key drivers and issues derived from the first research question was fully identified, the outcomes serve as primary data to analyse the critical success factors to be lined up for the second research question. Together with further analysis discussed in the previous chapter, leading the analysis to be more precise and ensure the validity of the outcomes.
Contributions:
Firstly, the main contribution for research question 2 is to be set as a tool to propose a critical way for Thai Airways or even other carriers who are a member of any alliances to make a radical change to the organisation by starting from diagnosing own organisational culture, in order to obtain either the potential benefits derived from the alliance or to achieve those benefits at its most. However, this research is specifically designed and tailored for Thai Airways in particular. The findings and suggestions may appear as a general guideline to other organisations due to the fact that each organisation creates its own set of organisational culture that involves other aspects such as rules, regulations, and management patterns.

Secondly, another major contribution for this research is to draw a conclusion into a framework presenting the critical success factors and other pre-requisites essential for the case company, in which the ingredients of this proposed framework were taken from in-depth data collection used specifically for this empirical study.

In summary, the two research questions are:
1. What are the key drivers and issues derived from organisational culture preventing the ability of Thai Airways International to obtain alliance’s maximum benefits?
2. What are the critical success factors for Thai Airways International to obtain maximum benefits from Star Alliance?

4.2 Research methodology

This section aims to provide the context of the research, where the methodology formulates five main aspects committed to be the tools to answer the two research questions. The five main aspects are rationale of the research, research design and methodology, research operationalisation, data collection, and data analysis. Each aspect will be explained and discussed consecutively.
4.2.1 Rationale of the research

This thesis employs a social constructivist approach which can be simplified as when the individuals seek for ways to understand the world that they live and work. In other words, the researcher develops a subjective meaning of phenomena or their experiences via interactions among participants towards certain objectives or things, which can be called ‘setting’ (Creswell, 2007). This research aims to understand the nature and characteristics of an organisation through the perception and interpretation of a number of participants involved in the process of designing, decision making, developing organisation’s strategies, and how the organisation implements those strategies. Therefore, this research is heavily reliant on the participants’ views of the situation in the setting given.

An underlying philosophy paradigm of two main types of approaches to the research: positivism and interpretive, have been put into consideration. Both paradigms act as an ingredient keeping the process of conducting a case study on the right track. In other words, to reflect the thesis’s philosophical stance to the audience is as it plays another important role and will affect every aspect of the research process, starting from how the data is collected to how the results are analysed and interpreted (Atkins and Sampson, 2002).

**Positivism** research is a research approach which focuses on the relationship with natural sciences, which also has institutionalised certain criteria of validity, rigour and replicability in the conduct of scientific research while a tradition of cumulative knowledge across the various disciplines is needed to build and put into practice. However, this research deals with the understanding of human behaviour and interactions among them in a specific setting, in which it is based upon the participants’ own frame of reference (Collis and Hussey, 2003). In addition, according to Healy and Perry (2000), taking the positivist approach tends to be insufficient when undertaking a study in particular areas, i.e. social science, due to the reason that social science studies appear to create more consistency with a social science orientation.

In contrast, the research paradigm of this thesis places emphasis on an interpretive research, which gives importance to the pursuit of meaning and to understand the knowledge through the picture of a social construction. At the same time, it is also a
way to gain insight and understanding into the actual social phenomenon of the investigation. Typically, interpretive researchers begin with the assumption and seek for admittance to reality, either the given ones or socially constructed, and are done through social constructions such as language, consciousness, and shared meanings (Avison and Myers, 2002). Therefore, this thesis takes a path via an interpretive research with an attempt to understand the phenomena in order to identify the answers for each research question, while also aimed to produce an in-depth understanding of the context of the selected case study.

This thesis takes a qualitative approach with an emphasis on the case study which serves as a vehicle to gather in-depth information to the organisation study (Lim, 1995). Also, qualitative research is proposed when looking at the specific situation or interaction of the community as it allows the researcher to perceive and in entering into the others’ world in order to obtain a holistic understanding (Bogdan and Biklen, 1998).

In a constructivist philosophical position, according to Bloomberg and Volpe (2008), qualitative research is grounded with the idea which concerned with the complexity of how socio-cultural world are experienced and to be understood within a specific context and time. Further, Yin (1994) classifies case studies as methodological tools into three types of research: descriptive, explorative, and explanatory. Stake (1995) defined the first two types – descriptive and explorative case studies as being a disciplined and qualitative inquiry mode into single cases.

Lastly, this thesis is an exploratory case study, in which the phenomena investigation is frequently more open and brings ways to interpret the phenomenon sets in terms of how people bring the meaning to it and thereby, it is more involved than other research strategies that deal with large quantities and are strictly standardised. This research involves not only several actors and their interactions, but also depends on a number of factors that help identify answers to address the research questions. Therefore, it is having more objective which builds on normative concepts. Moreover, this piece of work is explorative in the sense that it explores an organisation’s culture by closely looking at what is the actual picture of the organisational culture and how it is presented as well as how it reveals itself. However, this research can be considered an explanatory case study due to the reason that it is also aimed to establish the link between the current cultural situation that reflects the internal operations and the
organisational effectiveness and performance, as well as how the link between these two factors are interpreted by the organisational management pattern.

4.2.2 Research approach – Quantitative or Qualitative?

Having considered a comparison between the qualitative and quantitative approach, the features of qualitative data are their richness and holism (Huberman and Miles, 1994), in which it comes along with strong potential to reveal the complexity of the phenomena; such data offers a “thick description” (Huberman and Miles, 1994) in a dramatic aspect and enables the methodological process to capture the real context. In addition, based on qualitative methods such as interviewing, ethnography, and observations, such methods give favourable climates for a qualitative approach to study organisational culture where the emphasis and relevance is placed on meaning rather than frequency of occurrence (Schein, 1990). Another more recent scholar, Ahmad and Ali (2003: 2) concluded the definition of a qualitative approach as “it is used where there is a concern for understanding how things happen and how they are related, rather than only measuring the relationship between variables”. In addition, a cultural study is an interdisciplinary project which employs qualitative methods to subject the cultural forms, practices, a process of contemporary societies leading to a critical investigation and analysis (Flick, 2004).

In contrast, taking quantitative approach mostly relies heavily on either predetermined information or data variables from the literature or it usually employs a survey method or a mathematical model which seems unable to capture appropriate and sufficient data into the contributions of this particular research. In addition, according to Sackman (1991), the use of quantitative methods (i.e. questionnaires) tend to focus on the dimensions to be tapped, in which it may not be sufficiently relevant or comprehensive to the organisational study. Also, the notion on the issue of the researcher to impose one’s own cultural perspectives towards the studied organisation, rather than putting efforts to uncover the actual picture of the culture being studied (Evered and Louis, 1981). Lastly, quantitative approaches tend to challenge and suffer from the lack of ability to drive beyond the surface aspects of the organisation, while Saffold (1988) and Schein (1990) agreed that the true strength in using the quantitative approach is its emphasis on the organizational phenomena’s holistic nature.
However, the appropriateness to the choice of using qualitative or quantitative approaches depends on the underlying assumption of the researcher which is typically based on the nature and characteristics of each specific condition. As for this thesis, the use of quantitative approach could not be served to provide sufficient relevant data contributing to address the research questions. Therefore, each selected method and techniques employed for this research was specifically tailored to meet the requirements of investigation. Some researchers may believe that the use of mixed methods or a triangulation approach is more suitable in some ways but this research believed that there are ways to tailor and utilise the qualitative methods with the right combination of techniques can ensure the validity as well as to compensate the points of weaknesses each technique may have.

4.2.3 Research design: The case study

To identify the key issues (drivers and barriers) in an organisation is one of the main objectives of this research, in which the content emphasises the importance of cultural settings and organisational culture as well as the organisation’s internal operations and management. Thus, using the case study as a methodological strategy to identify the problems and barriers in an organisation is appropriate for cultural study that involves a high level of in-depth information. The collective data and findings will lead to a further analysis in the identification of the critical success factors for the selected case company as a whole.

A methodological strategy, Yin (2003) pointed out that case studies can be utilised in many situations and help contribute the knowledge of individuals, groups, organisations, social, political, and other related phenomena. Further, case study research is considered a qualitative approach which provides an intensive description and analysis of the target through the use of one or more cases within a bounded system (Merriam, 1998; Yin, 2003; Creswell, 2007). Another definition of case study research is a “sharper manner of looking at particular situations or settings (Peattie, 1995). The later version of how a case study research was described is “an in-depth, multifaceted exploration of a single social phenomenon and have a methodological affinity with, but are not limited to, qualitative and inductive approaches in the research investigation” (Mukhiji, 2010: 417). In addition, another important notion of the use of case studies to reveal nuance and intricacy is claimed by Yin (1994: 12) that “overall, a significant
trend may be toward appreciating the complexity of organizational phenomena, for which the case study may be the most appropriate method”.

From a number of scholars and practitioners of case study research, it is considered as the built-in malleability of the approach that makes it feasible, powerful, and allows the researchers to reveal insights in both simple and complex situations (Kukhija, 2010). The case study approach is appropriate to address the questions of ‘how’ and ‘why’ (Yin, 2003). Gauri et al (1995) also pointed out that the case study approach typically focuses on researching details in the situations being examined in order to obtain sufficient data, which allows the study to explain the unique characteristics of each study, and enables an understanding of the context of the study and the processes being performed (Smith, 1991). The case study is particularly apposite to use in conjunction with both exploratory and explanatory research on cultural and organisation studies because it specifically pays attention on exploring the actions and interactions of the key participants involved, which act as the mechanisms and factors influencing the research content.

4.2.3.1 Why a single case study?

The purpose of this thesis is to study and explore the phenomenon sets based on a single case study. In other words, to focus on an issue or concern, and then select one bounded case to illustrate the issue (Stake, 1995). According to many researchers, when using the single case study in comparison with other quantitative forms of research or multiple-case studies, a justification towards a single case study tends to be lack of rigour, comparability, and replicability (Barzelay, 1993). Although a weak defence towards the use of the single case study holds for the public management research, but in the case of social science research, this method offers an extremely valuable feature to produce a “thick description” and a normative reasoning of the case and is useful to make very specific analysis of how people frame and solve problems. However, there is a considerable strong defence for this research method in demonstrating how a single case study is capable to support empirical studies.

One drawback of using a single case study is suggested in the work of Kennedy (1979: 663) that is “the lack of generally accepted rules for drawing causation and generalization inferences from the data”. However, the defence to this is that this thesis
believes that the use of a single case study gives opportunities in producing and conducting a valuable piece of qualitative research based on this technique, and is able to drive for sufficient in-depth information collected to address both research questions and eventually, to the contributions of the research. In addition, this thesis seeks to gain an in-depth and detailed understanding in which the selected case study will also be discussed and analysed exclusively (Mukhiji, 2010) rather than using a multiple-case study that aims to acquire a broad understanding or try to generalise the findings. Another important point of the single-case methodologies viewed by other authors (e.g. Rist, 1977; Stake, 1978) is that a single-case study allows the researchers to accommodate alternative standpoints. In these discussions, arguments and suggestions were made towards three particular aspects: the validity of qualitative data, subjective impressions, and descriptions of naturally occurring events (Kennedy, 1979). In addition, there are critics who claim that the use of case studies is nonrigorous and likely to be considered a non-scientific element. The concern is placed upon both internal validity that refers to the ability to interpret causality and the external validity that refers to the ability to generalise the findings (Mukhiji, 2010). In response to this, a number of case study researchers, the nonpositivists, agreed that case studies are appropriate for generalisation and the concern on external validity are less relevant. Instead, they placed emphasis upon addressing the internal validity through a single-case studies path, by submerging in the literature, adding depth, details, and richness to their narratives (Mukhiji, 2010), and by subdividing single cases into a number of observations in order to ensure the validity. With respect to richness of data, Maxwell (2004: 255) concluded, “rich data provide a test of one’s developing theories, as well as a basis of generating, developing, and supporting such theories”. Thus, the powerful depth, details, and richness in data collected help researchers to verify the data and make the theoretical interpretations in a respectful manner.

There are also other strong points why this thesis relies on the use of a single-case study. Firstly, single-case studies can potentially yield various kinds of results, each of which should be employed by the researcher who seeks to improve and analyse the collective problem solving through activities such as politics, management, production, and professional inquiry (Barzelay, 1993). In this case, it refers to the identification of the key issues (drivers and barriers) within the organisation, in which the emphasis highlights on two particular aspects of the selected organisation, organisational culture and internal operations and management. Secondly, the use of more than one case study
may generate multiple results in various aspects when the research aims to seek for comparisons between cases. However, this thesis focuses on a number of main issues, instead of generalising the entire case, this research is aimed to establish a deep understanding towards the complexity of the case. When a researcher is pointing an arrow towards a single-case study he/she takes the position that “we do not study a case primarily to understand other cases. Our first obligation is to understand this one case” (Stake, 1995: 4). Therefore, the use of multiple-case studies dilutes the overall analysis of this thesis; the more cases individuals undertake, the less depth will be obtained from a single case (Yin, 2003). Lastly, Barzelar (1993) suggested that the use of a scheme to classify the research results is rooted in the studies itself of what social scientists do, how people engage a well exploration and investigation towards what should be done to solve the collective problems in order to reach the final goal, and how to convey the accessibility of knowledge can be implied to others.

4.2.3.2 Justifications of other alternatives

Having considered among other research strategies which may appear to be possible alternatives for this research, namely ethnography, action research, and grounded theory, it is worth noting the reasons why these alternatives were not chosen as an appropriate means to assist this thesis purposes. The summary of the reasons why the possible alternatives of the research strategies available are not being a selective choice is illustrated in table 4.1.

<table>
<thead>
<tr>
<th>Research strategies</th>
<th>Disadvantages</th>
</tr>
</thead>
</table>
| Ethnography           | • Require a close distance and relationships between the researcher and participants.  
|                       | • Time consuming and usually require a long term study.  
|                       | • Restriction of research time frame.  
|                       | • The data source is external to the place and time of study.                                                                                                                                 |
| Action research       | • Lack of the ability to obtain a reasonable amount of power and authority to drive the outcome of the case company.  
|                       | • Require a high level of involvement between the researcher and the case company.  
|                       | • Limited research time frame.                                                                                                                                 |

Table 4.1 Disadvantages of other research strategies
To begin with *ethnography*, according to Brewer (2006), ethnography is regarded as a useful method which promotes the exploration of the social meanings of people in the setting in which to have close involvement in the field falls to be a requirement the ethnography inherit. As a research method, ethnography is appropriate when the researcher aims to provide information systems with rich data to reflect the human, social, and organisational aspects of information systems development and application (Avison and Myers, 1995; Myers 1997). In the organisational research, ethnography is appropriate when the research places an emphasis on one of the three categories: to focus on occupational careers and identities as mechanisms by which organisations maintain themselves; managerial control in organisations; and practical reasoning in bureaucratic and formal organisational setting. However, in light of this research, there are also some disadvantages that distort ethnography from being the selective choice. From a methodological stance, ethnographic research is considered as one of the most in-depth research methods, whereas it also requires the researcher to present at the research site for a long time in order to observe what the people within the setting are doing and what they say they are doing. Similarly, the method itself requires a close distance and relationships between the researcher and participants and is often cumbersome and considered time-consuming. Due to the restriction of time frame of the data collection period, it is almost impossible for the researcher to gather sufficient data when the data source (Thailand) is external to the place (UK) and time of study; thus, this issue makes a major disadvantage for this research.

Secondly, *action research* has become increasingly well known among management research researchers and practitioners as an adopted paradigm to justify the validity of a range of research outcomes. According to Eden and Huxham (1996:75), the most common theme that stands out to most users is a result from “an involvement with members of an organisation over a manner which is of genuine concern to them”. However, such intervention requires ‘one-offs’ and the concept has often been criticised for its lack of repeatability, leading to lack of rigour. Further, from the common viewpoints towards the quality of research outcome, such actions require one major
distinction the researcher and participants need to obtain is to get actively involved in the action processes. This goes in line with the work of Shah et al. (2007) that in every stage of outcome results, e.g. change, in an organisation undertaken action research as an approach, a significant notion is that the researcher needs a considerable amount of power and authority to drive changes in an organisation. However, if the research is not in a position where changes cannot be implemented and when there is lack of a considerable amount of time to investigate the change position, it is likely to develop invalid results. As a reflection, Eden and Huxham (1996:75) agree that these specific requirements are countered by the argument that “the involvement with practitioners over things which actually matter to them provides a richness of insight which could not be gained in other ways. In addition, additional support is made by Elden and Levin (1991) who argue that action research should be constructed in such a way of empowering participants.

Ironically, from suggestions derived from previous researches, it can be seen that there would be major disadvantages for this research. This is due to the researcher’s inability to obtain a reasonable amount of power and authority to drive the outcome of the action, such as changes and criteria in a chosen organisation, it is hardly possible to ensure the validity and quality of the research as well as the outcomes at the end. That, however, is to ensure the high quality outcome, Eden and Huxham (1996:76) stress through an incident given the everyday concerns of managers (participants), “it would be unreasonable to expect them to be motivated by the criteria which must be applied to judging high-quality research outcomes”. Apart from a high level of involvement, a limited time frame is also another important notion for this research to consider. Further, the levels of participant responsiveness involved with the plans and process is poor. Lastly, Clark (1972) states the concept of action research from social science strands that in comparison with other approaches, the others are considered pure basic in which they is concerned with theoretical problems, basic objectives which takes a general practical problem, evaluation which reflects the performance aspect while trying to apply the solutions to solve a problem with the use of appropriate knowledge, and this is what this research follows.

Finally, Glaser and Strauss first developed grounded theory and Strauss in 1967 based on the study in sociological research. Their studies placed an emphasis on verifying existing classic theories, while the research was conducted by generating new theories
that hardly existed. In other words, grounded theory is a type of theory generated from the field data collected. Looking at the grounded theory in organisational research, according to Lansisalmi et al. (2006:243) the grounded theory falls into two main categories: The first study focuses on generating new hypotheses around a specific theme (for example, Lansisalmi et al., 2006) and the second study is aimed at revealing social processes producing a certain phenomenon (for example, Carrero et al., 2000). In addition, the grounded theory is useful when the research area is at the early stage and little is known about the phenomenon as well as when the previous researches tend to be insufficient (Creswell, 2007). In this sense, the grounded theory offers a pathway to conduct a particular research. By its nature, the grounded theory is based heavily on “pure knowledge” which can be derived from various types of data, to generate results and outcomes for analysis. Moreover, there is a need to ensure that the amount of collected data is enough and sufficient to drive the research effectively. Creswell (2007) adds that the final result derived from the grounded theory can be accomplished in several manners, namely a narrative statement, a visual picture, or a series of hypotheses or propositions. However, it is worth noting the pitfalls of this approach as a research methodology and how the grounded theory does not make the best match for this research. Referring to the content of the concept of the grounded theory and how it is being used. Apart from how the research areas of this study are not at the early stages and when the considerable amount of knowledge can be obtained from previous researches, there are two major constraints that limit the use of the grounded theory. First, is the matter of restrictions of research time and second is the participants’ responsiveness and collaboration involved in the high volume of data collection process, leading to the possibility of obtaining an insufficient set of data in the research process and final outcomes.

4.2.4 Research operationalisation

To achieve the research objectives set, the practical requirement of this thesis is to undertake an in-depth field research within a limited time frame. The thesis is associated with the airline industry, in which Star Alliance, one of the world’s leading airline alliance, has been chosen to study and analyse what benefits Star Alliance brings to its alliance members. Thai Airways is the key actor of this thesis in which an in-depth study will be taken upon the company’s organisational culture that reflects internal operations and their management patterns as well as how well the company
views strategic alliances as their survival kit, and what are their key problems in adopting them that prevent the company to gain the maximum benefits derived from the alliance.

The focus of what to be analysed was guided by the content of the Competing Values Framework (CVF), an adopted conceptual framework, together with the concept of Critical Success Factors, explained earlier in previous chapter.

4.2.4.1 Units of analysis

The units of analysis of this thesis are divided into two criterions: the general case and the special case. Even though it is clearly stated that this research employs a single-case study as a methodological strategy, however, the general case mentioned here is considered as the first step that underpins to the analysis of the special case due to the fact that both the general and special case are linked to one another. The general case is Star Alliance and the special case is Thai Airways International (as a member of the Star Alliance). The analysis upon the general case will be presented at a superficial level while an in-depth analysis will particularly highlight the special case. In the general case, this study attempts to study and explain the background of Star Alliance as a whole and to elaborate what the alliance has done for its alliance members as proof to confirm that seeking an alliance is a competitive tool to survive in the highly competitive markets and the instability of the world’s situations.

In the special case, an in-depth study and analysis will be taken with an attempt to identify what are the key issues that distort participant airlines from gaining the maximum benefits from the alliances. The key elements to be discussed were delivered from two concepts - the Competing Values Framework adopted from Quinn et al. (2007) and Zammuto and Krakower (1991) and the Critical Success Factors adopted from Rockart (1986). Each of the concept has its own key elements to be emphasise in which those key elements will take a role as the main guideline to the findings and the discussion of this thesis. As for the Competing Values Framework, the eight key elements to be focused on are (1) organisation’s domain characteristics (2) organisational leadership style (3) management of employees (4) organisation glue/cohesion (5) strategic emphases (6) criteria of success (7) internal process and (8) organisational reward.
4.2.4.2 Sampling frame and case selection

In the world’s airline industry, there are three major airline alliances – Oneworld, SkyTeam and Star Alliance. The latter is the one to be emphasised as a gateway to further analysis. In order to conduct a case study, the sampling frame is presented in this section. The first airline alliance group is called Oneworld. Oneworld Management Company was founded in 1999 by five leading airlines: American Airlines, British Airways, Canadian Airlines, Cathay Pacific, and Qantas Airways. The company is based in Vancouver, British Columbia, Canada. As an alliance, Oneworld consists of eleven members.

Figure 4.2 The world’s three airline alliances

<table>
<thead>
<tr>
<th>Oneworld</th>
<th>SkyTeam</th>
<th>Star Alliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Airlines, British Airways, Cathay Pacific, Finnair, Iberia, JAL, Japan Airlines, LAN, Malev Hungarian Airlines, Mexicana, Qantas, and Royal Jordanian Airlines</td>
<td>Aeroflot, Aero Mexico, Air France, KLM, Alitalia, China Southern, Czech Airlines, Delta, Korean Air, Air Europe*, and Kenya Airways*</td>
<td>Adria Airways, AEGEAN, Air Canada, Air China, Air New Zealand, ANA, Asiana Airlines, Austrian, Blue 1, BMI, Brussels Airlines, Continental Airlines, Croatia Airlines, Egypt Air, LOT Polish Airlines, Lufthansa, Scandinavian Airlines, Shanghai Airlines, Singapore Airlines, South African Airways, Spanair, SWISS, TAM, TAP Portugal, THAI, Turkish Airlines, United, and US Airways</td>
</tr>
<tr>
<td>(11 members)</td>
<td>(9 members and 2 associated airlines) (* indicates as associate members)</td>
<td>(28 members)</td>
</tr>
</tbody>
</table>

Source: Author, web sites of each alliance group

The second airline alliance group is called SkyTeam. SkyTeam is regarded as the latest alliance group which was founded in 1999 by a mutual agreement between Air France and Delta Air Lines. The alliance consists of nine members and two associated members. The main objective of SkyTeam is to stay small and concentrate on offering high quality of services to meet the customer’s sophisticated demands. The last airline alliance group is called Star Alliance. Star Alliance is regarded as the largest airline alliance group. The alliance was founded in 1997 involving the five founding airlines: Air Canada, Lufthansa, Scandinavian Airlines, Thai Airways International, and United Airlines. The headquarters of the alliance is located in Frankfurt, Germany. At present, Star Alliance consists of twenty-eight alliance members across the continent.
Among the three airline alliances, Star Alliance is the sampling frame of this thesis. With an attempt to investigate the key issues (drivers and barriers) of an alliance member involved with the effects of adopting strategic alliances, Thai Airways International is taken as the scope the investigation and analysis. The site of investigation was in Bangkok, Thailand. As mentioned in the previous section regarding the general and special case, the details of both Star Alliance and Thai Airways International will be presented later in this chapter.

