

DOCTORATE in BUSINESS ADMINISTRATION

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**The impact of country culture on organizational commitment, job-
and firm performance – An empirical investigation in Thai and
Chinese automotive manufacturing firms**

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Abstract

This is an empirical study investigating the impact of culture in the automotive industry in Thailand and China. Nowadays, multi-national corporations (MNC) are setting their footprint worldwide to capture the market and growth in different regions to achieve their organizational goals. Benefiting from a stable economic environment and growing market forecast, Thailand has become the biggest manufacturing base in the emerging region of Southeast Asia. As the biggest regional base of multi-national corporations in Southeast Asia, Thailand is not only serving the local market, but also working as a manufacturing base and transportation hub for the global markets into different regions across the world. Japanese firms, US firms, and European firms are all located in this industrial region. The research undertaken in this thesis asks the following questions: How well does MNC corporate culture actually cope with local national cultures? What is the impact when global corporate culture collides with national culture? Are the MNC's performing effectively in the region or not? From the above questions, we generate our leading research question, namely: what is the impact of culture on organizational commitment, job performance, and organizational performance? This is a highly relevant question, because there is no recent study on organizational culture, employee commitment, job performance, and organizational performance related to the Thai or Chinese automotive industry, and none exploring the comparison between Thai and Chinese cultures.

We contribute to knowledge by filling the gap in the existing literature on this topic and within the specific context. We establish a conceptual model in which we analyze the impact of country culture on organizational commitment, as well as job and organizational performance in 4 automotive manufacturing plants in Thailand and China. We carry out an online survey to collect information from 881 respondents from 3 plants in China and 1 plant in Thailand, and then analyze the data with structural equation modeling (SEM). From the research, we assert that the organizational culture does indeed impact organizational commitment, employee job performance, and

organizational performance, and that the national culture does influence these relations. Finally, we provide managerial and societal recommendations to practitioners in order to support their work.

Keywords: Organizational Culture, National Culture, Commitment, Performance, Management

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1. Introduction

Nowadays more and more companies tend to shift the management focus from the technical core towards the psychological core of the organization (Khan, Aftab, Anjum & Amin, 2016). Especially for those big corporations with a multi-national footprint, the pursuit of cutting-edge technology is more led by the centralized development centers, while the facilities extended to the different regions focus more on manufacturing, marketing, and customer services. Organizational commitment is certainly one of the key elements in the psychological core of the organization. There are many empirical studies on the impact of organizational commitment on organizational performance. Many researchers show that the home country of the multi-national corporation (MNC) has a significant influence in rolling out standard management systems, corporate value, and organization culture. Thus, the local national culture is also critical in developing well-planned changes in organizations, and hence advocates the need for adaptation (Harzing and Hofstede, 1996). In the past two decades, there has been a wealth of research on organizational development and organization interventions across different regions and fields, but very few studies have been conducted in the manufacturing industry of Thailand as a developing and growing country. In the whole Asia Pacific area other than China, Thailand is one of the biggest manufacturing bases of MNCs thanks to its relatively stable political and economic environment. As a Chinese expatriate working in Thailand for one of the manufacturing facilities of a global MNC, it is of great interest to investigate the differences in impact of national culture in Thailand and China on the relationships between the local organizational culture, organizational commitment, job performance and organizational performance. Research into this area has enabled the author to gain valuable and empirical understanding of how to achieve high level organizational commitment in the local company and to increase performance levels.

To achieve high levels of organizational performance, it is necessary to identify the factors affecting it. In this regard, some studies have revealed that among the factors

that can impact organizational performance are the company's organizational culture and employee's organizational commitment (Denison and Mishra, 1995; Irefin and Mechanic, 2014). **Stem from this stream of literature, we generate the key question of this research: how organizational culture influences the performance through organizational commitment; and what is the national culture impact among these relations.** In this context, research on the topic of organizational and national culture – performance relationship has received wide interest in the past forty years (from 1980 to today). In Web of Science, we were able to identify over twenty thousand articles worldwide, and among them fourteen thousand articles coming from Asian countries. The trend has even greatly increased since the last decade.

On the other hand, from Business Source Ultimate database between 2017 to 2022, there are only 91 journal articles about organizational culture and organizational performance, 34 journal articles about organizational culture and organizational commitment, 63 journal articles about organizational culture and job performance, 53 journal articles about organizational culture and cross-cultural studies, and only 36 journal articles including the key words of culture, commitment, and performance. Among the aforementioned articles, only 1 came from A-ranked journals and 3 from B-ranked journals. None of the articles were related to the Thai or Chinese automotive industry. **Therefore, our research question is to examine cross-cultural comparisons between China and Thailand in order to understand if and how organizations vary across countries due to differences in national cultures.**

As there has been no recent research carried out in the context of manufacturing firms with Asian cultures, our research makes a contribution to the management literature in three different ways. Firstly, we empirically test the relationship between organizational and national culture, organizational commitment, job performance and organizational performance in two Asian countries, Thailand and China, to compare and increase external validity. Secondly, we illustrate the impact of national culture on corporate culture adaption in the context of a manufacturing firm based in Thailand and China. This is particularly relevant as researchers recommend applying and adapting

(existing) as well as developing (new) theories coming from other contexts that explain Asian phenomena, by exploring locally relevant research issues taking into account a high degree of contextualization (March, 2005; Meyer-Waarden, 2019). Thirdly, we make managerial recommendations to practitioners on how to adapt the organizational management practices in local contexts in order to more efficiently achieve business goals.

