

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND

In the era of globalization, the world's markets and businesses are interdependent. Societies have closer contacts through trade, education, entertainment science and government. People around the world have the opportunity to travel, to communicate and to do business internationally. Due to globalization, many multinational companies (MNCs) are seeking business expansion into foreign countries through direct foreign investment and aggressively establishing subsidiaries with the purpose of maximizing the value of shareholders' equity. (Rose, Kumar, Abdullah & Ling, 2008) Thailand is one of countries where the investors from various countries are coming to establish manufacturing. Regarding the summary of Business Registrations and Foreign Business recorded by Department of Business Development, Ministry of Commerce, it indicated that from January, 2008 to July, 2008, there were a total of 4,351 firms established in Bangkok and provinces.

Communication is regarded as the main factor leading to the success in doing international business. "Communication is a tool to communicate with people in order to provide and receive information, news, opinions and feelings in order to obtain a good understanding and relationships in society". (Korakod Sangmala, 2008) To facilitate communication, skills in using English are needed. English is the language widely used throughout the world. There are many countries that use English as their mother language and some countries that use it as an official language or second language. Therefore, a person who is skilled at listening, speaking, writing and reading English generally has more opportunity to succeed in doing business with foreigners than others. (Shotikarn Bhunddhuchareon , 2002).

Apart from English skills, culture is another important factor in the success of an intercultural organization. Fisher & Hartel (2003) indicated that national culture affects the way that people of different cultures interact. "National culture encompasses the values, beliefs and assumptions that define a distinct way of life of a group of people and is based on the fundamental concepts imparted in early individual development" (Griffith & Hartel, 2000) Therefore, it is necessary for people in business to be

proficient in English as well as to understand the cultures of each country for effective communication.

This study aims to present some problems in intercultural communication which Thai employees have when they communicate with foreign staff. The problems can be focused on culture or language skills including oral and written communications in the workplace. The main reason that Precious Shipping Public Company Limited (PSL) was selected, for this study, was that it meets the aims of the study as the majority of management team are foreigners who came from India, and the staff at multiple levels are required to utilize English as the medium of communication. PSL's Thai Staff and foreign staff have cultural differences and both use English as their second language. For this reason, the research may explore the issues concerning communication in the international working environment.

1.2 Precious Shipping Public Company Limited (PSL)

Precious Shipping Public Company Limited (PSL) is a pure dry cargo ship-owner operating in the small handy size sector of the Tramp freight market. At present, PSL's fleet size is 44 ships which makes it one of the largest companies in the world operating in this segment. The group's principal activities are owning and chartering of dry bulk ships, the main cargoes include agricultural products, steel, fertilizers, ores and concentrates, logs and other items. The group's operations are carried out in five regions namely the United States of America/Canada, Europe, Latin America-Africa, the Indian sub-continent, the Middle East, and South East and Far East Asia. PSL was established in December 1989 and commenced commercial operations in March 1991 after obtaining the approvals from the Bank of Thailand and the Board of Investment. PSL was granted "listed" status on the Stock Exchange of Thailand on the 16th of September 1993.

1.3 STATEMENT OF THE PROBLEM

This survey attempts to find answers to the following research questions:

- 1.3.1 What are the main problems of intercultural communication of Thai employees at PSL?
- 1.3.2 What are the causes of these intercultural communication problems?

1.3.3 What are the attitudes of Thai employee towards their foreign colleagues?

1.3.4 How effective is intercultural communication in the company?

1.4 OBJECTIVES OF THE STUDY

This study consists of four main objectives as follows:

1.4.1 To find out the main problems of intercultural communication of Thai employee at PSL.

1.4.2 To explore the causes of these intercultural communication problem.

1.4.3 To survey the attitudes of Thai employees towards their foreign colleagues.

1.4.4 To measure the effectiveness of intercultural communication in the company.

1.5 DEFINITIONS OF TERMS

Definitions of the terms of this study are as follows:

Foreigner refers to an Indian colleague who worked with Thais employees at Precious Shipping Public Company Limited.

Gender refers to the gender of the staffs working at Precious Shipping Public Company Limited.

Education refers to the educational level of the staffs working at Precious Shipping Public Company Limited.

Working years refers to the working years of the staff working with people of other nationalities at Precious Shipping Public Company Limited.

Occupation refers to the occupation of the staff working at Precious Shipping Public Company Limited.

Effectiveness in intercultural communication refers to act of communication when people from one culture can correctly interpret a message from people from another culture and can respond to it in a way the sender expects.

Oral communication skill refers to the speaking and listening abilities of people used in communication with others.

Written communication skill refers to the reading and writing abilities of people used in communication with others.

Nonverbal communication refers to the process of sending and receiving messages by using emblems, hands, body postures, facial expression and emotional tones without words during communication.

1.6 SCOPE OF THE STUDY

The research aimed to study the problems in intercultural communication of Thai employees at Precious Shipping Public Company Limited, emphasizing the effects of culture's effects and language' skills. The study was conducted on 100 Thai staff who work at least one year in the company.

1.7 SIGNIFICANCE OF THE STUDY

This study aimed to present problems in intercultural communication faced by employees in a multi-language work environment. The findings in this study can be used as guidelines for both employers and employees in PSL or other intercultural companies where both Indian and Thais work together in lessening the communication problems and developing their language skills for the higher productivity in the workplace.

1.8 ORGANIZATION OF THE STUDY

The study consists of five chapters. The first chapter is an introduction to the study including a background, statement of problems, objectives, definitions, significance of the study, scope of the study and organization of the study. The second chapter offers a review of related literature and relevant research. The third chapter describes methodology. The results and interpretation are presented in the fourth chapter. The findings, discussion, conclusion and recommendations are summarized in the last chapter.