Subsequently, when the activities to the identification of CSFs were undertaken to carry out the answer to research question two, the process of CSFs identification appeared to be more specific. From the critical success factors spectrums, following the work of Caralli (2004), the process of CSFs identification breaks down into five basic activities, see figure 4.3.

**Figure 4.3 Five basic activities to the identification of CSFs**

![Diagram of five basic activities to the identification of CSFs]

Source: Author, from Caralli (2004)

The first activity for CSFs identification is to define the scope of CSF activity, in which it consists of two requirements. For the first requirement, this thesis takes both organisational and operational unit CSFs, however, the emphasis will be placed upon the operational unit CSFs. The second requirement is to select a participant and for this case, Thai Airways International is the selected participant for organisational CSFs activities and with respect to Star Alliance, the two selected participants for the operational units CSFs are the following divisions: Alliance & Loyalty Management.
and Human Resources and General Management, both divisions are under the Airline Business department of Thai Airways International.

4.3 Data collection: Interviews and documentation
This section aims to give an introduction to the interview methods as well as a process of conducting interviews in the field study under a limited time frame of approximately twelve months. As presented in table 4.2, in total, 34 interviews from 34 participants have been conducted during the field study in Bangkok, Thailand.

Table 4.2 Data collection: the participants and interview sessions

<table>
<thead>
<tr>
<th>Interview data</th>
<th>No. of participants</th>
<th>No. of interviews</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company background</td>
<td>7</td>
<td>7</td>
<td>Approximately 1 hour</td>
</tr>
<tr>
<td>Diagnosing organisational culture</td>
<td>17</td>
<td>17</td>
<td>Approximately 2-3 hours</td>
</tr>
<tr>
<td>Critical success factors</td>
<td>12</td>
<td>12</td>
<td>Approximately 1-2 hours</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>34</strong></td>
<td><strong>34</strong></td>
<td></td>
</tr>
</tbody>
</table>

4.3.1 Interview method

In qualitative research, the interview method remains the most common method used by the researchers in their data collection process, in which the method can be employed in various forms (King, 2005a). According to King (2005a) and Kvale (1983) a qualitative research interview can be described as “an interview, whose purpose is to gather descriptions of the life-world of the interview with respect to interpretation of the meaning of the described phenomena”. In addition, this research aims to perceive the research topic through the perspective of the participants and to understand how, why, and what are the reasons behind those perspectives derived from the particular participants, in which it goes in line with McNamara (1999) that qualitative interview is very useful for discovering the actual story behind a participant’s experiences because it allows the researcher to obtain in-depth information around the topic.

In order to accomplish the thesis’s objective, this research took Kvale’s suggestion on what characteristics a qualitative interview should have and that is “a low degree of
structure imposed by the interviewer; a preponderance of open questions; and a focus on ‘specific situations and action sequences in the world of interviewee’ rather than abstractions and general opinions” (1983:176).

Furthermore, Nigel King (2005a) suggested that there are four main types of interviews – depth, exploratory, semi-structured, and un-structured. However, all qualitative interviews share certain common characteristics. This research relies heavily on in-depth interviews and exploratory, while the semi-structure interviews have also been engaged with the use of open-ended questions.

In this research, the main techniques used to collect the field data was face-to-face interviews while both domestic and international telephone interviews were also undertaken as a supplement tool. With an attempt to explore such complex phenomena of the case, Manson (2002) suggested that talking and interacting to the individuals who have direct experiences in any specific situation tends to convey to the path where rich information is presented. Such information can be derived from the meanings which the interviewees attach to the particular situations (Easterby-Smith et al., 1991). Further, Boyce and Neale (2006:3) suggested that in-depth interviewing is “a qualitative research technique that involves conducting intensive individual interviews with a small number of respondents to explore their perspectives on a particular idea, programme, or situation”. Thus, employing the interview method enables the researcher to provide data and understanding from the key participants involved in the case as well as the results of analysis.

4.3.1.1 Data saturation: sampling and study population

As a qualitative research, this research is considered as a field oriented in nature; therefore, a nonprobabilistic, *purposive sampling approach* was engaged. According to Guest et al. (2006:59), “purposive samples are the most commonly used form of nonprobabilistic sampling, and their size typically relies on the concept of ‘saturation’, or the point at which no new information or themes are observed in the data”. However, when the concept of saturation is involved, Guest et al. (2006) further explained that “although the idea of saturation is helpful at the conceptual level, it provides little practical guidance for estimating sample sizes, prior to data collection, necessary for conducting quality research”. Similarly, Morse (1995:147) also agreed that “saturation
is the key to excellent qualitative work”, but at the same time the guiding materials such as published guidance or tests of adequacy for estimating an effective sample size required to achieve the stage of data saturation appeared to be limited.

Based on the data set obtained from the field study, this research found that the point of saturation occurred within twenty-eight to thirty interviews, although the total number of interviews was presented at thirty-four interviews. Moreover, in the process of the selection of the key participants, this research purposively selected the key actors based on their roles as a qualitative participant and how the key actors could potentially contribute the meaningful data and information to address the research questions.

It is worth noting that due to the nature and characteristics as well as the research questions set, this research is heavily reliant on an in-depth interview from a small number of participants who are able to supply sufficient amounts of rich and meaningful data in contributing to the effective outcome analysis. Typically, according to Boyce and Neale (2006:3), “in-depth interviewing is a qualitative research technique that involves conducting intensive individual interviews with a small number of respondents to explore their perspectives on a particular idea, programme, or situation. Thus, interviews are often used to provide context to other data (such as outcome data), offering a more complete picture of what happened in the programme and why”. As for this thesis, the objective in data collection is primarily focused on the amount of sufficient collective data derived from the key identified participants involved, leading to the derivation of valid outcomes to address the research questions.

Furthermore, all the informants involved in the interview method of this research are those who hold high ranking positions in the company, i.e. executive management team. The reason behind the selection of key informants is mainly derived from the nature and characteristics, and the scope of investigation, in which the information and collective data required for this research needs to be from the managerial and strategic perspectives that can provide both causes and effects of each problem the company is challenged with, e.g. the company’s economic performance and operational unit’s success and failure. Further, from an ethical consideration stance, the key participants involved in the interview sessions requested their names to be anonymous for their job security purpose. In addition, a snowball sampling strategy was engaged for further recommendation to other informants in other positions who fit the inclusion criteria for the investigation.
The key actors and their roles as a qualitative participant

Through the interview method, four main types of informants are involved. The first type of informant takes the role of explaining the relationship between Thai Airways and Star Alliance in terms of business integration, strategies, and management. The second type are those informants who supplies information regarding the difficulties and advantages in adopting strategic alliances and how they adapt such strategies to local employees and management processes. The third type refers to informants who are concerned about organisational culture, in which the information derived from this type of informant is mainly based on the human resource management perspectives. The final type of informant relates to informants who are associated with both organisational culture and the company’s internal integration.

Utilising the interview method

As mentioned in the previous sections, this thesis purely takes the qualitative approach when there are suggestions from previous researches that in order to ensure the validity of the gathered data, a need to employ a quantitative approach is essential. Apart from the rationale behind this research, each research is designed and customised specifically for a set of research objectives according to the different researchers. Some may be effective to employ a single approach while some do better when engaged with more than one approach. Therefore, this thesis takes the adventurous points of how the interview methods can utilise itself to compensate what this thesis would have if a quantitative approach was adopted, i.e. questionnaires and surveys. Firstly, when the key participants are high-status interviewees, it tends to be inappropriate to use the help of both questionnaires and survey techniques. Secondly, seeking for other more appropriate alternatives, this research employs the use of structured interviews to ensure the validity of data in such a way that all the information needed is put in a systematic manner. However, the researcher is well aware of how the irrelevant data may exist during the course of the interview. Therefore, to prevent such cautions, trying to minimise the impact of inter-personal processes during the interview process was strictly followed (King, 2004). Finally, through the use of structured interviews, a tight environment was created. Nonetheless, the researcher has also prepared another set of interview in the form of a semi-structured interview to gather more information, in which it allowed the informants to reveal their opinions and expressions towards a
certain aspect related to what this research is looking for. Therefore, the key feature of the qualitative interview method is to obtain a good balance between the nature of the relationship between the interviewer and interviewee. In addition, despite the duration of each interview session being fairly limited, there was still sufficient time for both researcher and the key informants to spend together and gain sufficient and necessary information.

4.3.1.1 Structured interview

In using the structured interview, the preparation of the interview questions was controlled and guided through a set of predetermined questions. In particular, this thesis takes the questions involving the eight key elements derived from the adoption of the Competing Values Framework. Therefore, the structured interviews taken for this thesis was accomplished through the aspects of (1) organisation’s domain characteristics (2) organisational leadership style (3) management of employees (4) organisation glue/cohesion (5) strategic emphases (6) Criteria of success (7) internal process and (8) organisational reward. With respect to the structured interview, it tailored the data collection process in such a way that it allows the researcher to examine the level of understanding of the informants while also acting as a powerful tool to formulate a formative assessment. Moreover, the technique helps create a room for standardisation where all the informants contribute their perspectives through the same set of questions. Lastly, the data gathered from the structured interview provides a reliable source of data. One important notion for this thesis in particular is that the use of structured interviews is regarded as one of the quantitative forms of data with a specific characteristic of being very straightforward; this thesis takes structured interview as a complimentary tool to compensate what the thesis may have missed from the use of questionnaires and survey methods.

4.3.1.2 Semi-structured interview

This thesis relies heavily on in-depth and semi-structured interviews. With semi-structure interviews, it brings about the opportunity for the interviewees to include additional issues that they might be of interest and is related to the thesis’s findings. The core interview questions are presented in Appendix 2 and 3. By undertaking the semi-structured interview, this thesis benefits from how the technique allows problems
to be raised and finding new ways to explore new matters, as one interviewee will offer different perspectives when a certain element is revealed (Collis and Hussey, 2003). Lastly, this research agreed to fully adopt the use of the semi-structured interview method because the research questions set for this research are considered to be either complex or open-ended (Saunders et al., 2009). Thus, the adoption of the semi-structured interview is appropriate as it is indispensable when sensitive issues are involved, and necessary when there is a need to comprehend the foundation of the participant’s attitudes (Easterby-Smith et al., 1991).

4.3.2 The interviewing process – the fieldwork (preparation and procedures)

All interview techniques used in this research were conducted in Thai language. All the interview sessions were conducted in Thailand under a limited time frame of twelve months.

4.3.2.1 Pre-interview preparations

Prior to the field study, some interview questions were prepared as a guideline to the data collection process. Once the field study started, some new issues were raised leading to the need to amend new interview questions in order to be able to collect sufficient data from the informants. The interview appointments were made by posting official emails and interview packages including an interview guide, to the key interviewees asking for interviews and through personal connections with high-ranking participants in the selected company. Taking suggestions from King and Horrocks (2010), it is a good practice to ask the participant’s preference when dealing with the interview location. Once the interviewees responded to the request, both time and interview location was identified according to the convenience of the interviewees. Then a set of interview questions are sent through e-mail approximately 4 weeks before the interview session and another follow-up e-mail will be sent separately one week prior to the interview date for a final confirmation. At the same time, the follow-up process allows the researcher to ensure that the interviewees are fully available for the interview sessions. In turn, some additional documents can be requested and there is also an opportunity for the interviewee to answer the questions derived from the interview questions they are not familiar with.
4.3.2.2 Interview questions and materials

To address the answers for the two research questions, there will be a reliance on three set of interview questions. Each set of interview questions has a unique characteristic to serve and construct the efficient data each research questions. The three set of interview questions used during the field study are:

1. “Getting to know Thai Airways” is presented in appendix 2.
2. “Diagnosing organisational culture” is presented in appendix 3.

The first set of interview questions, “Getting to know Thai Airways” was used to conduct the interview sessions engaged with the managerial and the senior levels who are able to take a role of explaining the relationship between Thai Airways and Star Alliance in terms of business integration, strategies, and management at Thai Airways. This set of interview question seeks to provide the background of the case company in different relevant aspects which are the aspects of:

- The management, developments and strategies
- Thai Airways as a member of Star Alliance
- Organisational culture at Thai Airways
- Human resources management
- Fast-moving technology and past crisis circumstances
- Thai political and Thai Airways
- Visions and opinions

The second set of interview questions, “Diagnosing organisational culture”, was mainly used to diagnose the perceived organisational culture of the case company. This set of interview questions consist of two main sections, whereas each part also has its own duty to conduct a specific type of data. The first section is a set of fixed-choice questions, Organisational Culture Assessment Instrument (OCAI), which adopted from Quinn and Cameron (2006). Once the first section was successfully carried out, the second section was then followed. The second section is an open-ended question. Based on the content of the OCAI, the open-ended interview questions were designed and constructed by the researcher, in which the participants were asked to elaborate and explain the reasons behind each answer they have made in the fixed-choice questions section. Subsequently, the combination of both the fixed-choice and open-ended
questions allowed the researcher to gather the rich data to answer the research question in a systematic manner, whereas it also enabled the researcher to explore the rationale behind fixed-choice answers made by the participants.

The third set of interview questions, “Critical success factors”, was mainly used to perform the “CSFs activity”, in which it was where the identification of the CSFs for Thai Airways was undertaken. This set of interview questions is an open-ended question involving seven questions which was adopted from the original work of Rockart (1981). By constructing a semi-structured interview, both participants and researcher were able to interact effectively to one another, allowing the researcher to collect the efficient data as well as the other relevant materials concerning the failure and success of the organisation. The details of the CSFs interviews will be explained later in section 4.3.3.

Apart from the three set of interview questions employed during the interview sessions, a MP3 voice recorder and a notebook were used to ensure that all the points covered in the interviews were taken. Since all the interview sessions were conducted in Thai language, the use of a MP3 voice recorder allowed the researcher to translate and organise the data in a systematic manner, while the interview notes were also very beneficial when analyse the data in the form of thematic grouping.

4.3.2.3 Conducting the interviews

At the start of the interview, as suggested by King (2005a), a discussion regarding confidentiality was performed and permission for recording the interviews was asked. In order to avoid technical problems, two voice recorders were used and note-taking on key points was initiated. This thesis comprises of ten in-depth semi-structured interviews, in which nine of them are face-to-face interviews and one telephone (overseas) interview. After the interview session, ‘thank you’ letters (see appendix 9) were sent out along with a short report of the interviews to ask for a final verification and full authorisation to use all the data presented in the short report.

As mentioned above, all interview sessions were conducted in Thai language, hence there was great difficulty to transcribe and translate all the gathered data into English in order to compile a final report summary.
4.3.3 Critical Success Factors Interviews

Once the scope of CSF activity has been identified, the second activity in CSFs identification is data collection. There are four steps in activity two, see figure 4.4.

Figure 4.4 CSFs identification activities – data collection

Performing a document review

This step is considered a very effective means to be focused in order to gain a more understanding of the focus and directions of an organisation or operational unit (Caralli, 2004). As for this research, the organisation’s document reviews obtained are derived from the following:

- Documented mission and vision of the organisation
- Documented goals and objectives for the current year (as of 2010)
- Organisational and operational unit short-term and long-term strategic plan
- Company shareholders annual report stating company’s performance reviews, including facts and figures (as of 2010)

Preparing interview questions

This thesis takes a series of questions from the original works of Rockart in Rockart’s Primer on CSFs (1986) and is presented in Appendix 4. However, a need to tailor and
customise the set of interview questions to fit well with the organisation’s norms and culture is crucial. Therefore, this thesis combines both the original series of questions and the one created by the researcher together to generate the most appropriate and considered effective one for the CSFs analysis.

**CSFs interviewing**

The three major areas of CSFs interview suggested by Rockart (1981) are objectives of the interview, pre-interview preparation, and interview procedure. The objectives of each CSFs interview session are to make sure that the four main objectives are successfully carried out. The four main objectives are:

- To obtain a clear understanding towards the participant’s organisation and/or the operational unit he/she operates in, the organisation’s mission as well as the participant’s role of responsibilities.
- To understand the main goals and objectives of the participant.
- To extract the CSFs and measures from the participant’s point of views.
- In the case when the participant is confronting the CSFs interview for the first time, to ensure that he/she is fully understood the proposed interview activities as well as to assist the participant in better comprehending the participant’s own information needs.
- To ensure that the interviewees understand that their input is confidential.

Secondly, emphasis must also be given to the pre-interview preparation because it does not only provide the researcher the pre-knowledge, but also the confidence of the knowledge it will bring (Rockart and Bullen, 1986). In particular, the pre-interview preparation was undertaken through the following:

- To conduct a self-study on the knowledge of the industry such as industry’s competitive forces, trends, and environment, the current threats and problems, and the key players in the industry.
- To study the company to be interviewed.
- In the case when the interview is to be either conducted in other languages or to be engaged outside the country, i.e. all interview sessions of this thesis were conducted in Thailand, to study the country’s norms and behaviour of the locals is considered useful for both pre and post interviews.
The interview procedure of the process of CSFs identification was undertaken based on the combination of Rockart’s (Rockart, 1981) guidance and the researcher’s field experience with the selected case company. The summary of the nine interview procedures is as follows:

- State the purpose of the interview.
- Clarify the interviewee’s view of the organisation or operational unit’s mission.
- Clarify the interviewee’s view and opinions of his/her role in the organisation or operational unit.
- Discuss the interviewee’s main goals and objectives set.
- Ask the prepared series of questions to elicit the CSF data.
- At the end of the interview sessions, summarise the interview by reviewing back the important points where appropriate.
- Ask for priority.
- Determine measure
- Ask permission to reserve the right to follow up and get information of interview notes as well as other “promised to supply” documents if necessary.

4.3.4 Lessons learned

Apart from the great opportunity in gaining valuable pieces of information through the selected methodological strategies, there are both expected and unexpected issues that the researcher should be prepared to handle and address the problems that lie ahead. Thus, it is worth noting that the data collection process took approximately twelve months because:

1. Difficulties in making appointments and accessing the interviewees who are in the top position of the organisations.

2. Negotiations in accessing to relevant data of the organisation, in which they are only able and willing to reveal during the discussion, but not in the writing report.

3. Negotiations on how the research can release the data gathered from the interview by not making it difficult for the interviewees when they have commented on negative points towards their own organisation.
4. The possible avoidance from interviewees to provide any relevant piece of information and/or the answers to the right questions.

5. The possible rejection of the appointment made in advance due to circumstances when the interviewees are having other priorities to deal with.

6. The long period of time the researcher has to wait for the interviewee to prepare and send other documents requested, while frequent following up such matters is considered rude to the country’s culture.

7. Between the year 2007-2010, Thailand was having a great difficulty dealing with the country’s political instability, causing a dramatic lost to the country as a whole. In particular, the direct impacts fall to the airline and tourism industry as well as the people. As a consequence, last minute appointment cancellations from interviewees are likely to occur when tragic events such as civil unrest takes place, i.e. airport closed and last minute flight cancellations.

Complimentary to the data collection from interviewing, secondary data was gathered from web sites, annual reports, stakeholder reports, investor reports and presentation, diaries, trade media, and administrative and public records.

4.4 Data analysis

A challenge of qualitative interview data analysis is how a researcher utilises the collected data in such a way that it transforms data collected into one clear picture that reflects the entire thesis. This thesis used template analysis as a tool in the data analysis process. One main reason why template analysis is used is because in comparison to other techniques available, the technique itself is more flexible with fewer specified procedures in which it allows the researcher to tailor and customise it to match with their own sophisticated requirements (King, 2005b).

By using template analysis, the term ‘template’ is a production of a process called ‘coding’, in which the coding represents themes that emerges from textual data (King, 2005b). According to Ryan and Bernard (2000: 780), coding is considered as the heart and soul of the whole-text analysis, in which coding typically forces the researcher to make judgements about the meaning of blocks of texts. Following King, the template is usually organised in a way that it represents the relationships between activity
statements and themes, in which the researchers define the themes and the most common coding system is a hierarchical structure. Hierarchical coding enables the researcher to analyse the textual data at various levels. For instance, according to King (2005b: 258), “broad higher-order codes can give a good overview of the general direction of the interview, while detailed lower-order codes allow for very fine distinctions to be made, both within and between cases”.

The preparation of the textual data is accomplished through four main steps: defining codes, creating the initial template, revising the template, and obtaining the final template. Until the creation of the final template arrives, one of the most difficult decisions to make is when a template is considered to be ‘good enough’. Therefore, following King, the complication could become easier when a researcher makes a confident judgement at the point when it reaches the stage of stopping the development of the template. As a solo researcher, a consultation with the supervisor helped determined whether the final template would be sufficient and clear to serve the objectives of the research (King, 2005b).

Lastly, the NVivo software was used in this research. One of the key features of NVivo software is that it has powerful tools to help the researcher examine possible relationships among themes. Furthermore, the use of software in the analysis process helped the researcher to organise the interview transcriptions as well as to generate codes linked to the information before performing the analysis.

### 4.4.1 Data analysis from Critical Success Factors spectrums

For the identification of CSFs, the data analysis process consists of three main activities in which each activity has its own steps to follow.
As presented in figure 4.5, the three main activities for CSFs data analysis are analyse data, derived CSFs, and analyse CSFs.

**Analyse data**

Firstly, the analysing data activity consists of three primary steps: develop activity statement, place activity statement into affinity groupings, and develop summary themes. According to Caralli (2004:65), the author defines activity statements as “statements that are harvested from interview notes and documents that reflect what manager do or believe they and the organization should be doing to ensure success”. They collectively describe the operational goals, objectives, and activities performed by managers throughout the organization or in the operational unit that supports the existence and/or attainment of a CSF”. Thus, the development of activity statements is a vehicle used to transform raw data collected into a consistent and manageable form that can be further used to derive CSFs. Furthermore, in this case, the creation of activity statements was created from two main sources – the organisation’s document review and interview notes. By using document review, data derived from the company’s mission statements, goals, and objectives are very useful as they present the statements of intention which reflects and characterises what is important to the organisation. On the other hand, to obtain activity statements from the interview notes
is a more difficult task due to the reason that it requires interpretation and could perhaps create bias when performing the analysis. Therefore, the main area to be noticed is to ensure that the researcher is able to capture the highest level of the participant’s responsiveness over the questions and then transform them into an activity statement.