From a personal standpoint, this study has enabled me to better understand the factors influencing organizational performance in the MNC where I work. My company is among the global top 3 automotive suppliers headquartered in the south-west of Germany. The firm offers systems for passenger cars, commercial vehicles, and industrial technology with 241 production locations in 41 countries, and approximately 150,000 employees. The company was merged from 2 leading automotive suppliers in 2015. One is headquartered in Germany and the other in the US. The top-level organizational culture therefore began to merge as of 2015. For this research, we therefore selected 4 manufacturing plants of the company. Three of them are based in China, located in Changchun, Wuhan and Zhangjiagang, and one is based in Thailand, located in Rayong. Each plant counts between 200 to 1,000 employees. The three different locations in China represent the north, middle-south, and eastern regions of China. The culture and values are not the same in these regions due to historical, geographical, and economical differences. The challenges of these three Chinese locations are fast growth of the business and teams over the past 3 years in the face of new norms in the Chinese economy, which is experiencing transformations as it moves from a rapid to a steady development phase. The GDP growth in China is slowing down, and the consumer patterns and industry models are shifting. Over the past five years, the population has started to spend dramatically more on leisure than on basic living needs. Both light and heavy industry are undergoing transformations from labor intensive to high-value-add mode. Employee cost benefits for MNCs in China no longer exist. The manufacturing plants in these three locations are all facing increasing

pressure to improve efficiency and team capability to optimize the production and organizational structure in order to maintain profit growth.

The manufacturing plant in Thailand is the one I am currently working at, located in Rayong industry zone in south-east Thailand. The Rayong industry zone is also known as the “Detroit of Thailand”. A large number of automotive car makers and global suppliers have set up their branches in this area as a local manufacturing base and export hub. In this competitive context the biggest challenge of my company is the need for transformation, as the plant was in a steady production mode with no new business projects in the past 3 years, meaning it had started to become run down. The local team had been functioning in a relaxed mode for too long, but was then suddenly overwhelmed by new businesses arriving. There was therefore a pressing need to change the organizational culture in order to embrace transformation. **In practice, we encounter the following problems in our company: First, can the corporate culture of the multinationals at the global headquarters (Germany) or regional headquarters (Shanghai/China) be applied in the local context in Thailand to facilitate the necessary changes? Indeed, we have encountered real obstacles, especially when it comes to empowering people and implementing change. In Thailand, most people are used to working within a clear framework and following instructions from the chain of command. Thai colleagues are often confused when we encourage them to show initiative to create their own work plan and make their own decisions. They are often confused or perplexed by changing circumstances, and even try to avoid changes as much as possible. The responses and reactions we get are not what we expect from our previous interactions with my Chinese team members. This experience is shared by most foreign managers in a cultural workshop that we all need to follow. Second, Chevrier (2003) argues that in cross-cultural studies, certain points about the skills and traits frequently associated with successful leaders, such as flexibility, charisma, honesty, and self-confidence, may not be useful in a cross-cultural project involving members from different cultural backgrounds. Most of the literature on cross-cultural leadership is prescriptive; it is illustrated by a large number of managerial anecdotes**

and success stories, but, to our best knowledge, little empirical academic research has been done on the actual strategies leaders of multinational teams use to manage cross-cultural differences (Chevrier, 2003). Researchers have shown precisely in recent decades that management practices are embedded in national cultures and that the search for an effective universal management method makes no sense (Hofstede, 1980; Trompenaars and Hampden-Turner, 2011). Cross-cultural research has shown that national culture explains between 25% and 50% of the variance in attitudes (Gannon and Pillai, 2010). Swierczek and Onishi (2003) present an interesting pattern in which Japanese managers adapt more to the Thai culture, while Thai subordinates adapt to the Japanese management style and human resource system. In the context of the automotive industry in Thailand, where I work, it is therefore crucial to understand the application of this concept in contemporary Thai organizations.

Both problems will have increasing importance, with continued economic growth in the Association of Southeast Asian Nations (ASEAN) area and the Regional Comprehensive Economic Partnership (RCEP) coming into effect in early 2022. Therefore, local companies and multinationals will grasp more opportunities in this region. Pragmatic approaches to managing cultural differences deserve further study in this developing region. Thus, from the present investigation and research, we generate theoretical, managerial and societal contributions in the domains described below.

From a theoretical point of view, we first introduce the organizational culture (OC) index into our manufacturing plants in the selected locations based on six adapted indexes: Empowerment, Capability Development, Creating Change, Customer Focus, Organization Learning, Goals and Objectives. Secondly, we measure how OC influences differently organizational commitment, as well as job and organizational performance in Thailand and China. Thirdly, we determine which variables influence most organizational commitment, job and organizational performance. Finally, we test the role of national culture in the aforementioned relationship, as Hofstede (2012) stated: “from an organizational point of view, every national culture has its strengths and its weaknesses, and these should be taken into account when management sets

international strategies. Therefore, if managers wish to influence the performance of their companies, the most important area they should emphasize is the management of employees (Kenny, 2019)”.

From the managerial and societal point of view, we first recommend management and business owners to pay careful attention to their organizational culture. Secondly, we call on the cultural awareness of MNC business leaders. We also emphasize the proper way of exercising empowerment, implementing changes, as well as objective and target setting according to different cultural trends. MNC business leaders should demonstrate a higher degree of intercultural communication skills in order to avoid potential conflicts, preserve the unique nature of national cultures present, and ensure organizational culture is not functioning in a way that suppresses individuality or homogenizes differences (Appelbaum et al., 2015). "When in Rome, do as the Romans do." suggests that the way to make an organization effective is achieved by matching the societal norms and values present in the country. Organizations rely on their people's success and contribution, while people's well-being must be integrated into the policies and strategies by the organization leaders of MNCs with full consideration for the local societal context. This point is also aligned with the United Nations Objective to promote the well-being of all for sustainable development. Sustainable economic growth requires organizations operating within societies to create the conditions that allow people to have opportunities to receive training and education properly to improve their skills for high-quality employment, which in turn eventually benefits the long-term success of organizations.