Secondly, the validity of the identified CSFs tend to be more representative when they are gleaned from raw data collected by the researcher, rather than directly pointing questions to the participant to identify their CSFs. Therefore, affinity grouping of activity statements is a tool to gather and summarise the core thoughts and concepts of participants, in which it contributes to the areas that need to be paid attention to. Furthermore, there are many existing techniques to be selected for affinity grouping activities. However, the extent to which a formal technique is appropriate is dependent on the degree of precision required (Caralli, 2004). In particular, this thesis is modified and takes a simplified but believed to be an effective approach to perform affinity grouping. The four major steps of affinity grouping for this thesis are the following:

1. Point out the origin of each activity statement – for which the researcher could track back to the documents or interview notes once the activity statement was created.

2. Perform each activity statement individually – the importance of affinity grouping is to create recognisable links between similar data elements by using core content, intention, or meaning derived from activity statement as the main source of decision criteria. Thus, each activity statement should be considered individually prior placing them into an affinity group.

3. Stabilise the groupings – once all activity statements are put into groups, each group should be examined to determine if subgroups are well emerged and should be elicited.

4. Address the left over activity statements – the left over activity statements that could not put into groups should be re-examined. Some may form a new group and some may need to discard.

Lastly, the final step in the analysing data process is the development of supporting themes. By doing so, the outcomes of this step represent a group of activity statements in which it will be used as a foundation to the identification of CSFs. The main objective of this step is to point out the significant concepts that represent the activity statements in each grouping.
**Derive CSFs**

For the deriving CSFs process, this thesis used the supporting themes as a guide and lets the supporting themes do their work. See figure 4.6.

**Figure 4.6 Example of deriving CSFs from supporting themes**

![Diagram of deriving CSFs from supporting themes]

Source: Author, from Caralli (2004)

**Analysing CSFs**

This thesis takes four primary steps in analysing CSFs based on the importance of affinity analysis. According to Caralli (2004:85), affinity analysis is “at the foundation of why the CSF method can be so powerful. In a simple way, comparing any organization criteria to the organization’s CSFs can expose gaps and problems and provide insight into why the organization is failing to accomplish its mission”.

The first step is to carefully determine which comparison criteria to gather by considering the objectives for undertaking the analysis process to determine which data to collect and compare. The second step is to develop a comparison matrix once the comparison criteria are successfully established. In particular, this research engaged the use of Microsoft spreadsheet to develop a matrix for CSFs analysis. The third step is to
determine the intersections between the derived CSFs and the chosen criteria. This step is considered a difficult task when undertaken but it helps the researcher to better analyse the relationships between one CSF to another. The final step is to analyse the relationships between the CSFs and chosen criteria to verify the entire CSFs identification process.

In conclusion to the research methodology, upon the consideration in using qualitative case studies, there is always room for questions involving validity. Therefore, through a number of different tools including the application of a single-case study, an in-depth interview analysis, and respondent validation, the research would suggest that the conclusions of this research is valid and trustworthy.

The next section will provide an overview of the airline alliance sectors and the introduction to the case will be presented.

4.5 An overview of airline alliance sector

This section aims to draw an overview of the airline alliance sector which relates to the discussion and analysis parts of this thesis. Nowadays, the world consists of three major airline alliances, which are Oneworld, SkyTeam, and Star Alliance. The emphasis of this thesis will be placed upon the latter relating to the analysis chapters, while a general overview for the first two will also be presented.

4.5.1 Oneworld

In 1999, Oneworld was founded by five leading airlines: American Airlines, British Airways, Canadian Airlines, Cathay Pacific, and Qantas Airways. Today, the, Oneworld management company’s headquarter is located in Vancouver, British Columbia, Canada. In 2010, Oneworld consists of 11 airline members (see figure 4.1). The primary aim of the alliance is to provide benefits to both customers and carriers with services and instil value that no airline can achieve on its own. Oneworld promises to stay ahead in innovation to improve customer services and satisfaction. Moreover, Oneworld is regarded as one of the strongest alliance with collective profitability record.
With the effects derived from the changing world, there are a number of reasons for the emergence of alliances. According to Oneworld (2010), they are:

- With customer’s needs and demand, they are willing to travel to more places easily with greater value. With the effects from government restriction and business, the level of difficulties to serve such demands increased, causing the airlines’ less ability to serve all these markets by themselves.
- With respect to cost reduction particularly in the recent financial crisis period for the airline industry, working together as a team creates more substantial efficiencies.
- The formation of alliances helps boost airlines’ revenues and is likely to be able to maintain more routes and frequencies and for growth, airline members help one another feeding passengers through their networks.
- Individual passengers and corporate passengers are becoming more price sensitive and paying more attention to customer’s benefits. Through the alliance, airline members increase the ability to serve suitable products and services to achieve customer satisfaction.
- The increasing in difficulties for airlines to maintain their global market share forces the airlines to ally to one of the global groupings.

Furthermore, Oneworld enables its airline members to have more ability to offer services beyond what an individual airline can provide on its own or to bilaterally join with other airline partners. Oneworld focuses on giving benefits to customers in terms of global coverage, better value, more rewards and recognition, frequent flyer programme, lounges accessibility, convenience transfer flights, and superior quality. In addition, Oneworld’s unrivalled international network strategy allows the alliance to offer the most convenient ways for travellers to reach more places by spreading out their networks to the four corners of the earth – from Adelaide to Zurich, and from Argentina to Zimbabwe.

Lastly, in 2010, the alliance is serving altogether approximately 900 destinations in nearly 150 countries. In 2009, the total number of passengers carried by Oneworld was more than 340 million passengers. The alliance operates with combined fleets at totalling 2,500 aircrafts. In terms of daily flights offered, Oneworld accounts for 9,500 flights a day in both departure and arrival flights and generates annual revenues of approximately US$90 million.
4.5.2 SkyTeam

The formation of SkyTeam begun in 1999 among the four founding members: Aeromexico, Air France, Delta Airlines, and Korean Air. The headquarters of the SkyTeam airline alliance management is located in Schiphol, Netherlands. At present, SkyTeam consists of 9 member airlines and 2 associate members as indicated in figure 4.1. One key objective of the alliance is to stay small and highly concentrate on quality of services.

According to SkyTeam (2010), their promises to the alliance members are:

- To strengthen brand recognition while concentrating on network expansion in order to offer more destinations to customers.
- To share knowledge among members through collaboration where the members benefits from knowledge-sharing in terms of best practices and particularly on safety, customer services, and operation efficiencies.
- To increase their members’ network through alliance partnerships such as code-sharing agreement and the ability to offer additional destinations, including new products and services.
- To reduce costs by doing joint synergies through co-locations, in which they refer it in terms of shared space or terminal as well as other facilities.

One significant infrastructure-related advantage allows Skyteam and its airline members to enjoy its domain position at Charles de Gaulle Airport in Paris where it is regarded as the largest hub in Europe, in which it has possibilities for further expansion. As a result, the members of SkyTeam do not suffer from major congestion problems, unlike what is happening at London Heathrow Airport or other tight hub locations.

Similarly, SkyTeam promises to bring more benefits to customers. The five important aspects SkyTeam values are access to a comprehensive global network, products and services, airport facilities, consistent services, and earning frequent flyer miles. Lastly, SkyTeam covers 898 destinations in 169 countries by offering approximately 13,000 daily flights. Lastly, the alliance’s total number of passengers is 384 million annual passengers.
4.5.3 Star Alliance

Star Alliance is a network of carrier companies founded in 1997. The five stars symbol emblem represents the founding members, namely Air Canada, Lufthansa, Scandinavian Airlines, Thai Airways International, and United Airlines. Star Alliance is regarded as the world’s first and largest airline alliance consisting of 28 airline members in 2010 as presented in figure 4.1. The management team is called the Star Alliance Services Gmbh and headquartered in Frankfurt, Germany. The management team is highly international, consisting of approximately 75 employees from 25 different countries.

According to Star Alliance (2010), the mission of the alliance is “executing leadership in managing a portfolio of alliance products and services using an agreed process”. Following the mission and the main goal in making the travel experience smoother, the alliance members are offering more flights to different destinations than the competition while concentrating on easier travel and quicker and more convenience connections. In 2010, Star Alliance is offering over 21,200 daily flights over 181 countries. The total number of travellers per year is at the amount of 673 millions in approximate. In 2009, the total sales revenues calculated was US$156.8 billion. Lastly, the alliance is operating with 4,027 aircrafts through 1,172 airports and over 990 lounges.

During the time before the formation of Star Alliance, global air travel was complex and inconvenient due to the fact that connections were uncoordinated, problematic, and considerably time-consuming. Benefits such as frequent flyer programmes and lounge access were still beyond individual airline offerings. The alliance brings a number of significant benefits to its airline members through the initiation of shared facilities, better communication, mobile services, special fares, network expansion, and code-sharing. In terms of cost advantages, the airline members enjoy the joint purchasing of materials and equipment scheme, consolidation of accounts as well as joint computer network.

Furthermore, Star Alliance gives rights to airline members to make independent decisions about routes, prices, services as well as incentive programmes. Also, there are certain activities that are coordinated through the decisions made by the alliance management team consisting of representatives from all partner airlines (Holtbrugge, 2004). In addition, from time to time, Star Alliance will introduce coordination
instruments such as the alliance’s computer network called StarNet, in which it allows all partner airlines to connect to one another through online systems and obtain a real-time access to systems operated and run by other partners, i.e. flight status, reservations, and frequent flyer programme.

Lastly, with respect to the industry’s highly competitive environment, scholars such as Kleymann and Seristö (2004) and Holtbrugge (2004) believed that competition tends to take place at the cluster levels, not at a firm level. Holtbrugge (2004) argued that although the 28 airlines are the members of Star Alliance, the members to a certain extent still remain competitors. The next section will give an introduction to Thai Airways International, the selected company, leading to the doorway to the analysis chapters.

4.6 An introduction to the case study company

The selected case study for this thesis is Thai Airways International Public Company Limited, hereafter called Thai Airways. This section will provide by way of introduction some background information of the company.

4.6.1 Thai Airways International Public Company Limited

Thai Airways International was founded in 1960 as a joint venture between Thailand’s domestic airline called Thai Airways Company (TAC) and Scandinavian Airline System (SAS), with the Scandinavian carrier initially providing a 30% share capital of 2 million Baht (Thai Airways, 2010). Seventeen years later, the capital participant partnership between Thai Airways and SAS was reformed by which the Thai government reduced SAS’s share holding from 30% to 15% (Thai Airways, 2010) and that allowed Thai Airways to be owned by Thai people.

Thai Airways is regarded as the national carrier of the Kingdom of Thailand, serving domestic, regional, and international flights radiating from its home base in Bangkok. In 2005, the company paid up share capital accounting for 16,988,765,500 Baht, where the Ministry of Finance and, the Thai Government, owned 53.77% of its share. At the end of September 2004, the consolidated total asset value of Thai Airways amounted to
193,211 million Baht, in which the record has shown that Thai Airways has continuously achieved profitability over the past forty years. However, the amount of shares directly held by the Ministry of Finance has been reduced to 51% by which 68% was indirectly owned by the Royal Thai Government (THAI Investor Relations Department, 2010) as presented in figure 4.7.

Figure 4.7 THAI’s capital shareholders (as of 2010)

Source: Author, THAI’s Investor Relations Department (2010)

As of September 2009, Thai Airways has seven subsidiary and associated companies, as shown in table 4.3.

Table 4.3 THAI’s subsidiary and associated companies (as of September 2009)

<table>
<thead>
<tr>
<th>Name of company</th>
<th>% Holding</th>
<th>Business type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thai-Amadeus Southeast Asia Co., Ltd.</td>
<td>55%</td>
<td>Reservation service</td>
</tr>
<tr>
<td>Donmuang International Airport Hotel Co., Ltd.</td>
<td>40%</td>
<td>Hotel</td>
</tr>
<tr>
<td>Nok Air Co., Ltd.</td>
<td>39%</td>
<td>Low cost flight service</td>
</tr>
<tr>
<td>Suvarnabhumi Airport Hotel Co., Ltd.</td>
<td>30%</td>
<td>Hotel and services</td>
</tr>
<tr>
<td>Phuket Air Catering Co., Ltd.</td>
<td>30%</td>
<td>Catering service</td>
</tr>
<tr>
<td>Royal Orchid Hotel (Thailand) Plc.</td>
<td>24%&amp;</td>
<td>Hotel</td>
</tr>
<tr>
<td>Bangkok Aviation Fuel Services Plc.</td>
<td>23%</td>
<td>Fuel service</td>
</tr>
</tbody>
</table>

Source: Author, THAI’s Investor Relations Department (2010)
Thai Airways carries a vision of “the first choice carrier with touches of Thai” (Thai Airways, 2010). According to Thai Airways, the company is committed to follow the company’s mandates as follows:

- To offer domestic and international air travel and related services that are safe, convenient, and of quality to ensure customer satisfaction and trust.
- To be committed to international standards of management efficiency, transparency, and integrity, and to achieve satisfactory operating results in order to maximise benefits for our shareholders.
- To create a suitable working environment and offer appropriate salaries and wages as an incentive for staff to learn and work to the fullest of their potential and to take pride in their contribution to the company’s success.
- To be socially responsible, as the national carrier.

As of 2010, the number of destinations served by Thai Airways covering four continents is accounted by 10 destinations for domestic and 61 destinations for international services. The total number of aircraft amounts to 91 aircrafts as shown in table 4.4, by aircraft types and the specifications.

<table>
<thead>
<tr>
<th>Aircraft type</th>
<th>No. of aircraft</th>
<th>No. of seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boeing 747-400</td>
<td>18</td>
<td>389/375</td>
</tr>
<tr>
<td>Boeing 777-300</td>
<td>6</td>
<td>364</td>
</tr>
<tr>
<td>Boeing 777-200</td>
<td>8</td>
<td>309</td>
</tr>
<tr>
<td>Boeing 777-200 ER</td>
<td>6</td>
<td>292</td>
</tr>
<tr>
<td>Boeing 737-400</td>
<td>9</td>
<td>150</td>
</tr>
<tr>
<td>Airbus A 330-300</td>
<td>15</td>
<td>305/299</td>
</tr>
<tr>
<td>Airbus A 340-600</td>
<td>6</td>
<td>267</td>
</tr>
<tr>
<td>Airbus A 300-600</td>
<td>17</td>
<td>261/247/206</td>
</tr>
<tr>
<td>Airbus A 340-500</td>
<td>4</td>
<td>215</td>
</tr>
<tr>
<td>ATR72</td>
<td>2</td>
<td>66</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>91</strong></td>
<td><strong>26,035</strong></td>
</tr>
</tbody>
</table>

Source: Author, THAI’s Investor Relations Department (2010)

Thai Airways serves a total number of, 346 domestic flights and 543 international flights per week. The monthly passengers carried by Thai Airways is approximately 1.54 million. Finally, as of March 2010, the company is operated by 26,943 staffs by which 12,527 accounts for the core staffs. The summary of facts and figures are summarised in table 4.5.
Table 4.5 THAI’s facts and figures

<table>
<thead>
<tr>
<th>Destinations</th>
<th>Domestic: 10</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>International: 61</td>
</tr>
<tr>
<td>Continents</td>
<td>4</td>
</tr>
<tr>
<td>Total aircrafts</td>
<td>91</td>
</tr>
<tr>
<td>Flight frequency per week</td>
<td>Domestic routes: 346</td>
</tr>
<tr>
<td></td>
<td>International routes: 543</td>
</tr>
<tr>
<td>Monthly passenger carried</td>
<td>1.54 million in approximate</td>
</tr>
<tr>
<td>Staff count</td>
<td>26,943</td>
</tr>
<tr>
<td>Core staff</td>
<td>12,527</td>
</tr>
</tbody>
</table>

Source: Author, THAI’s Investor Relations Department (2010)

4.6.2 Thai Airways and Star Alliance

The three main reasons propelling Thai Airways to become a member of Star Alliance was due to changes in the world economy, other airline alliances in operation, and changes in passenger demand. For instance, with respect to the term ‘globalisation’, countries around the world became economically interlinked in which it appears that each of them, more or less, depends on one another. In the airline industry, both demand for air travel and cargo has been dramatically increased, leading such demands to spread and cover more destinations around the world resulting in the development and expansion of the transportation market across the world. In response to such developments, Star Alliance was established to respond to such demands while placing a focus in facilitating the needs of air travellers through the establishment of extensive route net of the six airline alliances.

Secondly, with the effects derived from how the world became more globalised, many countries around the world were forced to implement free trade policy, privatisation, an open market as well as an open sky policy for air travel. As a consequence, fierce competition in the commercial airline business between one country and another occurred. The carriers were seeking for an alliance in order to survive in such competitive markets as well as to obtain their superior positions in their dominant markets; while the benefits offered by the alliances such as cost synergies, joint purchasing, and joint reservations, were highly attractive. Finally, during the time before Star Alliance was formed, an extensive research into customer expectations and demand in air travel took by member airlines showed that in the era of news and information technology, people travel more frequently while the choice of alternative means of transport was also increasing. Customers became more sophisticated towards
a preference of a hassle-free and simplified journey that offers global coverage. Therefore, Star Alliance was formed with an aim to enable the carriers to meet such demands, in which would be hardly possible to achieve by oneself. Star Alliance promised its alliance partners through the creation of flexible schedules and easier connections, reduced change of terminals, through check-in, lounge access worldwide, worldwide recognition status, and integrated frequent flyer programmes (Thai Airways, 2010).

With the reasons discussed above, these are the significant external factors that forced Thai Airways towards entering into a strategic global alliance (Thai Airways, 2010). Thai Airways joined a network of carriers as one of the founding members of Star Alliance in May 1997. Through the years of being a Star Alliance member airline, Thai Airways benefitted in terms of: (1) increased airline competitiveness (2) increased global network coverage (3) support Bangkok as the aviation hub (4) create global image for Thai Airways and (5) increased efficiency of airline resources.

However, there are a number of ongoing benefits Star Alliance provides for its airline members. Ironically, not all members are able to obtain all the benefits the alliance has in store. Due to a number of reasons, both internal and external factors play an important role that influence an airline’s ability to obtain the maximum benefits from the alliance. This thesis is here to examine what are the internal factors, in particularly through organisational culture and internal operations, and other external factors that appear to distort or restrict Thai Airways’ ability to obtain maximum benefits from Star Alliance. The details of discussion and analysis will be presented in the next chapter.

4.7 Concluding remarks

This chapter has put together the research method that was adopted for this study. In particular, the justifications towards other alternatives have been made based on what would be called the best and most appropriate tools to employ in the research process. However, the researcher’s main objective was to explore and shed light on the research topic and the research questions set, as a means of identifying the critical success factors for Thai Airways to obtain the alliance’s maximum benefits while being small, as well as encouraging further research into the area.
Research methods

The presentation illustrated in table 4.6 reflects the summary of the research questions, key investigation areas, source of data supporting the research questions and chapters for results and discussion.

Table 4.6 Summary of research questions and thesis relevance

<table>
<thead>
<tr>
<th>Research question</th>
<th>Main scope of investigation</th>
<th>Main source of data</th>
<th>Use of case studies</th>
<th>Chapter finding</th>
</tr>
</thead>
<tbody>
<tr>
<td>What are the key issues derived from organisational culture preventing the ability for THAI to obtain the alliance’s maximum benefits?</td>
<td>- Organisational culture causes &amp; effects derived from organisational culture</td>
<td>- Thai Airways International</td>
<td>Explore - identify</td>
<td>Chapter 5 ‘Diagnosing organisational culture’</td>
</tr>
<tr>
<td>What are the critical success factors for THAI to obtain maximum benefits from Star Alliance?</td>
<td>- Corporate/Enterprise CSFs - Organisational unit CSFs</td>
<td>- Thai Airways International - Department of Alliance and Loyalty Management - Department of Human Resources and General Management</td>
<td>Identify - Implement</td>
<td>Chapter 6 ‘Critical Success Factors’</td>
</tr>
</tbody>
</table>

Source: Author

Operationalisation of research findings

The attendance of the research findings is presented in a thematic form. The first theme represents the first research question covering the area of organisational culture spectrum, while the second theme represents the second research question covering the area of critical success factors spectrum. Each theme will be constructed through the use of the conceptual framework and methodological steps as guided in chapter three as well as this chapter itself. In particular, the evidence from the case study is described to present and reflect what is obtained from the fieldwork, in which will transform into a resultant outcome at the end. It is worth noting that the two themes are connected and share a strong relationship to form a thesis. The first theme explores and diagnoses the problems and issues derived from the organisational culture that prevents the ability for the selected company to gain the alliance’s maximum benefits. In accordance with the second theme, the identification of critical success factors is constructed to eliminate the problems and issues affecting the airline’s ability to obtain the alliance’s maximum benefits while being small. The following two chapters present the two themes respectively, before the formulation of the conclusions chapter.
CHAPTER 5
DIAGNOSING ORGANISATIONAL CULTURE

This chapter is associated with research question one, which is concerned with diagnosing the organisational culture of the case company, Thai Airways International. Also, it offers the presentation of the empirical findings report derived from the analysis of qualitative data obtained from the in-depth interviews and organisation document reviews and other relevant sources. The content and structure of this chapter is presented in the form of results and discussion manner.

In diagnosing organisational culture, with respect to restriction on research time frame, the five main objectives to be accomplished are:

• To identify cultural profile for Thai Airways International.
• To investigate the perceived cultural situation of the case company.
• To examine the relationship from the executive point of view between culture, values, and organisational overall performance.
• To analyse and identify the key issues and problems derived from organisational culture and how they affect working with Star Alliance.
• To observe other factors which may be raised as lessons learned from this research.
This chapter is comprised of five sections. Section 5.1 presents an initial framework used as a tool in diagnosing organisational culture and the identification of organisational cultural profile. Section 5.2 reflects the actual picture of how the organisation perceives the relationship between the importance of organisational culture, values, and performance. Section 5.3 addresses the key issues and problems derived from organisational culture and how each factor affects the organisation’s overall performance and effectiveness as well as the work of the alliance in terms of alliance integration and collaboration. Section 5.4 presents the lessons learned upon the discovery of other influential cultural factors. The final section 5.5 offers the concluding remarks where the summary of key issues is developed to address the research question.

### 5.1 Diagnosing THAI’s organisational culture: An initial framework

In using the Competing Values Framework (CVF) as a tool to diagnose the major issues and problems derived from organisational culture, the data collected focuses primarily on the eight key aspects of the case company believed to formulate a sufficient depiction to draw an actual picture reflecting the organisational culture at Thai Airways International as well as to identify the key issues and problems derived from organisational culture affecting the ability for an airline carrier to obtain the maximum benefits from the alliance. The findings in this section are reported principally in light of this set of issues, involving the following eight key aspects:
1. Organisation’s domain characteristics
2. Organisational leadership style
3. Management of employees
4. Organisational glue/cohesion
5. Strategic emphases
6. Criteria of success
7. Internal process
8. Organisational reward

**Source of data (field study)**

In identifying the organisational cultural profile for Thai Airways, 17 participants were involved. In approximate, the interview sessions were lasted between 2-3 hours. Each interview session consisted of two main interviewing activities – fixed-choice questions and open-ended questions.

The first activity was concentrated on the a set of fix-choice questions called Organisational Culture Assessment Instrument (OCAI), in which a particular set of questions presented in appendix 3 was used. The participants were asked to choose among the four alternatives to indicate the most appropriate choice to describe their organisation. The first six aspects were originally adopted from the Organisational Culture Assessment Instrument (OCAI) by Cameron and Quinn (2006), where as the seventh aspect, internal process, was the item added by the researcher. An important notion to be made upon the seventh aspect is that the item is considered complex, thus it is not to be included in the fixed-choice questions where the answer tends to be narrowed in one particular choice. The last aspect, organisational reward, was adopted from Jingjit (2008) as the item is indicated that it is one of the essential elements to be engaged in organisational studies in Thailand.

Once the answers to the fixed-choice questions were successfully carried out, the researcher preceded the interview procedure to the next activity by using another set of questions which was constructed in the form of open-ended questions (see appendix 3). In order to gain a rich and insightful data reflecting the eight key aspects mentioned above, the participants were asked to give in-depth details to explain, describe, and elaborate their organisation in the light of the eight key aspects.
The participants’ responses

Since the interview sessions were conducted in Thai language, the participants’ responses have been translated from Thai to English are designated by quotes based on the four main groups of informants mentioned in chapter four, under the section 4.3.1. To recall the four main groups of informants of this research, the types of informants are presented in table below.

**Table 5.1 Four main groups of informants**

<table>
<thead>
<tr>
<th>Group No.</th>
<th>The role of informants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group 1 (G1)</td>
<td>The informants who took a role of explaining the relationship between Thai Airways and Star Alliance in terms of business integration, strategies and management.</td>
</tr>
<tr>
<td>Group 2 (G2)</td>
<td>The informants who supplied information regarding the difficulties and advantages in adopting strategic alliances and how they adapt such strategies to local employees and management processes.</td>
</tr>
<tr>
<td>Group 3 (G3)</td>
<td>The informants who have a strong relationship towards their organisational culture. In particular, the information supplied by this group of informants were from human resources management perspectives.</td>
</tr>
<tr>
<td>Group 4 (G4)</td>
<td>The informants who are associated with both organisational culture and the company’s internal integration.</td>
</tr>
</tbody>
</table>

An important notion to be made is that this research aimed to conduct both positive (success) and negative (obstacles and failures) sides of the case company, in which the rate of participants’ responsiveness was considerably high. All respondents’ names and job positions have been left out with an aim to ensure anonymity. Therefore, the quotes
of participants presented in this thesis denoted by the group number of the participants as illustrated in table 5.1.

5.1.1 Identifying an organisational culture profile

Based on the results derived from the engagement of Organisational Culture Assessment Instrument (OCAI), the organisation’s culture profile has been developed. Fundamentally, the results obtained from the use of OCAI (fix-choice questions) in the data collection process is derived from the 17 core interviewees who are in the executive (managerial and strategic levels) positions within the identified sampling unit, followed by using the open-ended sections through in-depth semi-structured interviews. Within the scope of the eight key aspects to identify the organisational culture profile, all respondents were asked to explain and elaborate each key aspect, whereas their personal perspectives and perceptions, where a sense of encouragement for the organisation to improve and to promote changes were included. The result derived from the set of the fixed choice questions were plotted and is presented in figure 5.2.

**Figure 5.2** THAI’s organisational culture profile

As illustrated in figure 5.2, the results showed that Thai Airways International is dominated by the hierarchy culture. Reflecting the actual picture of how Thai Airways International is dominated by this type of culture, the actual organisational culture
profile is defined and explained respectively through the line of the eight key aspects mentioned above.

Next, the following sections are the presentation of the results and discussion, in which the results were obtained from the open-ended questions, reflecting the items conceived from the thematic groupings of the eight key aspects covered in the interview sessions.

**Organisation’s domain characteristics**

Being dominated by a hierarchy culture, the domain characteristics of Thai Airways are considered to be a very controlled and structured workplace. For over ten years, Thai Airways has gone through privatisation in the form of a limited company; however, the majority of the shareholders belong to the Ministry of Finance and the Ministry of Transport and Communications. Thus, Thai Airways has a perceived image and reputation as a state enterprise which appears to still retain a significant number of the traditional ways in dealing with matters, despite the organisation nowadays being highly involved and associated with international job activities, i.e. among other partner airlines and the Star Alliance, while also having a hint of a strong influence of Thai government through an instillation of formal rules, procedures, and traditions.

A significant number of the respondents agreed that the organisation was characterised by bureaucratic culture attributes which appeared to be highly hierarchical and functional, where the majority also appear to perceive that regulations and procedures are the elements for all organisation members to strictly follow, whereas the organisational norms also play a significant role to instil a sense of ‘Thainess’ and ‘Thai spirit’ through their long established traditions. On the other hand, the organisation is coloured by a hierarchy with a strong control over information management and internal communications. Further, the organisation’s rules and procedures also act as a propeller in communicating and bonding the people together as well as to govern how the organisation is functioned.

The practice towards the organisation’s formal rules and procedures underlined the assumption that formal policies that have been long established were the ingredients to ensure a sense of job security, stability and control, rather than flexibility. However, the formal set of rules and procedures is usually encompassed with various obligatory states
that require a significant amount of time in order to complete each work process or to get a job done. This feature is illustrated from the thematic grouping derived from the interview data employing the open-ended section included in the semi-structured interviews:

“The organisation is full of formal rules and procedures to follow. It is important to strictly follow such practices in order to ensure job security and to get along with the culture, even though they slow down the work progress.” (G1-7, G4-10)

**Organisational leadership style**

Thai Airways is being characterised and governed in a very hierarchical and structured working environment, the organisation is typically acquainted with rigid chains of command and lines of authority, in which it is considered to be complex, leading to longer procedures for authorisation or to get a job done. Moreover, the organisational architecture of Thai Airways is considered centralised, hence, the internal operation systems and procedures within the organisation is driven by top-down management. Therefore, the organisational leadership style is characterised by the features of mentoring, facilitating, and nurturing, while there is an obligation to ensure that the rules and procedures are strictly followed. This feature is illustrated from the thematic grouping derived from the majority of the respondents as:

“The employees are happy with leadership style in the organisation. Having a line manager who is potentially direct and give instructions on how to make things right and to facilitate and nurture in time of difficulties. It makes them feel secured, even though the work progress is getting slow than the way it should be.” (G1-3, G3-8)

In addition, with effects of Thai culture on leadership style, Thai managers are able to find a relative mix of specified characteristics to which at one end, leadership styles is concurrent with traditional values in terms of being helpful, close, warm, harmonise, and supportive, and at the other end, with emergent urban values in terms of hard work, discipline, and self-indulgence.

However, there is a sign where a significant gap occurred between the organisations’ managerial and strategic levels of managers and the operational employees. Just like other large organisations, due to multiple red tapes, such as excessive formal regulations that are considered bureaucratic preventing action and/or slow decision-making. However, such preventions tend to be accepted by the employees as they take it as an organisational norm. This particular viewpoint is illustrated by a statement given by the respondents in the interview sessions:
“Because the organisation is relatively large, there are a lot of excessive rules and procedures to take. However, there is nothing we can do because this is like the organisational norm. If we don’t follow such rules, a lot of people will be in trouble.” (G3-14)

Nevertheless, routine prominent tasks tend to focus on decision-making followed by formal procedures from top management downwards. For instance, once the decision on a particular project has been approved, leaders will be assigned and will later delegate their orders while being concerned with getting the right people through the chain of commands and line of authority in the organisation.

**Management of employees**

With their very own organisational structure and domain characteristics of the organisation, the management of employees are split into two main types. The first type of employee management can be characterised by the terms teamwork, consensus, and participation. The second type of employee management places emphasis on security of employment, conformity, predictability, and stability in relationship. The practice and chain of command is considered to be a rigid regulatory top-down approach whereby the final decision making process is made at high levels before delegating down through the operations staff through the organisation’s chain of command in the organisational hierarchy.

Moreover, the organisation is dominated by two main types of employees from different levels of responsibility and management, leading to different sets of areas of concern in an individual’s viewpoint. The characteristics of the first type of employees are those who enjoy working under a bureaucratic, controlled and structured management. The majority of this type of employees can be found from the first-level managers to the operation employees. This is the path when they are being assigned day-to-day work or a job that needs a short time to accomplish and does not require professional skills. Therefore, many aspects of traditional ways of management practices still exist in the organisation, they pay extra attention to their security of employment, conformity, and stability in relationships. This is illustrated by the following statement:

“We are not the group that drives the organisation; rather we are making the organisation run by our job description, individual responsibility and the assigned day-to-day activities. Apart from having a lot of rules and procedures to follow, what makes us secure is the security of employment, conformity, predictability, and stability in relationships.” (G3-7)
The second type of employees are in high ranking positions, which range from senior executives to middle-level managers. These individuals are not directly associated with the day-to-day activities of middle-level management or the operational employees; rather they set the goals and objectives and seek for the best way to drive the company to achieve them. Therefore, these individuals perform and practice their tasks through the importance of teamwork, consensus, and participation. This is illustrated by the following statement:

“In order to drive the organisation effectively or to accomplish the organisation’s goals and objectives, teamwork is very important while the sense of consensus and participation are to be put into practices. However, there are a number of our employees who are still happy with the traditional style of management, leading things hard to change and improve.” (G2-12, G4-5)

All in all, with the sense of multiple layers of red tape and bureaucracy, the organisation is still driven by policies, formal rules and procedures that each individual in all levels of management in the organisation should put into practice.

**Organisation glue/cohesion**

From the interview data obtained during the fieldwork, it can be concluded that the cohering elements that hold the organisation together are formal rules and policies, that it is the only national or flag carrier, and the presence of high levels of loyalty and mutual trust which is highly involved in bringing people together. First, as a state enterprise, formal rules and policies are regarded as the major factors that fundamentally attach all employees together in terms of a means to unblock any difficulties in the organisation’s internal process and operations. The first result from the thematic grouping is illustrated by:

“We all believe that the major advantage of having formal rules and policies for people to follow is that it helps the organisation to run and operate smoothly and systematically.” (G3-9)

Second, each individual in the organisation is typically in charge for certain tasks or jobs that have been delegated to the completion of a collective function of the organisation, either through a single or multiple chains of command. As a result, the chains of command is simply reflected at the level of managerial controls resulting from the fact that the employees are connected to one another because they are usually under the control and supervision of several bosses. This feature is indicated by:
“Most of the times we get to know our colleagues better when we work and get controlled by the same supervisors.” (G4-8)

Lastly, as a national carrier, Thai Airways has instilled a strong sense of ‘Thainess’ and “Thai spirit” to its employees through their own cultural traditions that must be retained and at the same time, to maintain and instil the beauty of Thai culture in a Thai workplace. Through traditional workshops, organisational cultural activities, and special seminars, these are the fundamental elements that ‘glue’ the employees and bring them together in time of difficulties or celebrations. This feature is illustrated by:

“We instil both old and new employees with a strong sense of Thainess and Thai spirit to ensure that every one of us carries the touch of Thai and that effectively binds us together in terms of collaboration and relationships in the workplace.” (G3-1,2,9)

**Strategic emphases**

The results obtained in the context of strategic emphases contribute to the emphasis on human development that promotes high trust, openness, and participation. Through various stages in change and reformation in human development, there is influence from collaborations with cross-cultural environments, i.e. among alliance partners and global trends; it becomes clear that human development is a spot the organisation is intensively focused with, aiming to develop their people to work effectively and smoothly in every aspect – domestically, regionally, and globally. This feature is derived from the following descriptions:

“The need to develop our human resources in such a way that they can perform their tasks effectively and responsively with anyone and anywhere, is very essential.” (G3-2,4,15)

“Human development is very important in this organisation because we have our people to drive the organisation, therefore, they need to get along well with the stage of change for the betterment of organisation.” (G1-8, G2-14, G3-7)

In addition, according to a significant number of respondents, the research informs us that other points underpin the terms strategic emphasis of the organisation. To the operational levels, the strategic emphasis is placed in performing routine functions while having ruled conformity, issues of control and maintenance of smooth operations as their vital factors.
Criteria of success

The evidence of a hierarchy culture and how the organisation is governed and controlled has constructed the organisation’s criteria of success in three-dimensions, deriving from three aspects of management: human resources, commercial, and management aspects. Firstly, from a human resource aspect, the organisation defines success on the basis of the development of human resources, teamwork, employee commitment, and concern for people. From the senior managers’ point of view, human resources are what the organisation gives the highest value because the organisation is driven by people. They strongly believe that if they can develop their human resources into becoming the organisation’s valuable assets, other things will become easier. If everyone is willing to act rapidly to change, there will be betterment all around. This feature is illustrated by the following statements:

“The importance of the development of human resources can potentially make the organisation meet its criteria of success because if we have good people, it means we also have good internal systems.” (G3-6)

“We value our people and of what they have, the thing is we need to develop them to become what is good for the organisation even though it takes a lot of time to do it.” (G2-12, G4-3)

Secondly, the organisation also defines its criteria of success on the basis of competitive actions and achievement. At this point, especially when the company is dealing with difficult financial situations which are mainly derived from world economic crisis, the organisation is focused on hitting stretch targets and winning in marketplaces. Through workshop practices, there was evidence that the objectives of the workshop was trying to identify the organisation’s competitive edges and competitive advantage to maintain their position in the marketplace as well as to seek new strategic approaches to increase their market share.

Lastly, under a relatively tight economy, resulting from increased costs of production, i.e. fuel cost, the affects from fierce competition; therefore, the matters of cost-effectiveness and budget control are what the organisation defines as crucial ingredients in organisational success. This feature is illustrated from the executive’s point of view as:

“No matter how good or bad the financial situation of the organisation is, cost-effectiveness and budget control or cost reduction are what we should focus on because these are the factors that leads us to success.” (G1-1, G3-2)
Internal process

The internal process of a business is generally referred as the ways in which it propels the people or the employees in the organisation to carry out the activities to accomplish either short-term or long-term goals and objectives, or even the day-to-day operations. Fundamentally, at Thai Airways, the factors that belong under internal processes and procedures are objective targets and timeline, formal rules and procedures, recruitment process, and organisational policies. Moreover, there are crucial aspects that stand in operating internal processes, such as authorisation levels, delegation of authority, approved credit facility, and procurement procedures and internal control. However, through investigation of the organisation’s internal processes, evidence reflects how the organisation performs internally, in which both positive and negative results are derived. The negative results affecting the timeline of each activity and the inefficiency in the system occurs due to the following reasons:

- Being a large size organisation, there are various levels of lines of authority, leading to multiple red tape and chains of command. As a result, the process and procedures of each activity tends to be slower.
- As a hierarchical culture, formal rules and policies are the elements that lead to insufficiency in the system in terms of limited timeline.
- Once the work has been authorised and assigned to the appropriate personnel, each individual who is involved in the project were often considered to be unable to make their own decisions unless their supervisors have approved it. This is due to intensive internal audits and control systems, i.e. procurement procedures of the in-flight entertainment.
- Even if the employees in the executive positions are adopting and practicing improved ways of how they manage and is being managed, there is a significantly larger number of employees who are satisfied with the retained traditional ways of management and practices, leading to inefficiencies in the teamwork as a whole.
- In the aspect of the recruitment process, the presence of nepotism creates obstacles in terms of how the organisation could potentially obtain the right people with the right competencies and qualifications for the available positions.
Nonetheless, the recruitment process reflects the combination of word-of-mouth and standardised formal recruitment methods. Lastly, having formal rules and policies would be considered advantageous as it leads the employees into one direction, assuring them of what is right or wrong when confronted with various scenarios using long established formal rules and policies scale.

Organisational rewards

The organisational rewards of employees appear to be broken down into two core dimensions – employee’s rewards and incentives and promotional rewards. Firstly, there is a guaranteed salary base paid to all individuals, in which the amount is paid according to the individual’s position and responsibility. The organisational payroll system is offered in the form of compensation. Along with the monthly salary, the organisation also offers other welfare in terms of incentives and bonuses. At this point, the employees are satisfied with what they receive and such schemes are considered an effective mechanism that drives and motivates the employees to their satisfaction. This is illustrated by the following descriptions:

“Thai Airways treats their employees well, I believe most and perhaps all of us are happy with what we get, especially when compared with other companies.” (G1-10, G3-4)

“The employees’ incentive programme is wonderful, it does not cover only us but our immediate family.” (G3-1)

However, when looking at the promotional scheme, the formal rules and procedures tend to be problematic, restricting the opportunity for the organisation to obtain new high quality employees, or the old employees with full potential did not get promoted. Apart from the restrictions derived from the internal rules and procedures, the researcher was informed that the act and practices of nepotism is one element that discourages a number of good quality people to work with their full potential. This is illustrated by the following statements:

“We have lost a lot of high potential people because these people could not wait for the organisation’s formal rules and policies to take its step, when there are a lot of other companies out there who really want them.” (G1-1, G3-2, G4-16)

“The act and practices of nepotism is causing problems, in turn, we have lost opportunities to obtain good people.” (G3-1,2,15; G4-1,12,15).
Lastly, in light of the eight key aspects used to identify and develop the organisational cultural profile for Thai Airways International, the next section is offering a summary of Thai’s organisational cultural profile, while the identification of the key issues and problems derived from organisational culture and how they affect and restrict the ability for the organisation to obtain maximum benefits is presented in section 5.4.

5.1.2 A summary of THAI’s organisational cultural profile

A summary organisational cultural profile for Thai Airways International is presented in figure 5.3.

Figure 5.3 THAI’s organisational cultural profile

<table>
<thead>
<tr>
<th>Thai Airways International as dominated by Hierarchy culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>A very hierarchical, controlled and structured place to work where the presence of retained traditional practices influenced by Thai government is high. Formal rules and procedures govern what people do. The leadership style emphasises mentoring, facilitating, and nurturing, while the rigid chains of command and line of authority are various. The organisation is centralised and is driven by top-down management and it is where long-term concern is to maintain stability and a smooth operation. The crucial cohering element that holds the organisation together is formal rules and policies. A strong strategic emphasis is placed upon human development and performing routine functions responsively. Criteria of success are defined in terms of human resources, along with cost-effectiveness and budget control. The Internal process is reflected in areas of concern when formal rules and procedures play a dominant role and is deterring the overall work progress. Organisational reward schemes are offered in the form of salary based, along with year-end bonus, employee welfares and incentives.</td>
</tr>
</tbody>
</table>

Source: Author, analysis from interview data

Apart from the 8 key principle aspects comprising the cultural profile, another crucial ingredient that plays a dominant role in the organisation is the instillation of ‘Thainess’ and ‘Thai Spirit’ onto each individual in the organisation. As a national carrier, a strong touch of Thainess and the sense of Thai Spirit has been instilled in the hearts of their people; not only to retain what is good, but also the beauty of Thai culture which acts as one of the main ingredients that bonds the people together to become a harmonised agent for relationships among people at all levels.
5.2 The perceived importance of organisational culture

To date, all respondents have given a view towards the concept of organisational culture as a significant element in the airline industry; more or less, it helps the organisation to drive in the same directions under the same identity. This feature is illustrated from the terms such as ‘absolutely’, ‘crucial’, ‘more than ever’, and ‘very relevant’, have indicated the importance of the concept of organisational culture to this firm. However, the understanding towards the organisational culture concept appears to be problematic to a number of small groups of respondents. They perceive the concept of organisational culture in a picture of how they are being governed by rules and regulations. However, such perception towards the concept tends to defer from several definitions of culture defined by scholars (e.g. Homan, 1950; Goffman, 1959; Ouchi, 1981, Schein, 1985; Pascale & Athos, 1981).

5.2.1 Perceived importance of organisational culture concept to THAI and Airline industry

In measuring how relevant the concept of organisational culture to Thai Airways and the airline industry, the importance of organisational culture concept is perceived in multiple dimensions. Firstly, operating in a service sector where the degree of customer interface plays an important role in perceiving the image and reputation of the organisation as a whole, a relative number of respondents believed that organisational culture is a tool the airlines use to differentiate themselves from one another, or perhaps from their competitors; otherwise, all products and services offered by all airlines will be rather standardised products in which the customers could hardly differentiate.

Secondly, there were also a number of respondents who perceived the importance of organisational culture in light of competitive advantage. In the time when fierce competition exists among airline partners in an airline alliance and when the majority of the carriers are focused on cost-effectiveness and budget control, apart from the standardised products the carriers have in hand, the airlines strive to offer different products in the context of customer services is usually driven by having strong organisational culture. The respondents shared their experience that each airline carries their own brand identity as well as their competitive advantage. This feature is illustrated by:
“Although there are more than 20 airlines under Star Alliance, more or less, we still see each other as our competitors. Therefore, the importance of organisational culture is very relevant to the essence of competitive advantage for us.” (G1-1)

Thirdly, under service perspectives, a mandatory distinctive value and personality of the organisation’s staff is a point that can differentiate one airline from another. For instance, having gotten the passengers ‘on board’, there is a must to maintain the passengers’ experiences with the in-flight staffs – this would generate a sense of loyalty towards the organisation.

Another point of view presented from respondents is from the relevance of national culture and national identity. As a flag carrier, a presentation of having strong national culture is considered crucial. The respondents raised an example of Southwest Airlines or Singapore Airlines where they considered Thai Airways’ as potential competitors. Both airlines are inherited from having a strong national culture and how the airlines instil their national culture to be one’s own organisational culture. Therefore, having a Thai identity is considered another relevant importance to the firm as a whole.

All in all, although a number of interviewees placed emphasis on how relevant the importance of organisational culture is in terms of the differentiation of products and services. The majority of the respondents have put forward and strongly believed that organisational culture is one of the main ingredients for Thai Airways because their national culture is considered to be a unique culture in which the organisation has been long established with the sense of ‘Thai Touch’ which has been presented to the world, while also considering it as one of their competitive advantages that could hardly be duplicated by others.

5.2.2 Perceived THAI’s cultural situation

For over fifty years since the organisation has established, Thai Airways International has properly defined the concept of the organisational culture in the year 2007. In the past, there was no clear direction of how to put the concept of organisational culture into the company as well as how to make it tangible to the organisation’s staff. One respondent believed that the perception of the concept of organisational culture is a ‘hear-say’ tradition, in which it is what the people have done in the past generation and convey such traditions to others through acts and practices of a role model.
To date, Thai Airways International has quantified the concept of organisational culture in a tangible way and labelled it as ‘Thai Spirit’. With the sense of Thai Spirit, they dedicatedly defined the terms THAI in light of Thai Spirit as, T stands for Teamwork, H stands for Hospitality, A stands for Awakening, and I stands for Inspiration. In addition, they also promote the sense of accountability, loyalty, and trust to each of the organisation’s members. All in all, this comprises the organisational culture at Thai Airways.

In addition, the organisation pays great attention towards the practices of Thai Spirit through a significant number of employee workshops called “Culture for Value Project”. With the help of IAA Company who acts as a certified consulting company in change management and corporate alignment, they help and direct the organisation in such a way that the importance of the organisational culture is fully stretched and practiced responsively by its members. However, in order to make the concept of organisational culture become tangible and to put it into employee practices, a certain level of human development and change management is involved.