This thesis is organized as follows. Chapter 2 offers a review of the literature and describes the conceptual framework and hypotheses of the research. Chapter 3 presents the methodology, the data and the measurement scales used. Chapter 4 then illustrates the results of our research. Chapter 5 discusses and concludes our findings. In chapter 6, we then present our contributions to theory and to management practice. Finally, chapter 7 states the limitations of our study and directions for future research.

2. Literature Review

In this chapter we review the relevant concepts and extant literature on organizational culture, organizational commitment, job performance, organizational performance, and national culture. We then extract and describe our conceptual framework as well as hypotheses.

2.1 Culture

The definition of culture originated from Tylor (1871), and is described as an umbrella term which encompasses the social behavior and norms found in human societies, as well as the knowledge, beliefs, arts, laws, customs, capabilities and habits of the individuals in these groups. Humans acquire culture through the learning processes of enculturation and socialization, which is shown by the diversity of cultures across societies. A cultural norm codifies acceptable conduct in society; it serves as guideline for behavior, dress, language, and demeanor in a situation, which serves as a template for expectations in a social group (Tylor, 1871). Kroeber and Kluckhohn (1952) have identified 164 different definitions of this concept, while they also provide one of the most widely accepted definitions of culture, consisting of patterns, explicit and implicit, of and for behavior acquired and transmitted by symbols, constituting the distinctive achievement of human groups, including their embodiment in artifacts; the essential core of culture consists of traditional ideas and especially their attached values; culture systems may, on the one hand, be considered as products of action, on the other, as conditioning elements of future action. Global Leadership and Organizational Behavior Effectiveness (GLOBE) defines culture as motives, values, beliefs, identities, and interpretations or meanings of significant events resulting from the general experience of collective members transmitted between generations (House *et al.*, 2004). Mammadov and Galusca (2005) emphasize that culture has many definitions, depending on the general themes and characteristics conveyed, such as: (1) members in a cultural system share a set of ideas and values; (2)

transmitted from one generation to another through symbols; (3) culture created by the actions of groups and members; (4) culture is learned; and (5) culture shapes behavior and influences individual perceptions of the world. The concept of material culture covers the physical expressions of culture, such as technology, architecture and art, whereas the immaterial aspects of culture such as principles of social organization (including practices of political organization and social institutions), mythology, philosophy, literature, and science comprise the intangible cultural heritage of a society (Macionis and Gerber, 2011). Culture is the collective programming of the mind that distinguishes the members of one group or category of people from others (Hofstede, Hofstede and Minkov, 2010). The membership of an organization tends to be partial and more or less voluntary, while the ‘membership’ of a nation is permanent and usually established at birth (Hofstede, 2012).

From a general perspective, Romani *et al.*, (2018) present a more inclusive and balanced overview of the field of culture research, which is summarized in four major research paradigms: positivist, interpretivist, postmodern, and critical. In the positivist paradigm, culture is defined as an autonomous, separate, and stable phenomenon composed of distinct characteristics that can be observed, measured, and manipulated (Yeganeh, Su and Chrysostome, 2004). Comparing national scores on these dimensions and management practices across countries allows for analysis and understanding of differences in management behavior (Romani *et al.*, 2018). Cultures are considered interpretive frameworks that are shared, within a group, by those with common socialization; yet they also differ in their social positions and opinions (D’Iribarne, 2009). D’Iribarne’s (2009) work reveals underlying assumptions rooted in history that influence national management practices and the use of key semantic references such as "the contract" in the United States, "consensus" in the Netherlands, or "honor" in France. Postmodernism emphasizes a more local understanding of their research cases, thus the construction of national culture is said to erase the tension, paradox, ambiguity, and even juxtapositions that are part of everyday life (Romani *et al.*, 2018). Postmodern studies illustrate the shift in focus from abstract society (scientific-rational schema) to

intermediate, interactive, and organizational realities (Romani *et al.*, 2018). In critical paradigms, scholars approach culture as struggles of meaning: a site of contested meanings between different cultural groups in an unequal power relationship (Sorrells, 2013; Romani and Claes, 2014). Studies that consider the discursive construction of national culture examine how national culture is taught (Tipton, 2008) or how theories of culture have developed, as well as the power structures reproduced by these constructions (Romani *et al.*, 2018).

2.2 Organizational Culture

Definitions of “organizational culture” (OC) are almost as numerous as those of “culture”, as summarized by Tharp (2009) in his paper identifying more than 50 different definitions of organizational culture over the past 50 years. One of the most accepted and cited definitions offered by Schein (2012) is that organizational culture is defined as a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation 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. Organizational culture also includes the organization’s vision, values, norms, systems, symbols, language, assumptions, beliefs, and habits (Needle, 2010). Simply stated, organizational culture is “the way things are done around here” (Deal and Kennedy, 1982).

Needle (2010) suggests that organizational culture is a product of factors including history, products, market, technology and strategy, type of employees, management styles, as well as national cultures. Organizational culture consists of the common fundamental values, assumptions, and beliefs of the organization members (Lund, 2003; Ravasi and Schultz, 2006). Lately, more researchers view organization culture as a “web”, which includes both the hard and soft aspects such as rituals and routines, stories, symbols, power structures, organizational structures and control systems (Johnson, Scholes and Whittington, 2008). Furthermore, organizations compose different sub-cultures, each of the sub-cultures have their different social, economic and individual

characteristics (Bloor and Dawson, 1994; Tharp, 2009). Each one of these values guides the individuals' behaviors in the workplace, and their interpretation of the organization culture as they interact based on a set of common norms and beliefs within the group (Trice and Beyer, 1993).

A number of different theories and approaches exist on dealing with organizational culture.