5.2.3 THAI’s culture through human development and change management

Referring to section 5.1 where emphasis is placed on human development, a reflection towards the concern in human development is that under the same organisational culture, there is a sub-culture divided within the organisation today. This is the outcome of when the organisation’s employees are from different backgrounds, leading to having different mindsets. The signs of differences have occurred when they are working together under the same roof at Thai Airways. Therefore, a need to make organisational culture explicit and tangible is essential and it can only be done effectively through the hands of professionals.

In 2009, the Culture for value project was established for the organisation’s employees to experience THAI Spirit through change management. The agenda of this project placed emphasis on six major aspects: (1) What is a culture? (2) Why do we need culture? (3) Culture change (4) Response to change (5) Paradigm shift and (6) Change culture. Towards the six aspects, the main objectives of this project is (1) to create people’s involvement in encouraging and motivating THAI spirit (2) to create tangible/authentic awareness of procedures in organisational cultural change (3) to
create acknowledgement towards the importance of THAI Spirit to a more realistic approach (4) to enrich and embrace personal and corporation with the touch of THAI Spirit.

The cultural for value project is considered as a mean to navigate THAI spirit through change management. The fundamental roles of the managers are the changes in management styles which are covered in four main practices. First, the managers must make believe and respect to others in such a way that it would create believe for the employees to ensure the positive outcomes and improvement within the organisation. Secondly, the managers must be trained how to coach and direct other employees with appropriate management styles and practices. Third, in order to dilute the sense of centralised management, the managers must learn to empower the people and give authority to manage and responsible any important tasks and obligation. Lastly, the managers must be able to direct and manage the people through the practice in “strategic thinking” way.

In conclusion, such practices undertaken by Thai Airways, together with collaboration from employees, the results reflect the improvement towards the achievement in having clear role and responsibility through the sense of mutual accountability, complementary skills, and people would give their best to perform their job; better operating process through the improvement in both decision making procedure and problem solving procedure; and effective interpersonal relationship among employees by promoting the practices through creating the act of openness, effective listening, trust, and conflict resolution. Lastly, reflecting the cultural situation at Thai Airways through the practices of human development and change management programmes would create a channel for improvement as well as the competencies and culture to achieve the organisation’s vision, goals, and long-term success.

5.2.4 Perceived relationships from executive point of views towards culture, values, and organisational performance

This section contains the perceived relationships from an executive point of view towards the two dimensions: (1) organisational culture and values and (2) organisational culture and performance
5.2.4.1 Relationship between organisational culture and values

Organisational values

Based on the work of McDonald and Gandz (1992), a set of twenty-four shared values for modern business cooperation was proposed to the executive levels during the interview sessions. The series of the proposed twenty-four shared values is presented in appendix 6. Within the frame of twenty-four shared values proposed, the respondents were asked to select what are the most appropriate ones to their organisation as well as to elaborate how each value has been implemented. From an executive point of view, seven out of twenty-four shared values were selected based on the consideration of the organisation’s actual story. The shared values representing the organisation are broad-mindedness, adaptability, cooperation, obedience, development, logic, and humour. The selected shared values together with the definitions proposed by McDonald and Gandz (1992) are presented in table 5.2

Table 5.2 Eight shared values and definitions

<table>
<thead>
<tr>
<th>Organisational’s shared values</th>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broad-mindedness</td>
<td>Accepting different viewpoints and opinions.</td>
</tr>
<tr>
<td>Adaptability</td>
<td>Being flexible and changing in response to new circumstances.</td>
</tr>
<tr>
<td>Cooperation</td>
<td>Being cooperative and working well with others.</td>
</tr>
<tr>
<td>Obedience</td>
<td>Complying with directions and conforming to rules.</td>
</tr>
<tr>
<td>Development</td>
<td>Achieving personal growth, learning and development.</td>
</tr>
<tr>
<td>Logic</td>
<td>Being rational and thinking in terms of facts and figures.</td>
</tr>
<tr>
<td>Humour</td>
<td>Creating fun and being light-hearted.</td>
</tr>
</tbody>
</table>

Source: Author, from McDonald and Gandz (1992)

The organisation has been instilled with the concept of broad-mindedness as a value for employees to adopt and there are significant signs of positive changes derived from such practices. Thai and mostly, other Asian cultures are considered to be conservative and is difficult to push through a stage of change responsively. Therefore, the executives underpinned the importance of how broad-mindedness could propel people towards accepting new things and opinions, leading to a possibility of responding to change in a realistic and rational manner.
Just like hospitality and tourism industry, the airline industry is operating under pressure from external elements, in which it is hard and impossible to predict or control. In events such as, September-11, SARS, H1N1, tsunami, and etc, being flexible and able to handle unexpected changes is very important; hence, *adaptability* is an ingredient one must have in order to respond to unexpected events responsively and professionally. In addition, the organisation is going through an era of human development as well as organisational culture reformation, adaptability is a tool each individual should obtain in order to be encourage and motivate such changes to happen.

*Cooperation* is essential when discussing the topic of organisational success. Therefore, being cooperative and able to work well with others as a team would ensure a criterion of success to the organisation – from people to people, from function to function, from Thai Airways to Star Alliance, cooperation is one of the factors the organisation values and requires each individual to appreciate.

Being very hierarchical in nature, the organisation is driven by rules and policies in which the employees must comply and follow. Apart from being able to cooperate with others effectively and to adapt to new circumstances appropriately, the organisation is managed by top-down procedures; hence, *obedience* is considered important when controlling a large number of employees in large organisations. Although wanting more freedom to work independently is common in today’s organisations, it is hard to drive the entire organisation effectively when rules and policies are left redundant.

Without exception, all respondents acknowledged that *development* is extremely crucial in today’s business. Under the concept of human development, the ability to achieve personal growth, learning and development is characteristics each individual should have as their personal assets; otherwise, there is no point to invest in people who are unable to develop oneself for betterment.

The respondents revealed that with all terms discussed above, *logic* is the lining underneath. The respondents agreed with the definition proposed by McDonald and Gandz (1992), the authors defined the term logic as being rational and thinking in terms of facts and figures. From an executive’s point of view, illustrated by the statement:

“If our employees have all the five shared values discussed above but lack in logic, they will be no different from a machine.”
Therefore, logic promotes rational thinking, rather than creative thinking. The best tool that creates good compatibility with the nature of what the organisation is doing is to have logic and that allows each individual to practice and think in a rational way.

The last shared value selected by the executives is *humour*. In everyday life, people are holding too much of excessive tensions created by factors both inside and outside the workplace. Having a sense of humour would harmonise and add more colours to the workplace. At the bottom line, the organisation is tough on principles but gentle on people. This is illustrated by the following descriptions:

“The work itself is tough enough, the key point here is to take good care of our employees, both physically and mentally.” (G3-4)

“Sense of humour creates laughter, laughter creates happiness, and happiness creates encouragement to do things properly after all.” (G3-7, G4-4)

**Importance of organisational values**

Based on the response towards the statement “Organisational values are important to Thai Airways International’s success” presented in the series of core interview questions concerning the importance of organisational values for sustaining organisation’s success. The outcome is presented in figure 5.4.

**Figure 5.4 Importance of organisational values to organisational success**

<table>
<thead>
<tr>
<th>Importance of organisational values to organisational success</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
</tr>
<tr>
<td>93%</td>
</tr>
</tbody>
</table>

Source: Author, results derived from interview data

A convincing 91% of all respondents strongly agreed on the relevant importance of organisational values to organisational success, while a relatively small number of interviewees believed that organisational values are important but there are other factors
from commercial aspects to be put to consideration when dealing with criteria of success. One rationale behind the perceived importance of organisational values to the firm is due to the fact that organisational values are easier to measure and are generally explicit, in which it can be felt in day-to-day activities.

5.2.4.2 Relationship between organisational culture and performance

In the case of relationship between organisational culture and organisation’s performance, the respondents were asked to respond to the statement “Organisational culture is important to the performance of Thai Airways” presented in the series of core interview questions concerning the importance of organisational culture to organisation’s performance. The outcome is presented in figure 5.5

Figure 5.5 Importance of organisational culture to organisation’s performance

An astonishing 74% of the respondents responded “strongly agree” to this statement, while 19% answered, “agree”. Another 7% reported ‘neutral’ due to the same reason to the first statement concerning the importance of organisational values that there are other aspects to be looked at as they obtain equivalent importance to organisational culture, e.g. financial performance. Therefore, it shows that 93% of the respondents pay great attention on the relevant importance of organisational culture as a crucial element for their organisation as well as the daily performances. On the other hand, the respondents also took account of how a well-functioning and strong organisational culture could contribute positive signs and make a difference to the organisation’s performance as a whole.
From the outcomes derived from the executives, 93% is considered a relatively high number of participants who appreciate the concept of organisational culture as a serious matter. This has created a positive sign for the organisation to pull the same direction towards the development of a unitary culture for the organisation. In addition, from the discussions made above concerning human development and change management through regular workshop projects and practices, this is considered as a point where the organisation is developing their culture and making it tangible by building awareness of culture and values upon receiving collaboration from the large majority of the organisation’s members who are willing to promote the change responsively.

5.2.5 THAI’s organisational culture, values and performance

With regards to organisational culture, values, and the organisation’s performance, one major reason why Thai Airways considers organisational culture to play a dominant role in its own organisation as well as in the industry itself is because it creates a role in strategies of differentiation that is hard to duplicate, in terms of services offered to the customers, rather than just offering common standardised products all the players in the industry have.

Another issue derived from the findings is considered important and relevant to the role of organisational culture in airline management is how a strong culture can become a competitive advantage that is hard to imitate, as long as it is strong enough to infuse the organisation (Barney, 1986). As a flag carrier, the role of national culture also plays an important role in the airline industry, particularly for relatively small airlines. According to Saele (2007), airline cultures are indifferent regardless of country of operation; hence, the national identity plays a role that differentiates one airline from another. For instance, Thailand is a country with a rich and unique culture, Thai Airways combines the right combination of strength and uniqueness of national culture they have and formed a concept of the “Touch of Thai” that has been effectively promoted throughout the world. As a result, Thai Airways is differentiated from the other airlines and its greatest advantageous is when no one can imitate what is produced from one’s own national culture. The outcome of the findings goes in line with the work of Cameron and Ettington (1988) stating that there must be the presence of strong culture in place in order for the organisation to be effective.
From the reported set of discussions presented above concerning the relationships between organisational culture and performance, this relationship appears to be difficult to prove. However, based on the findings obtained from in-depth interviews conducted, an attempt will be made to formulate some empirical evidence to prove that there is a significant impact of organisational culture to the organisation’s performance.

At the early stage when the concept of organisational culture received attention among researchers and scholars, a strong argument was made by Denison (1984) that there was relatively small evidence to prove and verify the existence of relationships between organisational culture and the link to performance. However, not long after the first argument was made, the same author, Denison had found evidence proving the importance of relationship between the two concepts in 1990. Particularly for this research, the role of organisational culture and the impacts on performance can be drawn from two main directions: from the executives’ viewpoints and the findings emerged from in-depth interviews regarding culture alignment.

To date, all the executives and senior managers strongly believe that the consequences from having a strong culture or a well-functioning culture as a catalyst paid great effect on the overall performance, regardless whether it is good or bad. This could be considered as an important step for Thai Airways to build a great culture. The results are the reflection of the progress to quantify the organisation’s actual culture through an inspiration called Thai Spirit. Taking this into further consideration, human resource management is trying to focus more on human development in such a way that the organisation is being enhanced with new tools to help facilitate and measure the employee’s performance, i.e. knowledge management, performance management, success factors, and balance scorecard. Thus, an ongoing implementation of both organisational culture reformation and human development are very essential for Thai Airways in order to be able to create tangible/authentic awareness of procedures in organisational cultural change.

However, there are a number of areas that the executives consider to be an obstacle to the process of organisational cultural change. The results from the findings indicate that there are a group of employees who appear to be slow or reluctant to change; hence, it would be hard to drive the entire organisation while having a small group of people as an obstacle. As revealed by a participant, there are two main types of challenges to change in organisational culture: external and internal challenges. According to the
senior managers, the organisation’s external challenges pinpointed the impacts of organisational culture on the business environment. In order to eliminate these external challenges derived from the impacts of organisational culture, the sense of awakening and dynamism are the keys, in which all employees need to get absorbed and put these keys into ongoing practices.

As for the internal challenges, it deals greatly with how the company could optimise what they have, i.e. human resources, to an optimum level. Since the role of organisational culture as an element in performance has been taken-for-granted, Denison (1990) pointed out that organisations with participative cultures tend to perform better than those who were not as participative. This is in line with what Thai Airways currently practices – to formulate a strong sense of awareness for the employees, it is important to note that each decision made can impact a certain degree of the entire organisation.

When the problems affecting the organisation’s performance seem to derive from the organisation’s internal processes, to effectively address the problems, one could not move a mountain alone. According to Cameron and Quinn (2006:6), “cultural change, at its root, is intimately tied to individual change. In order for the organisation to go through a significant step of cultural change, the importance of the concept of organisational culture needs to be cascaded down from top level management to each individual, and that could be considered as a significant step for furthering the human development process. One clear statement illustrated by an executive is:

“When we are pointing a finger towards something, another three fingers are pointing back at us. The finger that is pointed out to others is when we try to blame things around us and the remaining fingers that are pointed back at us is when we look at ourselves and see what went wrong.” (G1-1,2,10; G2-14)

Therefore, Thai Airways views the external challenges as a playing field while the internal challenges are treated as challenges the organisation needs to address as possible management problems, in which it has caused major impacts on overall performance, as well as working with its alliance partners.

Although the organisation has stretched and identified shared values across the organisation, the findings reported a lack of shared visions in the organisation resulting from inefficiencies in terms of employee’s practices and implementation processes. For instance, another clear statement made by one of the executives is:
The major consequence from the lack of shared visions within the company is that the employees would become less effective when there is no clear direction from the top level. Subsequently, the organisation’s overall performance and effectiveness tend to drop as the employees are lack of practices when they have to work independently.” (G3-4,5; G4-2,7).

As a consequence, this element has created signs of vulnerability towards the organisation, as identified by Kaliprasad (2006). The author suggests that in order to obtain a strong and high performance culture, certain gaps must be addressed.

Another key element emerging from the findings was a sense of commitment. The executives and senior managers strongly take into account the significance and commitment in building a new culture for the organisation. As suggested by O’Reilly (1989), commitment is crucial and is the reason why a strong culture is valuable. As a value, commitment is classified as an important value an organisation should have for organisational success (Lawrence, 1998). However, the perceived culture in Thai Airways is considered to be relatively strong but weak in terms of practices, where it is necessary that top management commits to make the organisational culture become more tangible and instil a sense of strong commitment to the employees. Results from having both of a strong culture and commitment are a sign in attaining higher levels of organisation’s performance (Chatman, 1991; Peters and Waterman, 1982). Once the right combination of shared values and organisational culture have been well established, the combination should also support the organisation’s goals and strategies, the culture could then be considered as an important asset (Wiener, 1998).

In summary, under the culture-performance link spectrum, as highlighted by Marcoulides and Heck (1993), the relationships between the two elements in this spectrum have never been straightforward issues for cultural researchers due to the fact that this relationship is considered to be hard to establish; mainly because there are a number of variables involved. Lastly, it can be concluded that the perceived organisational culture in Thai Airways plays a role in affecting the level of performance, although the concept itself is not easily identified nor established. However, there is a clear picture reflecting that the organisation has aligned and IS underpinned with strong culture and commitment from top level management; both considered important for the process of organisational culture changes and sustaining high performance.
5.3 Analysis of key issues and problems derived from THAI’s perceived organisational culture

This section offers a final critical analysis in addressing the research question concerning the identification of key issues and problems derived from organisational culture. The analytical results presented in figure 5.6 serve as an outline to be further explained in this section. Based on the results and findings obtained from the field study covering the eight key aspects through an engagement of the Competing Values Framework as a diagnosis device presented in section 5.1, the key issues and problems are mainly derived from three key aspects:

- Organisation’s domain characteristics
- Management of employees
- Internal process

Figure 5.6 Summary of organisational culture diagnosis

Source: Author
An important notion to be made is that the identified issues and problems are treated and appear to be the influential factors which dilute the organisation’s overall performance. Subsequently, it also diminishes the level of integration between Thai Airways and Star Alliance. As an alliance member, the level of success and failure highly depends on the level of collaboration and integration with the alliance. As suggested by Sawler (2000), the greater the integration, the greater the benefits.

In the context of human resource management and practices, supported by Hartog (2004), the organisation’s domain culture appears to influence both HRM policy and practices adopted by the organisation and its members. Therefore, the organisation’s domain characteristics is considered as one of the major sources creating key issues and problems for the organisation, the structure and how the organisation is being characterised tends to shape up the other aspects in the organisation, i.e. management of employees, organisational leadership style, and internal process.

Thai Airways is being characterised as a hierarchy with a bureaucratic culture, in which the organisation is considered a very controlled and structured workplace where it also appears to retain a significant number of traditional rules and policies influenced by the Thai government. The management style is considered centralised and driven by top-down management. The organisation is governed by formal rules and procedures, in which it acts as a cause of major influences to the organisations’ overall performance and effectiveness that appears to be a factor that dilutes the organisation’s ability to obtain greater benefits from Star Alliance. In this context, it conveys the need to reengineer the organisation’s management style towards self-managed teams and decentralisation as basic elements of organisational design as suggested in one of the seven practices of successful organisations proposed by Pfeffer and Veiga (1999). The authors concluded that “with the goal of creating a more intelligent organization – one which is less bureaucratic, elitist, hierarchical, and authoritarian and more communicative, participatory, and empowered. The ultimate goal is to have all team members contributing their full intelligence, creativity, and skills to continuously improving the company…” (1999:42).

At the same time, the recruitment process also appears to be a problematic aspect causing the organisation to be unable to obtain the right personnel to the right job position due to influences from nepotism and patron-client issues. Therefore, if the
organisation sees their people as one of the greatest resource (Deal and Kennedy, 1982), to ensure that they recruit the right people for the right job is a must. Taking a suggestion from Pfeffer and Veiga (1999), the selective hiring process requires four particular areas to be accomplished: (1) the organisation needs to create room where it obtains a large pool of applicants to choose from (2) the organisation must establish a clear goal about what are the most critical skills and attributes needed for the application in that certain position (3) the skills and abilities sought need to be carefully considered to align with the particular job description and requirements and (4) the organisation should screen the potential candidates based primarily on important attributes that are hard to change through training, whereas the emphasis should be placed upon the qualities that differentiate among those potential candidates in the applicant pool.

As one can see, the relationships among the identified issues and problems derive the three key aspects which appear to share a strong interlink between one another. Based on figure 5.6, the illustration of the major consequences derived from the organisational cultural profile are being summarised as follow:

1. **Being strongly influenced by Thai government** – disturbs the process of decision-making and causes project management to be slow due to a significant number of rules and procedures that need to be strictly followed.

2. **Rigid level of authorisation process** – with respects to formal rules and procedures, the presence of multiple layers of red tape and various chains of command is the result.

3. **Centralised management** – the management style is driven by top-down management, in which it creates both pros and cons on how each employee handles their own task. On one hand, the top-level management gives importance to teamwork, consensus, and participation. This creates a strong collaboration in driving the organisation to meet its goals and objectives. On the other hand, the mid-level management enjoys being in a bureaucratic, controlled and structured environment and appears to pay greater attention on security of employment, conformity, and stability in relationship. The consequences appear to occur at both organisation and individual levels. At the individual level, the effect reflects how the mid-level employees are being indecisive and lack the ability to make their own decisions on any particular task. At the organisation level, the effect leads to a minimum effort to initiate and achieve change, including organisational change, to standardise rules and procedures as well as a
further step in introducing a developmental factor in both human and career development.

4. Recruitment process – recruitment by word-of-mouth and the practice of nepotism has caused a major effect at the organisation level. This resulted in loosing the chance to obtain the right people who are full with competencies and qualifications for the particular job positions, leading strength and importance of the well-respected positions to become weak, where the overall performance will gradually drop.

In accordance with the effects on alliance collaboration, the identified issues and problems causes the decision making process for work and collaboration with Star Alliance to be slow and delayed in progress. In this case, the multi-levels of authorisation process affect the work and collaboration with the alliance in terms of a given limited timeline. For instance, Star Alliance has initiated a new product, e.g. e-ticket check-in counters, for its alliance members, a limited timeline has been set in order to ensure the process runs accordingly. Alliance members work their own way towards the decision-making process, whether to accept or decline a new product offered. As a consequence, the formal rules and procedures are the factors that effectively control the decision-making process by going through levels of authorisation from top management; however this causes a delay in progress, leading to a possible withdrawal from a particular project.

Another major effect on the alliance collaboration specifically falls upon the alliance activity in terms of efficiency in airline resources. Being operated in a marketplace where fierce competition exists, no matter of what sizes the firms are, airlines around the world are paying great attention on controlling costs and reducing expenses. In joining an alliance, airlines obtain more alternatives in terms of cost reduction than being operated by oneself. Within the same alliance family such as OneWorld, SkyTeam, and Star Alliance, the collaboration with an alliance allows its member airlines to share resources through joint sales and reservation offices, joint airport facilities, and joint purchase. In particular, joint purchasing brings about an increase in bargaining power when purchasing spare parts and outside services as well as the development of hardware and software systems to enhance passenger services (Thai Airways, 2009). In the case of Thai Airways, the decrease in efficiency of airline resources occur due to the organisation’s internal difficulties in authorising the projects
through rigid chains of command and multiple layers of red tape where the presence of favouritism plays its role. As a result, the airline is missing out in opportunities to gain more buying power through joint purchasing with other member airlines, causing an increase in costs of purchasing, i.e. in-flight accessories such as blankets and stereo headphone.

The consequences subsequently highlight the decreased level of airline integration, leading to the inability to obtain the greater benefits lined ahead. In general, when Star Alliance is launching a new project or a product to its member alliances, each project launched has a set of minimum requirements in which any participating airline members need to obtain. Therefore, due to the inefficiencies in management systems, long decision making process, and the lack of teamwork and collaboration, the organisation is unable to meet minimum requirements and eventually results in the possibility of rejection in a project and not participating with the alliance and losing out in obtaining alliance benefits.

Lastly, with regards to alliance success, the empirical results obtained above confirm the standpoint of both Kurt Salmon Associates (1993) and Whipple and Frankel (2000:22) that “the largest barrier to alliance success is organisational (e.g. culture and reengineering the business process) rather than technical or financial.” Thus, to enhance the ability for Thai Airways, the greatest cost falls on the development in its people in which it is considered an ongoing and is a long-term process.

All in all, the issues and barriers derived from the practices in organisational culture are the causes that affect the organisation’s performance and effectiveness as well as the work with alliance collaboration. There are other factors that have been put forward as the major sources of difficulties that tend to pull the organisation behind, which include the lack of effective teamwork and clear directions from management in driving the entire organisation further and to meet the alliance’s minimum requirements of any particular projects and insufficiencies in financial support. These factors are the areas of concern for the organisation to be eliminated in order to mobilise the organisation forward and to obtain the alliance benefits that lie ahead. In addition to foster success in developing a strong culture, taking the suggestion of Rose et al. (2008:51) that “the employees must absorb the organisational culture at the maximum strength and the top
management should provide a precise guideline and direction to motivate the employees in achieving the company’s objectives”.

Apart from what has been discussed in this section, it is revealed by the majority of research participants, that there are a significant number of other influential cultural factors which stand outside the scope of the research but appear to be highly relevant to the identified outcomes of this research. These factors are to be put as the lessons learned and will be presented in the following section.

5.4 Lessons learned

5.4.1 Other influential cultural factors

In addition to the process of diagnosing organisational culture, which constitutes the core categories involving the eight key aspects that formulate the case company’s organisational cultural profile, the other influential culture factors the researcher found out to be another set of cultural norms which acts as the elements that interfere and distort the organisation’s overall performance and management as well as the effects on alliance integration are the presence of seniority systems and political patronage systems, involving nepotism, and favouritism.

Seniority systems

The majority of the respondents in this research put forward the significant presence of seniority systems that play an important role in the country as well as in the organisation. Many consider the seniority system as another set of cultural norms, the presence of seniority systems can be found and widely accepted in every institution in the country; starting from a family to large organisations in both public and private sectors.

At Thai Airways, seniority systems also play a significant role in affecting the entire organisation in both positive and negative ways. The organisation’s employees are typically governed by seniority levels in which it creates an impact on how the organisation is being operated. On one hand, a small number of respondents take the
concept of seniority systems from a positive side in terms of how it is considered as an integral part of the organisation and acts as a cohering element that bonds the organisation members together.

In contrast, As revealed by a number of respondents, seniority systems tend to affect the performance criteria and evaluation of each individual as well as the recruitment and selection process. The consequences from the seniority levels appear to prevent the employees from being result-oriented and at the same time, it is likely for the employees to be promoted based on seniority levels, rather than performance. This illustration goes in line with the work of Kamoche (2000) who conducted his research on managing people in Thailand and Jingjit (2008) who has undertaken her research in public sector in Thailand.

**Political patronage systems**

From the findings and results conducted through in-depth interviews, it was found that the elements of political patronage systems which is strongly encouraged by nepotism and favouritism play a significant role in the organisation. Based on the results from the organisation which is classified to be very hierarchical and strongly influenced by a public management style, the effects from patron-client systems affect the eight key aspects used to assess the organisational culture in various ways but the major affects fall directly upon the management of employees and the organisational reward system.

The presence of political patronage systems pay major affects on the aspect of management of employees in terms of career advancement. For instance, the practice of nepotism and favouritism plays its role in such a way that promotion is not considered based on performance or results, but instead also influenced by the degree of closeness and personal networks of each individual. In turn, a number of employees who practice this tends to pay great concentration upon pleasing their boss or the person in charge of the decision making process, rather than to responsively concentrate on their performance. This discourages newcomers from the performance evaluation system, which leads newcomers with high potential to resign and seek for better career opportunities elsewhere, where they can fully outshine their competencies and get promoted based on reasonable criterion.
As a consequence, the major concern falls upon the effects on organisational level. As revealed by the executives, the practice of nepotism and favouritism leads the organisation to lose a great number of highly qualified people who the organisation believe they will be able to offer high contributions towards the organisation, especially when the organisation is going through changes and when fresh blood newcomers are needed.

Lastly, with respect to the seniority systems and political patronage systems, such practices are derived as a cultural package reflecting the distinct characteristics of Thai culture in general, although it appears to influence and distort some aspects in the organisation.

5.5 Concluding remarks

This chapter diagnoses the organisational culture using the Competing Values Framework as a tool to carry out a set of empirical findings. The analysis of qualitative data and empirical investigation reveals the issues and problems derived from organisational culture into seven main points, to serve as the answers in addressing the research question:

What are the key drivers and issues derived from organisational culture affecting Thai Airways International’s overall performance and effectiveness?

Upon the organisational culture diagnosis, the seven main points derived from the three aspects of organisational cultural profile: organisation’s domain characteristics, management of employees, and internal process. The underlying seven main points proved to appear as the key issues and barrier affecting the overall performance and effectiveness of Thai Airways International are:

• The influence by government
• Hierarchical organisational structure
• Rigid levels of authorisation
• Multiple layers of red tape
• Various chains of command
• Centralised management
• Recruitment and selection process

Lastly, the analysis of qualitative data has revealed another set of influential cultural factors in which it acts as another set of cultural norms that has been widely accepted by both the private and public organisations in Thailand. The identified influential cultural factors comprised of seniority systems, patron-client, nepotism, and favouritism. These cultural concepts were not presented by the Competing Values Framework but are treated as the research’s lessons learned, whereas they deeply affect the organisation’s overall performance and the alliance integration.
CHAPTER 6
CRITICAL SUCCESS FACTORS

This chapter performs the critical success factors’ activity for Thai Airways International Public Company Limited through the guided framework adopted from Caralli (2004). Also, the chapter will aim to answer the second research question concerning the identification of critical success factors (CSFs) for Thai Airways in terms of how the company could strengthen the organisation’s overall performance and effectiveness in order to obtain maximum benefits from Star Alliance while being small.

Figure 6.1 A roadmap to chapter six

This chapter is comprised of seven sections. Section 6.1 presents an introduction to the CSF activity conducted for this research. Section 6.2 reflects the rationale behind the need for CSFs, along with the background of the perceived situation of the case company in the airline industry. Section 6.3 illustrates the positioning of the CSF activity conducted during the field study, together with the information on the scope of investigation and the participants involved in the data collection process when conducting the CSF activity. Section 6.4 presents the organisation’s mission, vision, goals and objectives as the primary concern in conducting the CSF activity as the resulting CSFs are to be aligned within the organisation’s need in achieving its mission and the strategic goals and objectives. Section 6.5 introduces the set of nine proposed
CSFs for Thai Airways. Section 6.6 offers the chapter’s results and analysis of the deriving CSFs. Lastly, section 6.7 is the concluding remarks, where a summary of the deriving CSFs is presented with a recap on the important contents of this chapter.

Source of data (field study)

A set of a report of empirical findings was mainly derived from the qualitative data obtained from twelve in-depth interviews during the field study in Bangkok, Thailand, with 12 participants who are the executives and senior managers. Using a set of interview questions (appendix 4) adopted from Rockart (1981), each interview session was lasted between 1-2 hours in approximate. As previously explained in chapter 4, the process of the identification of the CSFs involved five main steps:

1. Define scope of CSF activity (unit analysis and the selection of participants).
2. Collect data (collect and review critical documents, develop interview questions, conduct interviews, and organise collected data).
3. Analyse data (develop activity statement, arrange activity statement into groups, and develop summary themes).
4. Derive CSFs (theme groups summary, derive CSFs, and refine and combine CSFs).
5. Analyse CSFs (the relationships from the derived supporting themes).

6.1 Introduction to the CSF activity

This case study will employ the use of the CSF method at Thai Airways International. Upon the identification of key issues and problems derived from the organisational culture presented in chapter five, the set of identified key issues and problems derived serve as one of the main sources for CSF activity, in which it pinpoints the problematic areas for Thai Airways to stretch more concern on such areas where it causes significant impacts to organisation’s overall performance and effectiveness as well as preventing the organisation from being able to enjoy the alliance’s full benefits.

Under the scope of investigation, CSF activity was undertaken as part of an organisation assessment conducted by the researcher, using in-depth interview as the main data collection technique. The primary concern and motivation for this CSF activity was to
ensure that both the findings and the resulting CSFs were aligned with the organisation’s mission, goals, and objectives.

However, the results for this CSF activity was not considered a criterion of success for the organisation’s overall performance and management, rather it stands as a proposed piece of work believed to make problematic areas explicit through the concept of organisational culture, in which the organisation should address such problems to facilitate the road to success and to generate a set of CSF for the case company, and as a guideline to success in accordance of how a carrier could obtain large firm benefits while being small.

6.2 Behind the need for CSFs

6.2.1 Background

Operating in an industry where fierce and intensified competition exists, the various changes in the world’s economic turbulences, trends in the international commercial aviation industry, and increases in passenger demands for air travel (Thai Airways, 2010) are the factors leading to the formation of airline alliances. In particular, in 1997, Thai Airways and other four world leading airlines, namely Lufthansa German Airlines, United Airlines, Scandinavian Airlines, and Air Canada (Star Alliance, 2010), officially announced the formation of ‘Star Alliance’. To date, Star Alliance is considered as one of the largest airline alliances among the other two airline alliances: OneWorld and SkyTeam.

The three main reasons why Thai Airways seek for alliancing are the changes in the world economy, other airline alliances in operation, and changes in passenger demand. Firstly, with respect to the era of globalisation, countries around the world find their economies inseparably interlinked, whereas they become economically dependent upon one another; leading to dramatic increases in demand for air travel and cargo that have been extensively spread to more travel destinations around the world, resulting in the significant number of development and expansion of the transportation market or market segmentation. In order to serve the market needs, the establishment of the Star Alliance network was the result in response to such demand.
Secondly, the effects from globalisation have forced many countries to implement free trade policy, privatisation, and an open market and an open sky policy; leading to fierce competitions between the world’s commercial airlines. In order to create advantages in route networks, consolidation and alliances between airlines become one of the selective choices for airlines because one airline could not absorb singlehandedly (Thai Airways, 2010) due to the fact of high expenses and more resources being required. Therefore, another major objective in forming Star Alliance was to assist alliance members using cost synergies to increase bargaining power, as can be seen in the case of joint purchasing of spare parts and services, joint reservation, and joint facilities.

Lastly, prior to the formation of Star Alliance, airlines undertook a research on customer expectations and demand for air travel. In the era of news and information technology, people tend to travel more frequently and the customers are becoming more sophisticated and price sensitive. The report showed that customers are expecting a hassle-free, simplified journey which offers global coverage and recognition while maintaining the cultural diversity of each home carrier (Thai Airways, 2010). Therefore, Star Alliance was formed in order to assist and facilitate its airline members to efficiently meet the needs and sophisticated demands by creating product synergies, namely flexible schedules and easier connections, reduced change of terminals, through check-in, lounge access worldwide, worldwide recognition of status, and integrated frequent flyer programmes.

As a member of Star Alliance, Thai Airways has been enjoying the benefits derived from the alliance. The benefits for Thai Airways include:

- Increased airline competitiveness in terms of quality of standardised services provided and global network expansion.
- Increased in global network coverage in terms of the total number of destinations via integrated routes with other alliance members.
- Support Bangkok as the Aviation hub.
- Create a global image for Thai Airways by strengthening THAI’s unique image, products and services. As a result, Thai Airways has shifted the competition from a regional to global scale.
- Increased efficiency of airline resources in terms of controlling costs and reducing expenses.
However, although Star Alliance is continuously serving these benefits to its members, the level of success and failure highly depends on the level of collaboration and integration with the alliance. As suggested by Sawler (2000), the greater the integration, the greater the benefits. To date, with the lost in financial strength, country’s political instabilities, the issues and problems derived from organisational culture, and other management problems, Thai Airways is unable to gain the alliance’s maximum benefits.

6.3 Positioning the CSF activity

Building on emerging data from the field study and research results, this research proposes the use of CSF activity to (1) confirm the criticality of a set of CSFs for Thai Airways International, (2) be proposed as a guideline to the specified operational unit of analysis for future assessment, and (3) provide a foundation for initiating and facilitating the improvement on the organisation’s overall performance and effectiveness in order to boost up the ability for Thai Airways to obtain the alliance’s maximum benefits. The CSFs derived would also help elaborate the perceived situation of the organisation and to create better understanding towards the key issues and barriers that distort the organisation from enhancing betterment.

6.3.1 CSF activity scope and participants

As mentioned in chapter 3, the CSF activity undertaken for this research has placed an emphasis on a specific scope of investigation. In this case, the CSF activity scope pinpoints at the operational unit CSFs, in which the investigation was taken upon two specific departments of the organisation that is highly involved with the works of Star Alliance: (1) the Department of Alliance and Loyalty Management and (2) the Department of Human Resources and General Management. As suggested by Caralli (2004), operational unit CSFs are not directly implied as a simple collection of the CSFs derived from the managers in any operational units. Instead, the operational unit CSFs may also reflect the concerns and strategic direction obtained from the executives and senior managers in the unit in accordance with the strategic direction of the organisation.
6.3.2 Data Collection

A proposed set of operational unit CSFs was derived from data collected through conducting in-depth interviews with the executive management team and reviewing critical documents. The documents reviewed highlighted the organisation’s mission, mandate, vision statement, and goals and strategies.

Approximately, twelve data collection interviews were conducted with the organisation’s executive management team and senior managers, whose names have been left out to ensure brevity and anonymity. All the interviews sessions were conducted using a series of open-ended questions adopted from Rockhart (1981) that had been widely accepted by the critical success factors researchers and business analysts. The series of interview questions were comprised of seven questions, as follow:

1. What are the critical success factors in your job right now?
2. In what one, two, or three areas would failure to perform well hurt you the most?
3. In what area would you hate to see something go wrong?
4. Assume you are placed in a dark room with no access to the outside world, except for daily food and water. What would you most want to know about the organisation when you came out three months later?
5. What is your personal mission and role in the organisation?
6. What are your most critical goals and objectives?
7. What are your three greatest business problems or obstacles?

6.4 Primary concerns: Organisation’s mission, vision, goals and objectives

As mentioned above, the primary concern and motivation for this CSF activity was to ensure that both the findings and the resulting CSFs were aligned with the organisation’s mission, mandate, goals, and objectives.

THAI’s mission and mandate (Thai Airways, 2010c):

1. To offer domestic and international air travel and related services that are safe, convenient, and of quality to ensure customer satisfaction and trust.
2. To be committed to international standards of management efficiency, transparency, and integrity, and to achieve satisfactory operating results in order to maximize benefits for our shareholders.

3. To create a suitable working environment and offer appropriate salaries and wages as incentives for staff to learn and work to the fullest of their potential and to create pride in their contributions to the company’s success.

4. To be socially responsible, as a national airline.

**THAI’s vision** (Thai Airways, 2010c):
“The First Choice Carrier with Touches of Thai”

**THAI’s ultimate goal as of 2010** (Thai Airways, 2010a):
“Restore THAI to be the pride of Thailand around the world, as a leading Asian carrier that is consistently among the top 3 carriers in Asia and top 5 in the world for overall customer experience.”

**THAI’s core mission and objectives as of 2010** (Thai Airways, 2010a):

1. To offer products and services that are fully aligned with the demand and perceived value of THAI’s customers.

2. To ensure that THAI delivers a better customer experience at lower delivery cost compared to peers.

3. To be capable of making decisions and taking actions to respond quickly to changes in the business environment.

**6.5 THAI’s CSFs**

This section performs and presents the nine specific CSFs derived at Thai Airways International. Each CSF was the result from data collection and an analytical process, as well as the significant number of activity statement. The presentation of each CSF is formulated in separate tables, including a detailed description, CSF type, and supporting themes.
### Table 6.1 CSF one

**CSF One – Customer value**

**Description**
Thai Airways must enhance ongoing products and service improvements to meet or exceed customer satisfaction.

**CSF type:** Industry/Temporal

**Supporting themes**
- Strengthen THAI’s image.
- Promote consistently high standards of service.
- Enhance cooperation among units, i.e. sales, ticketing, reservation, call centre, and crew service.
- Reduce customer acquisition cost.
- Raise barrier for competitors with “Touch of Thai”.
- Increase immediate actions to improve customer service and satisfaction, i.e. in-flight entertainment systems, food quality, etc.

### Table 6.2 CSF two

**CSF Two – Pricing, revenue management and distribution**

**Description**
Thai Airways must enhance and reinforce revenue management and optimise its distribution channels.

**CSF type:** Industry

**Supporting themes**
- Enhance revenue management.
- Develop redesign pricing plan.
- Maintain and increase distribution channels.
- Enhance premium and corporate sales.

### Table 6.3 CSF three

**CSF Three – Network strategy**

**Description**
Thai Airways must review route network performance and optimise network frequency.

**CSF type:** Competitive-position/peer

**Supporting themes**
- Review route performance.
- Address or eliminate low margin and/or unprofitable routes.
- Increase network scheduling and connectivity.
- Promote network expansion.
- Increase flight frequency.

### Table 6.4 CSF four

**CSF Four – Strategic positioning**

**Description**
Thai Airways must develop an effective and competitive strategic positioning to serve the world’s markets – domestic, regional, and global.

**CSF type:** Temporal

**Supporting themes**
- Maintain and expand coverage in all markets by using “two brands strategy”.
• Serve the markets with “two products strategy”.

Table 6.5 CSF five

<table>
<thead>
<tr>
<th>CSF Five – Cost efficiency and productivity</th>
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<tbody>
<tr>
<td><strong>Description</strong></td>
</tr>
<tr>
<td>Thai Airways must develop cost reduction programmes to promote cost efficiency and productivity.</td>
</tr>
<tr>
<td><strong>CSF type:</strong> Management</td>
</tr>
<tr>
<td><strong>Supporting themes</strong></td>
</tr>
<tr>
<td>• Manage marketing expenses wisely.</td>
</tr>
<tr>
<td>• Review and reduce operating costs.</td>
</tr>
<tr>
<td>• Promote ‘Lean &amp; Green’ programme.</td>
</tr>
<tr>
<td>• Eliminate unnecessary costs.</td>
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Table 6.6 CSF six

<table>
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<tr>
<th>CSF Six – Adaptation to external challenges</th>
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<tbody>
<tr>
<td><strong>Description</strong></td>
</tr>
<tr>
<td>Thai Airways must be highly adaptive and react to external challenges or unexpected events responsively.</td>
</tr>
<tr>
<td><strong>CSF type:</strong> Environmental/temporal</td>
</tr>
<tr>
<td><strong>Supporting themes</strong></td>
</tr>
<tr>
<td>• React and handle unexpected challenges ethically and professionally.</td>
</tr>
<tr>
<td>• Resistance to changes</td>
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Table 6.7 CSF seven

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<tr>
<th>CSF Seven – Organisational performance and effectiveness</th>
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<tr>
<td><strong>Description</strong></td>
</tr>
<tr>
<td>Thai Airways must continually review and improve the organisational performance and effectiveness to meet growing demand in the airline industry.</td>
</tr>
<tr>
<td><strong>CSF type:</strong> Management</td>
</tr>
<tr>
<td><strong>Supporting themes</strong></td>
</tr>
<tr>
<td>• Implement a performance based culture.</td>
</tr>
<tr>
<td>• Revise and implement procurement process.</td>
</tr>
<tr>
<td>• Develop knowledge management at all levels.</td>
</tr>
<tr>
<td>• Develop good governance guidelines for management and the organisation’s employees at all levels.</td>
</tr>
<tr>
<td>• Develop and implement a high degree of organisational culture.</td>
</tr>
<tr>
<td>• Instil and continually promote organisation’s shared values.</td>
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<tr>
<td>• Attract and enhance effectiveness on human development.</td>
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Table 6.8 CSF eight

<table>
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<th>CSF Eight – Alliance integration and collaboration</th>
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<tr>
<td><strong>Description</strong></td>
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<tr>
<td>Thai Airways must maximise the degree of alliance integration with Star Alliance in order to obtain the alliance’s maximum benefits.</td>
</tr>
<tr>
<td><strong>CSF type:</strong> Competitive-position/management</td>
</tr>
<tr>
<td><strong>Supporting themes</strong></td>
</tr>
<tr>
<td>• Increase a higher degree of alliance integration and collaboration.</td>
</tr>
<tr>
<td>• Ensure that the organisation obtains each minimum requirement for projects and</td>
</tr>
</tbody>
</table>
new products initiated by Star Alliance.
• Utilise and enhance with fast-moving technology.

Table 6.9 CSF nine

<table>
<thead>
<tr>
<th>CSF Nine – Financial strengthening</th>
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<tr>
<td><strong>Description</strong></td>
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<tr>
<td>Thai Airways must continually review and increase its company’s financial strength and stability.</td>
</tr>
<tr>
<td><strong>CSF type:</strong> Management</td>
</tr>
<tr>
<td><strong>Supporting themes</strong></td>
</tr>
<tr>
<td>• Increase investment capability</td>
</tr>
<tr>
<td>• Ensure loan repayment capability</td>
</tr>
<tr>
<td>• Review financial structure</td>
</tr>
<tr>
<td>• Increase financial liquidity</td>
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6.6 Results and the analysis of THAI’s CSFs

The nine CSFs for Thai Airways International have been constructed into a diagram illustrated in figure 6.2.
This section offers a detailed description of the derived CSFs presented above. The additional information for further analytical process is mainly derived from the in-depth interviews using semi-structured interviews as a vehicle which allows the researcher to gather information in a richer context along with an explanation towards each specific derived CSF as well as the rationale behind each response to the questions set for participants.
As illustrated in figure 6.2, in this context, the general prerequisites refers to the organisational resources (Newton et al. 2003), properties and assets the organisation should obtain as the initial step and is considered as the fundamental requirements or a start-up mechanism which acts as engine that propels the entire organisation to success. In general, the prerequisites for success consists of four main elements: the physical resources, capital resources, human resources, and intellectual resources. Organisational resources or firm resources can be divided into two types: tangible and intangible resources. The tangible resources are the physical, capital, human, and intellectual resources. The intangible resources are, for example, people and knowledge management, managing customer relationship, and managing organisation’s reputation. Both tangible and intangible resources are the important ingredients building up an organisation.

With respect to the derived CSFs, the organisation’s CSFs highlighted three main aspects: customer, market, and organisation. The ‘customer’ aspect refers to the products and services offered which serve and exceed the customer’s expectation. The ‘market’ aspect focuses on the key strategic and structural drivers which help the organisation to survive competition and to obtain a superior position. Lastly, the ‘organisation’ aspect places an emphasis on the organisation’s dynamism and internal focus which are considered as the properties which enhance the improvement of organisational performance and effectiveness. The nine CSFs derived from the three aspects are as follow:

1. Increase customer value
2. Enhance pricing, revenue management and distribution channels
3. Perform strategic positioning
4. Perform network optimisation
5. Strengthen cost efficiency and productivity
6. Promote adaptation to external challenges
7. Enhance organisational performance and effectiveness
8. Increase alliance integration and collaboration
9. Strengthen financial situation and stability

Firstly, in the customer-oriented spectrum, the organisation must enhance ongoing products and services improvement to meet or exceed customer’s sophisticated demands and expectations. The senior managers revealed that in order for the organisation to
promote product improvement and to add values for their customers, there are six important areas to be accomplished, which are to strengthen THAI’s image, consistently offer high standards of service, enhance cooperation among units, i.e. sales, ticketing, reservation, call centre, crew service, etc., reduce customer acquisition cost, raise barrier for competitors with the ‘touch of Thai’, and increase immediate actions in terms of in-flight entertainment systems, food quality, etc. to improve customer service and satisfaction.