2.2.1 The theory of organizational culture dimensions (Denison, 1993)

Whether the organizational culture can be quantitatively measured and compared has experienced a decade long paradigm war between organizational culture literatures and organizational climate literatures (Denison, 1993). At the end of the 20th century, quantitative research started to emerge and be accepted in the literature (Gordon and DiTomaso, 1992). A combination of qualitative and quantitative research has also been used to compare the relationship between organizational culture and performance (Denison and Mishra, 1995; Fey and Denison, 2003; Hofstede, Neuijen, Ohayv, and Sanders, 1990). In the research used to produce this thesis, the common term of organizational culture is used to measure the organizational dimensions.

In an organizational culture and effectiveness study of 764 firms (Denison and Mishra, 1995), the researchers developed a four-trait organizational culture model which has been widely cited and used in organizational culture research (Denison et al., 2006). These four traits are: involvement, consistency, adaptability and mission.

2.2.1.1 Involvement

Involvement is defined as the extent to which the organization encourages empowerment, team-based cooperation, and individual learning and development. The literature has shown that effective organizations empower and engage their people, build their organization around teams, and develop human capability at all levels (Lawler III, 1986; Spreitzer, 1995, 1996; Buckingham and Coffman, 2014; Katzenbach

and Smith, 2015; Block, 2016). High involvement organizations rely on informal, voluntary and implicit control systems, rather than formal, explicit, bureaucratic control systems (Denison et al., 2006). Organizational members are committed to their work and feel a strong sense of ownership. People at all levels feel they have at least some inputs into decisions that will affect their work and feel that their work is directly connected to the goals of the organization. This trait is measured using three indexes:

- a) **Empowerment** is defined as management practices of empowering people by encouraging them to become more involved in the decisions and activities that affect their jobs (Smith, 1996). Individuals have the authority, initiative, and ability to manage their own work. This creates a sense of ownership and responsibility toward the organization. Empowering employees can contribute to that objective as it reduces time caused by the unnecessary communication up and down the organization (Baird and Wang, 2010).
- b) **Team Orientation** is defined as the degree of instilling pride, loyalty, and collaboration among organizational members in The GLOBE Study (Robert J House *et al.*, 2004). The value is placed on working cooperatively toward common goals for which all employees feel mutually accountable. The organization relies on team effort to get work done.
- c) **Capability Development** is defined as the degree of the organization's effort of investing in the development of employees' skills. So that the organization can stay competitive and meet on-going business needs from the enhanced employee capability.

2.2.1.2 Consistency

Consistency is defined as the degree to which there exists a clear set of espoused values, agreement about values, and inter-departmental coordination that arises from this common and agreed upon set of values. Consistent organizations develop a mindset and create organizational control systems based on consensual support, which can be a

more effective way to achieve coordination and integration (Denison et al., 2006). This trait is measured using three indexes as follows: core values, agreement, coordination and integration:

- a) **Core Values** are defined as the set of values shared among the organization members, which creates a sense of identity and a clear set of expectations. Core values has been proved to be strongly related to organizational performance (Denison and Mishra, 1995; Gordon and DiTomaso, 1992).
- b) **Agreement** is defined as the ability of the organization member to reach agreement on critical issues for both the underlying level of agreement and the consensus to reconcile differences. Organizational commitment refers to the degree of agreement between the individual to the organization (Coopey, 1995).
- c) **Coordination and Integration** is defined as the ability of different functions and units of the organization to work together to achieve common goals without interference by organizational boundaries (Denison et al., 2006).

2.2.1.3 Adaptability

Adaptability is defined as the degree to which the organization is focused on learning from its competitors and customers, and promotes flexible and adaptive responses at both the organizational and employee levels (Denison et al., 2006). Organizations with strong adaptability usually experience sales growth and increased market share in financial performance (Denison and Mishra, 1995). This trait is measured using three indexes, as follows: creating change, customer focus, and organizational learning (Denison et al., 2006):

- a) **Creating Change** is defined as the ability of the organization to read the business environment, react to current trends, anticipate future changes, and create adaptive ways to meet changing needs for the organization to survive and grow.

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- b) **Customer Focus** is defined as the extent to which the organization is able to understand and react to their customers and anticipate their future needs. The customer-focused organization is driven by concerns to satisfy their customers, which will positively impact the customer satisfaction and market performance.
 - c) **Organizational Learning** is the ability of organizations to receive, translate, and interpret signals from the environment into opportunities, which enable the organization to encourage innovation, acquire knowledge, and develop capabilities to gain competitive organizational performance edge.

2.2.1.4 Mission

Mission is defined as the extent to which the organization has a clearly articulated strategic direction that provides context for action and goals against which progress can be tracked (Denison et al., 2006). A sense of mission allows an organization to shape current behavior by envisioning a desired future state, which contributes to both short and long-term commitment to the organization (Denison et al., 2006). This trait is measured using three indexes, as follows: strategic direction and intent, goals and objectives, and vision:

- a) **Strategic Direction and Intent** is defined as the ability of the organization to convey its purpose and intention to each member of the organization. Through this, it becomes clear to everyone how to contribute and “make their mark” on the industry.
- b) **Goals and Objectives** are defined to measure the extent to which organizations set goals and objectives that are aligned with its mission, vision, and strategy, thus providing members with a clear direction in their work in order to achieve the organizational performance target.
- c) **Vision** is defined as the degree to which an organization has a shared view of a desired future state. Performance Management is associated with creating a

shared vision of the aims and purpose of the organization, helping each individual employee to understand and recognize their part in contributing to the organizational goals, which helps to manage and enhance employee and organizational performance (Williams, 2002).

2.2.2 Organizational Culture Theory (Hofstede et. 1990)

From research on 20 units from ten different organizations (five in Denmark, and five in the Netherlands), Hofstede and his colleagues developed six dimensions as shown below to describe organizational culture by using statistical factor analysis of survey responses (Hofstede, Neuijen, Ohayv, and Sanders, 1990). These six dimensions are: 1) Process- versus results-orientation, 2) Job- versus employee-orientation, 3) Professional- versus parochial-orientation, 4) Open- versus closed-systems, 5) Tight-versus loose-control system, and 6) Pragmatic- versus normative-organization.

2.2.2.1 Process- versus results-orientation

Process-oriented cultures are dominated by technical and bureaucratic routines, whereas results-oriented cultures are dominated by a common concern for outcomes. Process rather than results orientation correlates with material-versus labor-intensive processes, higher absenteeism, and steeper hierarchical structure (Hofstede, 2012). More specialized and more formalized organizations tend to be more process-oriented (Hofstede, Neuijen, Ohayv, & Sanders, 1990).

2.2.2.2 Job- versus employee-orientation

Job-oriented cultures assume responsibility for the employees' job performance only, and nothing more, while employee-oriented cultures assume a broad responsibility for their members' well-being (Hofstede, Neuijen, Ohayv, & Sanders 1990; Hofstede, 2012). Employee rather than job orientation correlates with: higher invested capital, younger workforce, and more highly educated top managers (Hofstede, 2012).

2.2.2.3 Professional- versus parochial-orientation

Professional orientation refers to those organization members who identify primarily with their profession. Parochial orientation refers to those organization members who derive their identity from the organization for which they work (Hofstede, Neuijen, Ohayv, & Sanders 1990; Hofstede, 2012). Parochial compared to professional orientation correlates with public ownership, smaller size, more unionization, and fewer meetings (Hofstede, 2012).

2.2.2.4 Open- versus closed-systems

This dimension refers to the common style of internal and external communication, and to the ease with which outsiders and newcomers are admitted (Hofstede, Neuijen, Ohayv, 1990; Hofstede, 2012). This dimension describes the communication climate (Poole, 1985), a focus of attention for both human resources and public relations experts. Open- compared to closed systems correlates with: higher percentage of female employees, higher average employee seniority, less formalized organization, and freer expression of employee opinions in in-company personnel journal (Hofstede, 2012).

2.2.2.5 Tight- versus lose-control system

This dimension refers to the amount of intimal structuring in the organization, covering the degree of formality and punctuality within the organization (Hofstede, Neuijen, Ohayv, 1990; Hofstede, 2012). A tight formal control system is associated statistically with strict unwritten codes in terms of dress and dignified behavior (Hofstede, Neuijen, Ohayv, 1990). Loose compared to tight control systems correlates with: lower percentage of female managers, higher average employee education, recent growth, and lower absenteeism (Hofstede, 2012).

2.2.2.6 Pragmatic- versus normative-organization

This dimension deals with the popular notion of “customer orientation”, which describes the prevailing way (flexible or rigid) of dealing with the environment, in

particular with customers (Hofstede, Neuijen, Ohayv, 1990; Hofstede, 2012). Pragmatic organizations are more market-driven, while normative organizations perceive their task toward the outside world as the implementation of inviolable rules. Normative compared to pragmatic correlates with: public versus private ownership (Hofstede, 2012).

2.3 Organizational commitment

Organizational commitment is conceptualized as ‘the strength of an individual’s identification with and involvement in a particular organization’ (Porter *et al.*, 1974). Organizational commitment has been extensively researched since Porter proposed the construct of organizational commitment in the 1970s (Mowday, Steers and Porter, 1978). Organizational commitment represents an employee’s strong belief in and acceptance of the organization’s goals and values; a willingness to exert considerable effort on behalf of the organization; and a strong desire to maintain membership. In the following decade, the antecedents and consequences of organizational commitment were studied. Organizational attributes such as decentralization and compensation practices, job complexity and personal characteristics (e.g., gender, age, tenure, and personality and value) were investigated as antecedents by researchers (Bateman and Strasser, 1984; Mowday, Porter and Steers, 2013). As for consequences, turnover and job performance were investigated mostly as results of organizational commitment (Mathieu and Zajac, 1990). Three dimensions of organizational commitment were proposed by Meyer and Allen (1991) for researchers and practitioners to investigate organizational commitment towards the organization, namely: “affective commitment” (defined as an affective attachment to the organization), “continuance commitment” (defined as a perceived cost associated with leaving the organization), and “normative commitment” (defined as an obligation to remain in the organization). From the 1990s onwards, the psychological process of how employees develop their organizational commitment was widely investigated, such as research on perceived fairness, job security and trust (Folger, Konovsky and Cropanzano, 1992; Davy, Kinicki and Scheck, 1997). Herscovitch and Meyer (2002) then defined commitment as a force or mind-set

that binds an individual to a course of action, subsequently increasing the likelihood the employee will remain with the organization. Commitment of the employee to the organization is tied to the concept of the psychological contract (Rousseau, 1989), the psychological contract being defined as a perception manifested as an unwritten agreement, it is therefore not concrete (Gakovic and Tetrick, 2003).