Secondly, the organisation must enhance and reinforce its revenue management and optimise its distribution channels. In order to develop a commercial strategic plan, there are four main areas to be emphasised: enhance revenue management, redesign pricing, increase distribution channels, and enhance premium and corporate sales (Thai Airways, 2010a). The two crucial points in enhancing revenue management are to optimise the use and benefits of the Revenue Management System and to recalculate the revenue based on Origin and Destination (O&D). For redesign pricing, the standard published fare should be used with enhanced multi-pricing capabilities on both Global Distribution Systems (GDS) and Central Reservation Systems (CRS), as well as being able to operate on a zero commission base would maximize the room for more profits. In the light of distribution channels, the organisation’s new distribution strategy involves a plan to promote the organisation’s own official booking site and popular travel portals to conduct more electronic-based customers as well as to eliminate the power of travel agencies who work a commission-based agreement. Further, in order to established an effective distribution strategy, the work with the alliance is another path way, in which as a member of Star Alliance, the organisation should improve cooperation with other alliance members to cross sell, and at the same time, the organisation can potentially focus on enhancing premium and corporate sales by targeting Star Alliance based corporate and institutions customers (Thai Airways, 2010).

Thirdly, another CSF which works on the competitive side is to perform network optimisation. The organisation must review their route network performance and optimise their network frequency strategy. As illustrated by one of the participants, to develop an effective plan on network strategy, which is highly relevant to work with the alliance as it would involve other alliance members in terms of codesharing, traffic volume, and load factors. Moreover, a significant number of participants is also further assisted with how the route network could perform at its optimum. One of the most
effective ways to evaluate the route performance is to review past performances as well as to find ways to address or eliminate routes that are operating with no profits or at a low margin. Next is to increase network scheduling and connectivity by expanding strategic partnerships and increase the level of involvement within and beyond Star Alliance, leading to greater network expansions. However, these are considered as one of the benefits airline alliances can bring to its alliance members (Morrish and Hamilton, 2002) but due to other internal factors, Thai Airways could hardly achieve the foreseen benefits.

The fourth CSF highlights the importance of strategic positioning, in which the organisation must develop an effective strategic position to become more competitive and to serve the world’s markets: domestic, regional, and global. As a supporting theme for this particular CSF, the result from the interviews revealed the organisation’s two main focus points. One is to maintain and expand coverage in all markets by promoting the ‘2 brands strategy’ and two is to serve the markets with the ‘2 products strategy’. In the marketplace where the customers are becoming price sensitive, the ‘low-cost’ revolution (Doganis, 2001) has gradually forced the traditional network full-service carriers to respond to such demands (Jiang, 2007). In terms of strategic positioning, an establishment of low-cost carriers was developed to serve the markets with ‘no-frills’ products by providing a low-fare, using cost leadership and differentiation strategies. To respond to the market and customer demands, in 2004 Thai Airways had established a budget carrier called ‘Nok Air’ to serve their domestic market, leading to the establishment of the ‘2 brands’ and ‘2 products’ strategy. By operating with two brands strategy, it allowed Thai Airways to serve the domestic market with the right product at a lower cost and to serve the regional and global markets with their mainstream services at a premium cost.

The fifth CSF for Thai Airways places concern on cost efficiency and productivity, in which the organisation must develop a cost reduction programme to promote cost efficiency and productivity while ensuring the company’s financial situation and stability in times when the entire industry is affected by the world’s economic turbulences. In the cost management and cost reduction programme, in 2010, the organisation is simply focusing on three areas: the marketing expenses, operating expenses, and ‘Lean and Green’. Under the marketing expenses, the organisation pays attention on reducing the reservation fees by promoting direct sales channels. As for the
operating expenses, the cost reduction programme was introduced to initiate cost reductions in the areas of handling agreements with local and international handling agents to reduce handling and other fees, the negotiation with AOT and abroad in order to minimise both landing and parking fees, and lastly, the negotiation with the suppliers to keep the costs of raw materials at a minimum. At Thai Airways, the terms ‘Lean and Green’ refer to the improvement towards cross-functional integration and implementing process innovation, if the goal is successfully accomplished, in turn, it creates the ability for the organisation to increase internal efficiency and to minimise internal losses within the organisation as well as other unnecessary and hidden costs.

Next is the adaptation on external challenges. In this context, the organisation must be adaptive and react to external challenges or unexpected events responsively. This CSF is considered as an environmental CSF, reflecting Thai Airways to be mindful towards the macro environment in which it operates, even though the organisation has very little control or ability to predict what might come ahead. According to Caralli (2004), to be successful the organisation should make these factors explicit in order to actively monitor their performance in accordance to them. A number of participants agreed that the ability to adapt with external challenges or even unexpected events is considered a good asset each individual should obtain. In the case of the airline industry, there have been terrorist activities in the event of 9-11, the political instabilities in Thailand between 2008-2010, other natural disasters such as tsunami in 2004, and the Haiti earthquake in 2010, have radically affected all members in the industry. Therefore, these unexpected external challenges required all employees in the organisation to (1) react and handle such events ethically and professionally and (2) prepare and be resistance to change.

The seventh CSF, organisational performance and effectiveness deals greatly with the organisation’s internal focus and human development. In this context, the organisation must continually review and improve the organisation’s performance and effectiveness to meet growing demands from all sides in the airline industry. Among the nine CSFs, this is the CSF which all participants strongly agreed that it would create radical change in the organisation if the list of seven ‘must-dos’ is successfully accomplished. The list of seven ‘must-dos’ consists of:

• To implement a performance based culture.
• To Revise and implement procurement processes.
• To develop knowledge management at all management levels.
• To develop good governance guidelines for management and the organisation’s employees.
• To develop and implement a high degree of organisational cultural strength
• To continually instil and promote organisation’s shared values.
• To attract and enhance effectiveness on human development in order to provide high quality of services and to increase operation’s overall effectiveness.

This CSF reflects the results derived in previous chapters, in which the organisation is deeply affected by the inefficiency in internal processes which appear to be caused by the lack of proper organisational cultural strength. The participant added the key ingredient which helps activate the areas of concern where importance and effectiveness is placed on the employee’s willingness to comply and cooperate in the organisation’s human development process. With the list of seven ‘must dos’, to promote the importance of a performance based culture would lead to the increase in encouragement to their employees in terms of spirit of teamwork. The improvement on procurement process would reduce the levels of chains of command, unnecessary formal procedures, and the multiple layers of red tape; leading to an increase in the individual’s ability to respond faster to changes as well as to promote management reengineering or organisational restructuring. The development of top management skills enables change towards the leadership style to become a directive management style, by which it would help top level managers to produce clear-cut goals for employees under their supervision. Moreover, directive management would benefit the organisation with a large structure, as the set objectives will act as a driving force and motivation for employees to carry out their tasks to achieve a certain goal. Lastly, creating good governance is also very important in helping to strengthen and instil ethics and integrity in organisational culture to its employees as a strong culture would enhance the overall organisational performance and effectiveness (Deal & Kennedy, 1982; Peters and Waterman, 1982).

The eighth CSF is alliance integration and collaboration, where the organisation must maximise the degree of alliance integration with Star Alliance and other alliance partners in order to obtain the alliance’s maximum benefits. The majority of the respondents mentioned how the organisation had lost the benefits derived from Star
Alliance due to two main reasons. One is derived from the inefficiency in internal processes and management systems, resulting in slow progress due to formal rules and procedures which in turn makes it difficult for alliance integration. Two, due to the instability in the financial situation and other management problems, i.e. people, technology and innovation, and skills that create the organisation’s inability to meet the minimum requirements required for any particular projects or new products developed for alliance’s members. The respondents strongly agreed that if the organisation could increase the level of alliance integration, there is a potential for the organisation to gather and enjoy other alliance benefits to the fullest, which is what the other alliance partners enjoy. Therefore, the results from supporting themes concluded that the organisation should ensure the ability to obtain the alliance’s minimum requirements, while trying to utilise and enhance with fast-moving technology to support such requirements in order to succeed. Despite the perceived situation in the organisation, the intensified level of alliance integration would ensure both the organisation competitiveness and the overall performance, as according to Morrish and Hamilton (2002:401) “an airline ‘alliance’ is any collaborative arrangement between two or more carriers involving joint operations with the declared intention of improving competitiveness and thereby enhancing overall performance”.

The last CSF is financial strength and stability. Under the world’s disastrous economy, the organisation must continuously review the company’s capital structure and increase the company’s financial strength and stability to secure that the organisation is in a good financial situation as well as to maximise the benefits for the shareholders as promised in the organisation’s mandate. As revealed by the participants, apart from the lack of directions and support from higher management levels, the difficulties in the financial situation is one of the main factors that distorts the organisation from a number of business collaborations, by which an integration and collaboration with Star Alliance appears to be one of them. Lastly are the results derived from the interview sessions, where there are four solutions to strengthen the organisation’s financial situation and ensure stability; 1. to increase investment capability, 2. to ensure the organisation’s load repayment capability, 3. to review financial structure, and 4. to increase financial liquidity.
6.7 Concluding remarks

Within the scope of investigation, this chapter offers the proposed set of critical success factors for the case company, Thai Airways International Public Company Limited, and is served as the answer in addressing the research question:

What are the critical success factors for Thai Airways International to boost up overall performance and effectiveness and to obtain maximum benefits from Star Alliance?

With regards to the CSF activity, the nine CSFs derived are:

1. Increase customer value
2. Enhance pricing, revenue management and distribution channels
3. Perform strategic positioning
4. Perform network optimisation
5. Strengthen cost efficiency and productivity
6. Promote adaptation to external challenges
7. Enhance organisational performance and effectiveness
8. Increase alliance integration and collaboration
9. Strengthen financial situation and stability

This set of the proposed CSFs are believed to be employed as a tool to foster the organisation’s success in terms of (1) to strengthen the organisation’s overall performance and effectiveness, (2) to enhance the ability of Thai Airways to obtain the alliance’s benefits while being small, and (3) to act as a mechanism in achieving organisation’s mission, vision, goals and objective.

Lastly, an important notion to be made in light of strategic alliance success factors are the finding results which confirm the results of Kurt Salmon Associates Inc (1993) and Whipple and Frankel (2000) that the greatest issue which acts as a barrier to foster the success of the organisation is organisational (e.g. culture and reengineering the business process), rather than other factors, i.e. technical or financial. Therefore, the greatest cost and attention should be paid to the process of human development, while adopting new solutions of conducting business. Therefore, to successfully accomplish the CSFs proposed in this research and to increase the organisation’s overall performance, according to Whipple and Frankel (2000:22), “the ‘win-win’ has both a ‘soft’ people-
oriented focus as well as the need for ‘hard’ performance-oriented improvements. In this sense, performance and ‘people skills’ interact to determine the viability and the success”.

Through the research journey, the research has successfully fulfilled its aims and objectives in uncovering the organisational culture aspects of Thai Airways International Public Company Limited. Through the theoretical lenses of organisational culture, the research outcomes have offered the answers to the research questions. In diagnosing the organisational culture, the research has drawn the organisation’s cultural profile, reflecting the key issues and problems derived from organisational culture which appeared to play a significant role in influencing the organisation’s overall performance and effectiveness. Under the scope of investigation of the research, the Critical Success Factors activity has been conducted, deriving a proposed set of CSFs for the case company. The set of CSFs is proposed to serve as a source of success for the organisation in improving the organisation’s overall performance and effectiveness as well as in boosting up the ability to obtain maximum benefits from Star Alliance.

This final chapter, the conclusion, offers a picture reflecting the research process and the way forward. This chapter consists of seven sections. Section 7.1 draws a summary of the research process, consisting of research gaps, research questions and methodology. Section 7.2 recalls the finding and discussion, covering the research outcomes and the summary of key issues addressed in research question one and two. Section 7.3 and 7.4 offers the contributions to academic knowledge and research methodology respectively. The implications for business practices in relation to the outcomes of the research are presented in section 7.5. The following section, section 7.6 offers the applicability of the research and suggestions for future studies. Lastly, the final section, section 7.7 ends with a conclusive picture, the concluding remarks.
7.1 Revisit research process: gaps, research questions and methodology

7.1.1 Emerging identified gaps and research questions

Due to limitations of the literature on organisational culture, strategic airline alliances, and success of airlines, there are rooms reserved for this research to be addressed. The three research gaps were identified and presented in Chapter Two.

1. The concept of organisational culture has been receiving a lot of attention among researchers and scholars in both academic and business management. However, the majority of the organisational culture literature paid greater attention on private sectors in Western countries and less attention in non-Western countries. In this context, this research offers an insight into the district organisational culture through the case of Thai Airways International Public Company Limited which is classified as a state enterprise organisation in Thailand.

2. The literature review on strategic airline alliances offers the concept in a large scope, where the majority of the literature places significance on the reasons why airlines are seeking for alliances and the success and failure factors of airline alliances. There are a limited number of literatures offering knowledge for the carriers in the context of how an alliance member could obtain large firm’s benefits. How a carrier could survive competition and obtain maximum benefits from the alliance while being small?

3. There are a relatively small number of critical literatures on how the concept of organisational culture plays a role in terms of the success of airlines. What is organisational culture to the airline’s success?

With the three identified research gaps, this thesis undertakes the studies and investigation on these phenomena based on two research questions highlighted in Chapter Four. The two research questions are:

1. What are the key drivers and issues derived from organisational culture affecting Thai Airways International’s overall performance and effectiveness?
2. What are the critical success factors for Thai Airways International to boost up overall performance and effectiveness and to obtain maximum benefits from Star Alliance?
7.1.2 Research methodology

*Chapter Four* explains and discusses how a case study was applied. The case company, Thai Airways International, was examined and the data collection process was guided through the two conceptual frameworks – the Competing Values Framework (CFV) and the Critical Success Factors. For the first research question, data collection was derived from in-depth interviews with key participants at Thai Airways International in order to explore the eight organisational aspects in terms of how people in the organisation perceive their cultural situations and the perceived barriers and problems within the organisation, which act as the agent in diluting the organisation’s overall performance and effectiveness. For the second research question, a series of interview questions adopted from Rockart (1981) was employed as a mechanism in the data collection process with an aim to identify the critical success factors for Thai Airways International.

In the data collection process, the fieldwork was mainly conducted in Thailand. The data was collected employing two data collection techniques – in-depth interviews and semi-structured interviews with executives and top management from both organisational and operational levels during a duration period of one and a half years; between January 2008 and June 2009. Secondary data was collected from the organisation’s documented mission and visions, documented goals, objectives, and strategic plans, annual reports, and official websites of Star Alliance and Thai Airways International.

7.2 Recalling key findings and discussions

7.2.1 Diagnosing organisational culture

In *Chapter Five*, the study was conducted in light of the eight organisational aspects: organisation’s domain characteristics, organisational leadership style, management of employees, organisation cohesion, strategic emphasis, criteria of success, internal process, and organisational reward, adopted from Cameron and Quinn (2006) and Jingjit (2008), which has helped to derive the cultural profile for Thai Airways International. From the eight key aspects employed as a tool to assess the
organisational culture, the results showed that the key issues and problems derived from organisational culture of Thai Airways were caused by the three main aspects – organisation’s domain characteristics, management of employees, and internal process. From the three organisational aspects identified as the sources of issues and barriers, there were also seven underlying areas of concern that proved to appear as the key issues and barriers affecting the organisation’s overall performance and effectiveness; these include:

1. The influence by government
2. Hierarchical organisational structure
3. Rigid levels of authorisation
4. Multiple layers of red tape
5. Various chains of command
6. Centralised management
7. Recruitment and selection process

In addition to the seven issues and barriers, the analysis of qualitative data has revealed another set of influential cultural factors: seniority systems, patron-clients, nepotism, and favouritism. These cultural factors were not presented by the Competing Values Framework but are treated as the “lessons learned”, in which they are considered to deeply affect the organisation’s overall performance and the effectiveness in airline alliance integration.

The concept of organisational culture is from the standpoint of organisation’s executives and top management team which is perceived to be of importance to the airline industry in general, and Thai Airways in particular; although it is rarely considered to be one and the only element that fosters success (Quick, 1992; Smith, 2004). Moreover, organisational culture appears to be one of the success elements for airlines due to the reason that there is a relatively small room for airlines to differentiate from one another in the market it operates, in which the importance of organisational culture plays a contributing role reflecting the actual picture of the organisation and how it wants to become.

Lastly, results showed that Thai Airways management claimed to give importance to organisational culture and the positive impacts that a healthy culture may bring. This reflects the picture that the organisation pays attention to the awareness of
organisational culture. Such awareness helps facilitate developing and building a strong and appropriate culture, in which the organisation appears to have some insight of each element in developing a healthy culture for the organisation. In order for Thai Airways to reengineer or construct a new culture, on one hand, (Alvesson, 2002) suggested that the managers can closely look and manage the culture in different ways: one is to consider organisational culture as a new development in organisational design, containing the right mixture of organisation’s norms, values, beliefs, and management style of employees and two is to take an instrument to diagnose the culture to make better decisions to avoid and correct mistakes.

7.2.2 Critical success factors

In Chapter Six, the study is associated with the critical success factors activity adopted from Rockart (1981) and Caralli (2004). The outcomes of the critical success factors activity offered a set of CSFs for Thai Airways International as follows:

1. Increase customer value
2. Enhance pricing, revenue management and distribution channels
3. Perform strategic positioning
4. Perform network optimisation
5. Strengthen cost efficiency and productivity
6. Promote adaptation to external challenges
7. Enhance organisational performance and effectiveness
8. Strengthen financial situation and stability

An important notion is that this set of CSFs was not considered a criterion of success for Thai Airways International, rather it stands as a proposed piece of work which is believed to be employed as a tool for the organisation to foster the success in terms of (1) to strengthen the organisation’s overall performance and effectiveness, (2) to enhance the ability for Thai Airways International to obtain the alliance’s benefits while being small, and (3) to act as a mechanism in achieving the organisation’s mission, visions, goals, and objectives.
7.3 Contributions to academic knowledge

This thesis has managed to assemble a concrete contribution to academic knowledge by addressing the significant research gaps underlying the concept of organisation and management studies, in which it highlights the area of culture and airline management. In particular, this research has put together the contributions to academic knowledge into three main points.

Firstly, as indicated in Chapter Two, the literature review, it can be seen that the existing studies have exclusively examined the concept of organisational culture, in which the majority of the previous researches were conducted in both public and private organisations in Western countries. In contrast, for non-Western countries, there was a relatively limited amount of research in this context. To date, it results in the lack of a benchmark in the literature in this specific area. Therefore, this thesis successfully carries out the answers addressing the gap with empirical findings of the current investigation, contributing as a new reference in organisational studies with respect to cultural traits and attributes of Asian’s state enterprise organisations.

Secondly, with regards to the concept of organisational culture, there existed a scarcity of research in the field of airline management that highlight the linkage of organisational culture and airline success. Therefore, by emerging research gaps and research questions, the outcomes act as another concrete contribution as new reference in the area of airline management in terms of the success of airlines and how the organisational culture affects the ability for a small carrier to increase the organisation’s performance and effectiveness as well as to foster success in strategic alliance implications.

Lastly, although the studies and investigations highlight the scope of investigation in the context of Thai’s national carrier, the deriving empirical findings could be served as being relevant to airline management in other settings with regards to the size of the organisation, products and services offered, and a comparable organisation’s cultural profile. All in all, this thesis makes explicit use of the crucial knowledge and understanding which can be considered as extending the knowledge periphery in the areas of organisational culture, airline alliances, and airline management.
7.4 Contributions to research methodology

This current thesis pinpoints three main methodological contributions. The first one underlines the application of the Competing Values Framework which is used to examine and diagnose the organisational culture, in which the alterations were tailored to the specific context in a Thai state enterprise organisation. From the review of previous researchers, the CVF has mostly been utilised in the Western context, in which the framework has never been employed as a tool in assessing the organisational culture in such a context. Thus, by adopting this framework, this current thesis contributed a methodological concern to the application of the CVF for the applicability in the airline industry and in a non-Western context which can also be used by other nations and/or organisation that share comparable characteristics of either the organisational structure or national culture.

The second methodological contribution offers another viewpoint on the research design when adopting the CVF. It has been suggested that it is more appropriate to employ the CVF for studies involving both qualitative and quantitative methods. However, the emphases of qualitative and quantitative approaches are different (Studel and Yauch, 2003). By delicately tailoring the application of the CVF to the appropriate levels it allows this research to successfully carry out the answer to address the research questions, as a vehicle used to assess and diagnose the organisational culture, the framework was empirically tested; therefore, this thesis delivered a piece of work believed to ensure the clarification and validation employing a pure qualitative approach in adopting the CVF.

Finally, upon the adoption of the Critical Success Factors as a model to identify the success factors for Thai Airways International, this thesis took the path recommended by Caralli (2004) as a methodological step guiding through the process of research design, data collection, and data analysis. In terms of practical contribution, this research utilised the model and reflected in a specific actionable with practicable prescription to the process of CSF identification. Nonetheless, the suggestions made by Caralli (2004) proved to be validated while the model itself is considered flexible and adaptive when conducting a case study research.
7.5 Thesis values and implications for business practices

Referring to Stake (1995:135), “qualitative case study is highly personal research. Persons studied are studied in depth. Researchers are encouraged to include their own personal perspectives in the interpretation… The quality and utility of the research is not based on its reproducibility, but whether or not the meanings generated, by the researcher or the reader, are valued. Thus a personal valuing of the work is expected”.

One important notion to be made is how this thesis gained an adventurous point from the position of the researcher, in which the researcher was conducting an in-depth research on her own familiar of Thai background, involving the knowledge of cultural norms and behaviours of the people in Thailand. Thus, it made positive standpoints to the two major activities – diagnosing organisational culture and identifying critical success factors, involved in this research.

However, the key findings of this thesis can be of benefits to practitioners as well as those who are in the field of consultancy, who are in charge of the process of building up an organisational culture. Also, it will enable them to develop a better understanding of what factors could possibly be an obstacle and a driving factor to both success and failure analysis, in which it helps them to move forward with a better awareness of the major challenges, issues and barriers in building up a healthy culture within the organisation.

To capitalise the findings, this thesis has delivered the implications for business practices in two main points.

In today’s business environment, particularly for the airline industry, although it has been reviewed by a significant number of scholars and popular researches that the competition tends to occur between the three major airline alliances. However, fierce competition still exists between firms, or even between the alliance members.

- Having a strong and healthy culture in the organisation is treated as one of the main ingredients that convey success, while being able to differentiate one airline from another. Therefore, a need to develop a strong culture is essential in boosting up the organisation’s overall performance and effectiveness, assisted by
an effective series of management pattern that should align well with both the systems and the people in the organisation. Lastly, in practice, the process in developing a strong culture is an ongoing development. Thus, the organisation must ensure the two requirements supporting the development of organisational culture are: (1) the key person who would be responsible for the implementation and (2) the person to monitor the ongoing implementation.

- As organisations strive to obtain superior positions and to be more competitive in the challenging business environment, more of them are taking a radical look at what makes them successful (Ascari et al., 1995). When the organisation is faced with a challenge and the need to develop an appropriate organisational culture to drive the organisation to success, and the issues and problems appear to be the organisation’s domain characteristics and internal management problems, the implication to business and management practices is whether to: (1) the organisation should promote organisational change where there is room for improvement and (2) the problem is not about fixing things, rather it should start from scratch; which is referred to as organisational reengineering.

7.6 Limitations and future recommendation

7.6.1 Applicability and limitations of the research

While this research offers insights into the specified areas on organisational culture, critical success factors, and airline success, the occurrence of limitations could hardly be avoided. In particular, the major source of limitations is associated with the process involved (Lawrence, 1998) and it was practically applied to this thesis as well.