The concept of organizational culture plays an important role in multi-national organizations, as many of the values and assumptions built within the organization are based on the activities encountered within the country. A well-designed organizational culture can raise the level of organizational commitment (Singh and Das, 1978). Table-1 below summarizes the key studies in the literature on the impact of organizational culture on organizational commitment. From a study in one large service-providing organization, Fritz, Arnett and Conkel (1999) identify that regardless of level, organizational commitment is predicted most strongly by managerial adherence to organizational standards as a part of organizational culture. Ruppel and Harrington (2000), suggest that an atmosphere of trust – a major component of organizational culture and team effectiveness – impacts positively organizational commitment. A well designed and established organizational culture is the key to creating commitment among members of the organization and directly helping individual goals towards organizational goals (Canessa and Riolo, 2004). The creation of an organizational culture is viewed as positive and conducive to triggering employees' interest in the organization, and enables the growth of a sense of self-identification of organizational values and objectives, which are all manifestations of organizational commitment (Yanti and Dahlan, 2018). Aranki, Suifan and Sweis (2019) investigated the IT sector in Jordan with results showing how organizational culture has a positive relationship with organizational commitment, indicating that culture plays an important role in retaining employees. Setyaningrum (2017) points out that the behavior of a leader who works to serve employees or followers, as well as upholding values such as empowerment, humility, and empathy, will make the employees engage and loyal to the organization, thus helping create a positive organizational culture. Purnama (2013)

concludes in his study that organizational culture affects the commitment of the employees in the organization, and the organization is committed to who are willing to give something of him or herself as a contribution to the good of the organization, meaning they are committed to the organization. An organizational culture that is adopted and strongly enacted by each employee can provide quality, and will have a positive impact on other members of the organization, namely reducing the tendency of employees to leave the organization, and resulting in organizational commitment (Nurmala and Jasin, 2021). The literature also offers rarer examples of findings that diverge from the mainstream, such as those in Awan and Mahmood's (2010) study on university library staff in Pakistan. Their findings did not indicate any significant relationship between leadership style, organizational culture, and job commitment in their workplace.

Authors (Year)	Data / Sector / Country	Results	Limitations/Research Directions
Fritz, Arnett and Conkel (1999)	N= 868 / service- providers / U.S.	Organizational commitment is predicted most strongly by organizational culture.	Focus on one organization, four- point scale.
Ruppel and Harringt (2000)	N=111 / Information Technology (IT) / U.S.	Trust is a major component of organizational culture, and team effectiveness impacts organizational commitment.	Single item measures, IT department only, top-down manager view only.
Yanti and Dahlan, (2018)	N=121 / Education Office / Indonesia.	Organizational culture has a direct effect on employee organizational commitment.	Small sample size, only three variables for organizational commitment.
Kawiana (2018)	N=135 / Banking / Indonesia.	The influence of the organizational culture variable on organizational commitment is significant.	Limited sample size.

Narteh and Odoom (2015)	N=248 / Banking / sub-Saharan Africa.	Internal marketing dimensions, with the exception of organizational culture, are significantly associated with employee loyalty.	Single location, single sector.
Awan and Mahmood (2010)	N=115 / University Libraries / Pakistan.	Library professionals are not very sensitive to any relationship between leadership style, organizational culture and job commitment in their workplace.	Only university libraries in Pakistan's province of Punjab.
Aranki, Suifan and Sweis (2019)	N=204 / IT / Jordan.	Organizational culture has a positive relationship with organizational commitment.	Only IT companies in Jordan, only young respondents.
Setyaningrum (2017)	N=240 / Handicraft / Indonesia.	Servant leadership has a positive correlation with employee commitment.	Limited sample size.
Purnama (2013)	N=174 / Industry / Indonesia.	Organizational culture has a positive effect on organizational commitment.	Limited sample size.
Dwivedi, Kaushik and Luxmi (2014)	N=524 / Business Process Outsourcing (BPO) / India	Organizational cultural variables are positively related to organizational commitment.	Limited geographical diversity, self-reported.
Carvalho <i>et al.</i> (2018)	N=1735 / Banking / Brazil	The Clan (supportive) culture has a strong relationship with organizational commitment and job satisfaction.	Only one culture type model used.
Nurmala and Jasin (2021)	N=85 / Public Sector / Indonesia.	The influence of organizational culture on organizational commitment is positive and significant.	Limited sample size.
Iskandar and Anggraeni (2018)	N=224 / Education / Indonesia.	Competence and organizational culture have a positive and significant effect on organizational commitment.	Only education sector, self-reported.

Table-1 Summary of the literature on links between organizational culture and organizational commitment

As summarized in table-1, there have only been a limited number of studies carried out on large sample sizes. From the literature review of the last 10 years, comprehensive research on how organizational culture influences organizational commitment are becoming less frequent than in the earlier years before 2010. On the other hand, more research on certain specific organizational culture dimensions or organizational culture attributes have been carried out to examine the relationship with organizational commitment. Most of the recent research is limited to specific regions or countries with a focus on single sectors or departments without offering any clear generalizability. Additionally, none of this research has targeted the automotive industry in the countries covered by the research carried out for this thesis. Thus, we hypothesize that organizational culture has a positive impact on organizational commitment.

H1: Organizational culture has a positive impact on organizational commitment.

2.4 Job performance

Job performance is defined as the expected output from employees' behaviors carried out over a predefined time period (Motowidlo, Borman and Schmit, 1997). In other words, "Performance is what the organization hires one to do, and do well" (Campbell *et al.*, 1993). Job performance is considered to be a collective value to any organization (Adil, 2014). It is a combination of behaviors of an employee who contributes both directly and indirectly to achieve organizational targets (Borman and Motowidlo, 1993). Job performance is multi-dimensional, and is usually divided into task performance and contextual performance (Motowidlo and Van Scotter, 1994). Contextual performance is defined as voluntary, positive job behaviors that are not part of an employment contract, while task performance is defined as in-role behavior usually as part of one's job agreement (Spector and Fox, 2002). Job performance is a composition of organizational behaviors. The accomplishment of an organization is

therefore contingent with excellent performance by its human resources (Colquitt *et al.*, 2011). On most occasions, such behaviors are associated with core activities of the job (Campbell, 1990). Nowadays, performance is classified as organizational citizenship behavior (OCB) or contextual performance, counterproductive behaviors and task performance. It has been empirically proved that these are three different dimensions and should be treated separately (Dalal, 2005).

Table-2 below summarizes the key studies in the literature on the impact of organizational culture on employee job performance.

Authors (Year)	Data / Sector / Country	Results	Limits/Research Directions
Kanter (1979)	Interview / Banking / U.S.	When the work force is empowered, they experience higher inherent inspiration to improve their job performance.	Only one sector.
Soomro and Shah (2019)	N=326 / Small and medium enterprises (SME) / Pakistan.	A positive and significant impact of organizational commitment, job satisfaction and organizational culture on employee performance.	Single data collection.
Arthur Jr et al., (2006)	N=5377 / cross sector / U.S.	The fit between the individual and the environment is a predictor of specified outcomes, such as job performance and turnover.	Post-hiring use only.
Diantari and Riana (2019)	N=134 / Public sector / Indonesia.	A transformational leadership style inspires subordinates to work better, job motivation increase is directly proportional to an increase in employee performance.	Self-reported, Secretariat only.
Lolowang <i>et al.</i> (2019)	N=96 / Public sector / Indonesia.	Organizational culture has a significant effect on employee performance. Work motivation partially mediates the	Limited sample size, village offices in Jayapura only.

		influence of organizational culture on employee performance.	
Diana <i>et al.</i> (2021)	N=106 / Education / Indonesia.	Implementing democratic leadership supported by a conducive organizational culture encourages employees to perform better.	Self-report survey, small sample size.
Nurmala and Jasin (2021)	N=85 / Public sector / Indonesia.	The influence of organizational culture on employee performance is positive and significant.	Limited sample size.
Fidyah and Setiawati (2019)	N=52 / Telecom / Indonesia.	Organizational culture positively and significantly affects employee performance. The indirect effect (OC on EP through job satisfaction) is greater than the direct effect (OC on EP).	Limited sample size.
Nusari <i>et al.</i> (2018)	N=539 / State owned enterprises / Abu Dhabi.	Organizational culture (individualism) has a negative impact on employee performance (quality).	Single cultural dimension, self-reported.
Uddin, Luva and Hossain (2012)	N= 34 (interviews) / Telecom / Bangladesh.	Organizational culture significantly influences employee performance and productivity in the dynamic emerging context.	Perceptual errors.
Iskandar and Anggraeni (2018)	N=224 / Education / Indonesia.	Organizational culture and organizational commitment have a positive and significant effect on employee performance.	Education sector only, self-reported.
Kawiana (2018)	N=135 / Banking / Indonesia.	The influence of the organizational culture variable on employee performance interest is significant.	Limited sample size.

Table-2 Summary of the literature on links between organizational culture and employee job performance

When the work force is empowered by the organization, they experience higher inherent inspiration to improve their job performance (Kanter, 1979). A good organizational culture maintains variation and develops employees' performance by motivating them towards a shared objective and goal, while shaping and channeling employees' behavior towards this specific focus, for functional and operational purposes (Daft and Weick, 1984). According to Arthur Jr *et al.*, (2006), the fit between the individual and the environment is a predictor of specified outcomes such as job performance and turnover. An organization's cultural values and norms powerfully affect the employees who work within the organization (Stewart, 2010). Job performance is the set of behaviors and the sum of values of an organization whereby an employee contributes directly and indirectly to organizational goals (Na Ayutthaya, Tuntivivat and Prasertsin, 2016). Diantari and Riana (2019) conclude in their research that the better the leadership apply a transformational leadership style, the more it will encourage direct employee performance improvement. Strong organizational culture is indicated by the behavior of organizational members in carrying out work that supports organizational goals, and the organizational culture is able to have a direct impact on employee performance (Lolowang *et al.*, 2019). In a recent study, Diana *et al.* (2021) point out that implementing democratic leadership supported by a conducive organizational culture guides employees to perform better. Organizational culture is a key performance factor, because by fostering an organizational culture that is applied to each employee properly, it will create a comfortable working environment, which will in turn lead to an increase in employee performance (Nurmala and Jasin, 2021). Uddin, Luva and Hossain (2012) map out different cultural aspects of organizations as well as showing the vital relationship between organizational culture and employee performance.

As summarized in table-2, there is only one research survey on a big sample size within the recent 10 years, investigating just one single cultural dimension. The remainder of recent research focuses on single country cultures through rather limited sample sizes, without offering wider generalizability. Thus, we hypothesize:

H2: Organizational culture has a positive impact on employee job performance.

The literature shows that encouraging employees' commitment to strategy implementation improves job performance. Table-3 below summarizes the main studies in the literature on the impact of employees' commitment on job performance.

Authors (Year)	Data / Sector / Country	Results	Limits / Research Directions
Wirtschaft (1999)	N=271 / Administrative / Malaysia.	Organizational commitment has a significant and direct relationship with employee performance.	Only administrative staff.
Bartlett (2001)	N=337 / Health care / U.S.	Organizational commitment is shown to be positively related to employees' devotion to their group, supervisors, and job.	Female-dominated profession – nursing.
Atmojo (2012)	N=146 / Plantation / Indonesia.	A high level of organizational commitment promotes loyalty to the company.	Limited sample size, only middle managers.
Kawiana (2018)	N=135 / Banking / Indonesia.	The influence of the organizational commitment variable on employee performance is significant.	Limited sample size.
Nurmala and Jasin (2021)	N=85 / Public sector / Indonesia.	The higher the employee's organizational commitment, the more the impact on the employee's performance improvement.	Limited sample size.
Iskandar and Anggraeni (2018)	N=224 / Education / Indonesia.	Organizational culture and organizational commitment have a positive and significant effect on employee performance.	Education sector only, self-reported.
Hidayah and Tobing (2018)	N=50 / Education / Indonesia.	Job satisfaction, motivation, and organizational commitment simultaneously influence employee performance.	Limited sample size in one small location.