1. The findings of this thesis are enriched with empirical evidence from the case company, in which it is served as the data used in the pool of analysis for Thai Airways International only. The primary reasons for selecting Thai Airways International in the airline sector is to conduct an in-depth study through the analysis of organisational culture and to identify the critical success factors to be proposed as a series of success factors in improving the organisation’s overall performance and effectiveness, leading to an increase in its ability to obtain the alliance’s maximum benefits. As stated in chapter four, the purpose of this
thesis is case specific which aims to offer an in-depth analysis to the problems derived from organisational culture and the identification of the CSFs, rather than providing general explanation in other settings. Therefore, the answers to the research questions derived as the conclusion of this research has limited applicability in other cases but may possibly yield the theoretical and methodological generalisation of the applicability of the empirical findings in other settings.

2. Due to limitation of time and resources, this research is highly concentrated on internal mechanisms of the case company. There are some external driving forces which were briefly indicated. However, the evidence of this thesis is confined to the concept of routines and the organisation’s explicit internal and management problems. Therefore, the derivation of the research’s findings and evidence are treated as de jure in this study, although other de facto elements may exist.

3. During the fieldwork in March 2008 – April 2009 until 2010, Thailand was dealing with great difficulty with the country’s severe political instability, causing a dramatic loss to the country as a whole and in particular for both tourism and the airline industry. As for this thesis, the impact was the occurrence of the interview appointments being cancelled on the last minute due to tragic events such as civil unrest, i.e. airport closure and civil wars.

4. Given the process of organisational culture diagnosis, this research targeted rich information and evidence from the organisation’s internal mechanisms. Due to the reason of anonymity, during the first phase of the data collection process, a small number of participants were reluctant to respond effectively to the negative points of their organisation, although it was clearly stated to ensure the participants’ names will remain anonymous.

5. The majority of the interview sessions were conducted in Thai language and each session lasted between two to four hours. The major consequences contributed to two areas of concern. One is related to the possibility that the participants may include irrelevant data he/she believed to be useful. Two is related to the amount of time consumed in the transcription of data collected from Thai to English.
7.6.2 Future recommendations

1. In diagnosing organisational culture, this thesis purposefully adopted the CVF in combination with the use of OCAI as a tool to explore an in-depth study on the organisation’s internal mechanisms that affect high performance. As mentioned in section 7.6.1, there are some external driving forces. Therefore, future researchers who wish to investigate the impacts of organisational culture on high performance and effectiveness may decide to deliberate on alternative factors of the concept of organisational culture.

2. Given that the concept of organisational culture is highly complex and multidimensional (Jingjit, 2008), there are rooms for future studies to conduct organisational studies in different cultural dimensions with regards to its effects on the organisation’s overall performance and effectiveness.

3. The literature on the success of airlines still appeared to be limited. Although the competition in the airline industry takes place at a cluster level, not at a firm level (Hamilton and Morrish, 2002; Kleymann and Seristö, 2001; 2004), competition between firms still exist. The importance of the concept of organisational culture plays a significant role in the success of airlines and it is one of the key ingredients that differentiate one airline from another. The recommendation for future researchers is to look at the concept of organisational culture from other directions that may convey alternative elements to foster success for airlines.

7.7 Concluding remarks

The concept of organisational culture for a carrier in airline industry is studied throughout this thesis. The identification of the CSFs has been successfully carried out, deriving a proposed set of CSFs for Thai Airways International. Throughout the research journey, it is evident that the relationship between the importance of organisational culture and the organisation’s overall performance and effectiveness are closely linked.

Convincing results from the use of OCAI and the CSF methods conducted through in-depth interviews is another strong evidence that states that a healthy organisational
culture is one of the key ingredients that formulates a well organisational structure which leads to high performance. As a small carrier and a member of the alliance, combating internal constraints and management problems to help Thai Airways International boost up its ability to obtain the alliance’s maximum benefits is essential.

All in all, this thesis reflects a conclusive result underlying how the concept of organisational culture is a concrete factor that plays a dominant role in developing success. The largest barrier to foster the organisation’s success is the organisation itself, rather than technical or financial matters. Although a proposed set of CSFs was identified to foster success, the importance of an effectiveness of organisation’s human development is a catalyst that propels a well-functioning organisation’s structure, management, and practices. After all, the human factor is considered the key to success, whether to initiate organisational change for the betterment or to march the entire organisation forward.
REFERENCES


APPENDICES

APPENDIX 1 – Soft Systems Methodology – Rich picture

Source: Author
APPENDIX 2: Interview questions: Getting to know Thai Airways

Part I – The Management, Developments, and Strategies

1. What are the significant developments of Thai Airways in terms of an alliance member?

2. What are the trends, drivers, and key issues that distort or constrain the company from gaining the maximum benefits from the alliance?

3. What are the business strategies used in an airline industry?

4. What are the barriers and difficulties in adopting any international strategies to fit with Thai Airways?

5. What are the differences between strategies used between mainstream and low-cost airlines?

6. What are the strategies Thai Airways used to obtain its superior position?

7. Pressure towards Differentiation: The 5 criteria have been prepared to apply Thai Airways as a case. The 5 criteria are:

   a. If a business must satisfy different customer needs it should respond with an individualised strategy, which can be adapted on a regional, national or local level.
   
   b. Differences in distribution channels in various markets, the marketing mix indicates the needs to individualise.
   
   c. The availability of substitutes and the need to adapt exists when local substitutes are competitively priced, or the products need to be adapted to become locally competitive, i.e. to most low-cost airlines.
   
   d. A market structure, which is characterised by a large number and concentration of local competitors, as opposed to international or multinational ones, implies that there are few advantages to size and scale, and an individualised strategy should be applied.
   
   e. Demands imposed by host government also increase the pressure for individualised strategy, i.e. Thai Airways is partly belong to Thai Government and also acts as a national carrier.

Part II – Thai Airways as a Member of the Star Alliance

1. How Thai Airways gain the benefits from the alliance?

2. What are the pros and cons of becoming a member of Star Alliance?

Part III – Organisational Culture at Thai Airways

1. What is the actual picture of the Organisational Culture and Business Environment at Thai Airways?

2. How does the Organisational Culture affect the work on Star Alliance?
3. What are the pitfalls and difficulties derived from organisational culture which needs to be addressed?

4. To look closely at the Human Resource Management by applying Thai Airways as a case to analyse the actual standing point of the company as a member of the Star Alliance, elaborate and explain.

**Part IV – Human Resources**

1. The Management and Recruiting process
2. Promotions and Replacement Chart
3. Incentives and Privileges
4. Staff satisfaction
5. What are the points needed to be addressed in order to gain more benefits from the alliance?

**Part V – The Fast-moving Technology & Past Crisis Circumstances**

1. How does the fast-moving technology affect the overall management?
2. Highly competitive among the members of Star Alliance?

**Part VI – Thai Political and Thai Airways**

1. With the political instabilities in Thailand, what are the effects to Thai Airways and the customers, and how?
2. What are the pros, cons, and its effects?

**Part VII – Visions and Opinions**

1. What are the key issues that emerge from organisational culture and management behaviour in embracing strategic alliances as a member of Star Alliance?
2. What are the Key Success Factors (KSFs) for Thai Airways in managing strategic alliances?
APPENDIX 3: Core interview items – Diagnosing organisational culture

Section 1 – Fixed-choice questions

The participants were asked to choose among the four alternatives to indicate the most appropriate choice to describe their organisation. The first six aspects were originally adopted from the Organisational Culture Assessment Instrument (OCAI) by Cameron and Quinn (2006), whereas the seventh aspect, internal process, was the item added by the researcher. An important notion to be made upon the seventh aspect is that the item is considered complex, thus it is not to be included in the fixed-choice questions where the answer tends to be narrowed in one particular choice. The last aspect, organisational reward, was adopted from Jingjit (2008) as the item is indicated that it is one of the essential elements to be engaged in organisational studies in Thailand.

1.1 Domain characteristics
   a. The organisation is a very personal place. It is like an extended family. People seem to share a lot of themselves.
   b. The organisation is a very dynamic and entrepreneurial place. People are willing to stick their necks out and take risks.
   c. The organisation is very result-oriented. A major concern is with getting the job done. People are very competitive and achievement-oriented.
   d. The organisation is a very controlled and structured place. Formal procedures generally govern what people do.

1.2 Organisational leadership
   a. The leadership in the organisation is generally considered to exemplify mentoring, facilitating, or nurturing.
   b. The leadership in the organisation is generally considered to exemplify entrepreneurship, innovation, or risk taking.
   c. The leadership in the organisation is generally considered to exemplify a no-nonsense, aggressive, or results-oriented focus.
   d. The leadership in the organisation is generally considered to exemplify coordinating, organising, or smooth-running efficiency.
1.3 Management of employees
   a. The management style in the organisation is characterised by teamwork, consensus, and participation.
   b. The management style in the organisation is characterised by individual risk taking, innovation, freedom, and uniqueness.
   c. The management style in the organisation is characterised by hard-driving competitiveness, high demands, and achievement.
   d. The management style in the organisation is characterised by security of employment, conformity, predictability, and stability in relationships.

1.4 Organisation glue/cohesion
   a. The glue that holds organisation together is loyalty and mutual trust. Commitment to this organisation runs high.
   b. The glue that holds organisation together is commitment to innovation and development. There is an emphasis on being on the cutting edge.
   c. The glue that holds organisation together is the emphasis on achievement and goal accomplishment.
   d. The glue that holds organisation together is formal rules and policies. Maintaining a smooth-running organisation is important.

1.5 Strategic emphasis
   a. The organisation emphasizes human development. High trust, openness, and participation persist.
   b. The organisation emphasizes acquiring new resources and creating new challenges. Trying new things and prospecting for opportunities are valued.
   c. The organisation emphasizes competitive actions and achievement. Hitting stretch targets and winning in the marketplace are dominant.
   d. The organisation emphasizes permanence and stability. Efficiency, control, and smooth operations are important.

1.6 Criteria of success
   a. The organisation defines success on the basis of the development of human resources, teamwork, employee commitment, and concern for people.
b. The organisation defines success on the basis of having the most unique or newest products. It is a product leader or innovator.

c. The organisation defines success on the basis of winning in the marketplace and outpacing the competition. Competitive market leadership is key.

d. The organisation defines success on the basis of efficiency. Dependable delivery, smooth scheduling, and low-cost production are critical.

1.7 Organisational promotion/rewards

a. The promotional system is based on the assessment of work in a group before evaluating individuals.

b. The promotional system is based on the assessment of work which requires decision-making or creativity to accomplish.

c. The promotional system is based on results-oriented and task achievement on a clear standard.

d. The promotional system is based on formal rules and procedures of the organisation.

Section 2 – Open-ended questions

The participants were asked to give in-depth details to explain, describe, and elaborate their organisation in the light of the eight key aspects.

2.1 Organisation’s domain characteristics
2.2 Organisational leadership style
2.3 Management of employees.
2.4 Organisational glue/cohesion
2.5 Organisational emphasis
2.6 Criteria of success
2.7 Internal process
2.8 Organisational rewards and/or promotional systems
APPENDIX 4: Core interview items: Critical Success Factors

Open-ended questions

In identifying the critical success factors for Thai Airways International, this research has adopted a series of interview questions from Rockhart (1981).

1. What are the critical success factors in your job right now?
2. In what one, two, or three areas would failure to perform well hurt you the most?
3. In what area would you hate to see something go wrong?
4. Assume you are placed in the dark room with no access to the outside world, except for daily food and water. What would you most want to know about the organisation when you came out three months later?
5. What is your personal mission and role in the organisation?
6. What are the most critical goals and objectives?
7. What are your three greatest business problems and obstacles?
### APPENDIX 5: Guideline to CSF interview questions: proposed by Rockart (1981)

<table>
<thead>
<tr>
<th>Interview question</th>
<th>Intent</th>
<th>CSF source</th>
<th>CSF Type</th>
<th></th>
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<tbody>
<tr>
<td>What are the critical success factors in your job right now?</td>
<td>The intent of this question is to elicit CSFs from the participant. However, meaningful responses are highly dependent on the participant’s understanding of the CSF concept and the consistency of the participant’s definition to this conducting the CSF activity.</td>
<td>This question can identify CSFs from all sources – industry, peer, temporal, etc. – depending on the perspective of the participant.</td>
<td>This question can identify both enterprise and operational unit CSFs, depending on the manager’s perspective and the scope of the CSF activity.</td>
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<tr>
<td>In what one, two, or three areas would failure to perform well hurt you the most?</td>
<td>This question helps to draw out CSFs from a different perspective – by getting participants to think about possible failures that would interfere with or interrupt their ability to achieve their goals and missions. Answers to this question generally reflect CSFs for the manager.</td>
<td>Industry, peer, environmental, and temporal CSFs are more likely sources than management-function CSFs.</td>
<td>At the organisational level, this question can bring about a distinct set of enterprise CSFs that the entire organisation should be mindful of, particularly if they are repeated by different participants across various interviews.</td>
<td></td>
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<tr>
<td>In what area would you hate to see something go wrong?</td>
<td>The implication of this question is that the participant will identify areas where poor performance might interfere with achieving goals and accomplishing the mission. This question gets to the impact of failure and where the impact would be most felt and destructive. If the impact is on achieving goals or mission, it may signify a CSF.</td>
<td>Industry, peer, environmental, and temporal CSFs are more likely than management-function CSFs.</td>
<td>Depending on the manager’s level, this question might be very useful for identifying operational unit CSFs.</td>
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<tr>
<td>Assume you are placed in the dark room with no access to the outside world, except</td>
<td>The purpose of this question is to identify what is most important to the manager. By providing a scenario where the manager “must take their eyes off of the road,” a</td>
<td>This question might identify industry and peer CSFs because of the focus on attempting to get reacquainted with the organisation’s industry and competitive position.</td>
<td>This question is beneficial for identifying enterprise CSFs.</td>
<td>233</td>
</tr>
<tr>
<td><strong>What is your personal mission and role in the organisation?</strong></td>
<td>This question helps to set context for the remainder of the participant’s responses. For example, if senior managers have different views of what they are there to accomplish, it provides insight into the things that they consider to be most critical. Often, a particular manager has a CSF that appears to be out of line with the rest of management and management’s goals. Responses to this question can help to identify such CSFs during analysis so that a determination can be made as to whether they are something the entire organisation or operational unit should be concerned about.</td>
<td>May be useful for identifying industry, peer, or environmental CSFs, depending on the level of participant being interviewed. Management-function CSFs may also be identified if the participant focuses in the unique role they play in the organisation or operational unit.</td>
<td>Either enterprise or operational unit CSFs can be identified by this question.</td>
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<tr>
<td><strong>What are the most critical goals and objectives?</strong></td>
<td>This question is very important if there are no documents to review before the interview. In addition, this question is highly recommended if the organisation does not have a formal goal setting and performance management process. Responses to this question often characterise what an individual manager believes is his or her role, which may be completely out of line with what is expected or necessary to help the organisation or operational unit.</td>
<td>Highly useful for identifying temporal CSFs if managers have short-term goals related to operating conditions, seasonality, etc. Could bring about industry CSFs depending on the management level of the participant. Management-function CSFs are also possible, particularly if the manager holds a common role (such as Manager, Accounts Payable).</td>
<td>Depending on the management level of the participant, both enterprise and operational unit CSFs are possible.</td>
<td></td>
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<tr>
<td>What are your three greatest business problems and obstacles?</td>
<td>This question is essential for identifying CSFs that the individual manager, organisation, or operational unit may not be aware of explicitly. By considering opportunities or accomplishments that are impeded because of obstacles, this question can identify not only those CSFs that are in the manager’s scope of view but those he or she may not have thought about.</td>
<td>Many temporal CSFs can be derived from this question, but industry, peer, and environmental are possible as well. Management-function CSFs might be identified if the manager feels that the position he or she goals and objectives in the organisation.</td>
<td>Depending on the management level of the participant, both enterprise and operational unit CSFs are possible.</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author, from Caralli (2004)
APPENDIX 6: A series of twenty-four shared values

The participants were asked to choose between four to eight shared values that are most applied to Thai Airways International.

<table>
<thead>
<tr>
<th>Shared value</th>
<th>Description</th>
<th>Yes/No/Maybe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adaptability</td>
<td>Being flexible and changing in response to new circumstances</td>
<td></td>
</tr>
<tr>
<td>Assertiveness</td>
<td>Being assertive and pursuing goals vigorously</td>
<td></td>
</tr>
<tr>
<td>Autonomy</td>
<td>Being independent and free to act</td>
<td></td>
</tr>
<tr>
<td>Broad-mindedness</td>
<td>Accepting different viewpoints and opinions</td>
<td></td>
</tr>
<tr>
<td>Cautiousness</td>
<td>Being cautious and minimising exposure to risk</td>
<td></td>
</tr>
<tr>
<td>Consideration</td>
<td>Being caring, kind, and considerate</td>
<td></td>
</tr>
<tr>
<td>Cooperation</td>
<td>Being cooperative and working well with others</td>
<td></td>
</tr>
<tr>
<td>Courtesy</td>
<td>Being polite and having respect for individual dignity</td>
<td></td>
</tr>
<tr>
<td>Creativity</td>
<td>Developing new ideas and applying innovative approaches</td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td>Achieving personal growth, learning and development</td>
<td></td>
</tr>
<tr>
<td>Diligence</td>
<td>Working long and hard to achieve results</td>
<td></td>
</tr>
<tr>
<td>Economy</td>
<td>Being thrifty and careful in spending</td>
<td></td>
</tr>
<tr>
<td>Experimentation</td>
<td>Taking a trial and error approach to problem solving</td>
<td></td>
</tr>
<tr>
<td>Fairness</td>
<td>Being fair and providing just recognition based on merit</td>
<td></td>
</tr>
<tr>
<td>Forgiveness</td>
<td>Being forgiving and understanding when errors occur</td>
<td></td>
</tr>
<tr>
<td>Formality</td>
<td>Upholding proper ceremony and maintaining tradition</td>
<td></td>
</tr>
<tr>
<td>Humour</td>
<td>Creating fun and being light-hearted</td>
<td></td>
</tr>
<tr>
<td>Initiative</td>
<td>Seizing opportunity and taking responsibility without hesitation</td>
<td></td>
</tr>
<tr>
<td>Logic</td>
<td>Being rational and thinking in terms of facts and figures</td>
<td></td>
</tr>
<tr>
<td>Moral integrity</td>
<td>Being honourable and following ethical principles</td>
<td></td>
</tr>
<tr>
<td>Obedience</td>
<td>Complying with directions and conforming to rules</td>
<td></td>
</tr>
<tr>
<td>Openness</td>
<td>Being straightforward, sincere and candid in</td>
<td></td>
</tr>
<tr>
<td>Discussions</td>
<td>Being neat, tidy and well-organised</td>
<td>Being equal to others and avoiding status differences</td>
</tr>
<tr>
<td>---------------------</td>
<td>------------------------------------</td>
<td>-----------------------------------------------------</td>
</tr>
<tr>
<td>Orderliness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social equality</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Author, adopted from McDonald and Gandz (1992)
APPENDIX 7: An example of an introductory letter

Manchester Business School
Booth Street West, Manchester, United Kingdom, M15 6PB
Tel (UK): +44 (0) xxx xxxx xxx
E-mail: h.narisara@googlemail.com

25th May 2008

Introductory Letter

This is an introductory letter to Name of interviewee. I, Ms. Narisara Hongratana-uthai, am writing as an interview candidate with an aim to pursue a PhD degree at Manchester Business School (MBS), in which Thai Airways International Public Company Limited is a selected case study to this PhD thesis.

Interview Session:

<table>
<thead>
<tr>
<th>Interviewee:</th>
<th>Name and position of interviewee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviewer:</td>
<td>Ms. Narisara Hongratana-uthai, PhD student at Manchester Business School (MBS), UK.</td>
</tr>
<tr>
<td>Location:</td>
<td>Thai Airways International Public Company Limited 89 Vibhavadi Rangsit Road, Bangkok, Thailand. 10900</td>
</tr>
<tr>
<td>Date:</td>
<td>25th May 2008</td>
</tr>
<tr>
<td>Time:</td>
<td>14.00 – 16.30</td>
</tr>
</tbody>
</table>

Thesis title:

Diagnosing organisational culture and Critical Success Factors for a carrier to strengthen the organisation’s performance & effectiveness in order to obtain alliance’s maximum benefits: The case of Thai Airways International

Research questions:

- What are the key drivers and issues derived from organisational culture affecting Thai Airways International’s overall performance and effectiveness?
- What are the critical success factors for Thai Airways to boost up overall performance and effectiveness and to obtain maximum benefits from Star Alliance?
APPENDIX 8: An interview guide

Manchester Business School
Manchester, United Kingdom.

An interview guide

I am conducting a research on organisational cultural studies in airline industry, in which Thai Airways International Public Company Limited is the selected case company of this thesis. In particular, the research’s two main objectives are (1) to diagnose the organisational culture of the case company, whereas the key problems and barriers preventing the organisation to foster success are to be identified and (2) to identify the critical success factors (CSFs) for the case company, enhancing the ability to obtain maximum benefits from Star Alliance.

This interview does not seek to conduct for commercial purpose, in which the information contributed during the interview sessions are to be remain strictly confidential and will be used for this PhD thesis and is in the academic purpose only. To ensure anonymity, both name and position of the participant are not be included in any parts of the thesis.

As a material, this interview guide gives an introductory of the three main parts each interview session is to be engaged.

Part 1: Getting to know the organisation
- This part is associated with the information on organisation’s background, involving the aspects of management, development, strategies, and other general areas relevant to the work with Star Alliance.

Part 2: Diagnosing organisational culture
- This part is associated with the actual picture of the organisational culture of the case company. The primary aims are to develop a cultural profile for Thai Airways and to identify the key issues and barriers derived from organisational culture, preventing the organisation to foster success as well as to boost its ability to obtain the alliance’s benefits.

Part 3: Critical Success Factors (CSFs)
- This part is associated with a process of CSF identification called “Critical Success Factors Activity”. The primary aim is to identify and develop a proposed set of critical success factors for Thai Airways in order to enhance ability to obtain maximum benefits from Star Alliance.
---Original Message----
From: Narisara Hongratana-uthai <h.narisara@googlemail.com>
To: [email address of participant(s)]
Sent: 26 May 07:17 2008
Subject: Thank you for the interview

Dear [Name of participant(s)]

I would like to express my sincere thanks for providing me an opportunity to conduct a meaningful interview session at your institution on 25th May 2008. Knowing that you must be very busy, with your kind help and understanding, I do appreciate your time we spent together. I believe that our interview session has contributed a very valuable piece of information for the development of my research.

As discussed, if there are any questions that I can assist you or you wish to hear more about my research progress or its output, please do not hesitate to contact me directly. Also, if there are any further information you feel that it might contribute to the research, it would be grateful to hear from you.

Once again, many thanks in anticipation of your kind assistance and a very enjoyable and informative conversation.

Yours Sincerely,
Narisara Hongratana-uthai

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Narisara Hongratana-uthai
Doctoral Researcher
Manchester Business School,
MBS Crawford House,
Booth Street West,
Manchester, M15 6PB.