		Organizational commitment significantly influences employee performance in some cases.	
Francesco and Chen (2004)	N=253 / Pharmaceutical / China.	The relationship between organizational commitment, and both in-role and extra-role performance were found to be weaker for collectivists than individualists.	Single company and single culture.
Soomro and Shah (2019)	N=326 / Small and medium enterprises (SME) / Pakistan	Positive and significant impact of organizational commitment, job satisfaction and organizational culture on employee performance.	Single data collection.
Linggiallo <i>et al.</i> (2021)	N=167 / Energy / Indonesia.	Employee engagement and organizational commitment were positive and significant for employee performance.	Single company, single location.
Martini <i>et al.</i> (2018)	N=112 / Textile / Indonesia	Employee competency, and organizational commitment dimensions showed a significant positive effect on employee performance.	Single company, small sample size.

Table-3 Summary of the literature on the links between organizational commitment and employee performance

Armstrong (1982) finds that encouraging employees' commitment to strategy implementation improves company performance. Arthur (1994), concluded that high-level organizational commitment can enhance the manufacturing performance and reduce the turnover in a human resource system. Organizational commitment is shown to be positively related to employees' devotion to their group, supervisors, job, career, and union (Bartlett, 2001), and to be negatively related to employee turnover (Wagner, 2007). Factors including talent, team climate, collective pride, commitment, leadership, purpose, communication, continuous improvement, team ethics and team bonding play a major role in building effective high-performance teams (Bhogle, Bhogle and Ambani, 2011). An employee who accepts, acknowledges and supports the organization objectives and values is more likely to be given to their organization and have the

inclination to advance their level of job performance (Wirtschaft, 1999). The higher commitment to the duties is, the higher the level of performance will be generated, leading to higher assessment levels (Kawiana, 2018). The higher the employee's organizational commitment, the better the impact on the employee's performance improvement, indicating that employees must be self-committed to improving performance and achieving the goals of the organization. Committed employees will be more responsible for their work compared to employees who are not committed (Nurmala and Jasin, 2021). Finally, organizational culture that is used appropriately and well-understood provides a real impact on organizational commitment and employee performance (Iskandar and Anggraeni, 2018).

As summarized in table-3, most of the recent research has been carried out on limited sample sizes. The overall generalizability of the findings is problematic given the restricted nature of the sectors being investigated. None of the aforementioned studies are related to our target automotive industry and countries. Thus, we hypothesize:

H3: Organizational commitment has a positive impact on employee job performance.

2.5 Organizational performance

Organizational performance is defined as the actual output or results of an organization obtained when measured against its intended goals and objectives through three basic outcomes, which are: financial performance, product market performance, and return to the shareholders (Richard et al., 2009). However, performance evaluation is at the heart of performance management (Cardy and Leonard, 2014). Organizational performance can also be categorized into financial performance and non-financial performance: Financial performance is, for example, profitability, liquidity and financial risk, and earnings, which are related to enterprises' efficiency per operation. Non-financial performance is usually associated with the customer base, brand loyalty, image and reputation, technology and innovation development, as well as quality of

human resources (Kaplan et al., 2001). Organizational performance includes effectiveness, efficiency, productivity, quality, and innovation (Tangen, 2004). The idea of organizational performance is affiliated to the survival and success of an organization (Ahmed and Shafiq, 2014).

The literature shows that organizational culture has a positive impact on organizational performance. Table-4 below summarizes the main studies in the literature concerning the impact of organizational culture on firm performance.

Authors (Year)	Data / Sector / Country	Results	Limits / Research Directions
Gordon and DiTomaso (1992)	N=850 (11 firms) / Insurance / U.S.	Strong culture (consistency) is predictive of short-term future company performance. Adaptability but not stability is also predictive of short-term performance.	Only measures culture and performance once over a long period. Changes or not in culture strength in this period is unknown.
Denison and Mishra (1995)	Step-1: case study of 5 firms; Step-2: Survey of 764 firms / cross-sector / U.S.	Specific culture traits (involvement, adaptability, consistency, mission) may be useful predictors of organizational performance and effectiveness.	4 culture traits is a narrow view of organization culture. Limited in cultural contexts.
Purnama (2013)	N=174 / Industry / Indonesia.	Organizational culture, job satisfaction, organizational commitment and organizational citizenship behavior (OCB) affects organizational performance.	Limited sample size.
Uddin, Luva and Hossain (2012)	N= 34 (interviews) / Telecom / Bangladesh.	Both positive and negative cultural mannerism has significant consequences on employees as well as firms performance.	Perceptual errors.

Kumari and Singh (2018)	Literature review.	The strong culture of an organization based upon managers and leaders helps to improve the level of performance.	
Ojo (2014)	N=72 / Banking / Nigeria.	There is a positive relationship between organisational culture and corporate performance.	Limited sample size.
Nikpour (2017)	N=190 / Education / Iran.	Organizational culture has an impact on organizational performance. Organizational commitment mediates organizational culture and organizational performance.	Limited sample size, only considered in education office.
Abu-Jarad, Yusof and Nikbin (2014)	Literature review / Malaysia.	A strong market culture as a means of creating a competitive advantage for their firms and superior business performance.	
Al-Matari and Bin Omira (2017)	N=384 / Public sector / Malaysia.	A positive and significant association between organizational culture and organizational performance, partially mediated by organizational commitment.	In the context of Saudi Arabia.
Zheng and Tian (2019)	N=20576 / Manufacturing / Hong Kong	Empowerment can lead to improvements in both individual and organizational performance.	Self-reported data, only aggregated group data.

Table-4 Summary of the literature on the links between organizational culture and organizational performance

Denison and Mishra (1995) state that specific culture traits may be useful predictors of organizational performance and effectiveness. During the 2000s, we find many investigations proving the strong connection between culture value, organizational commitment to the organization and organizational performance (Ooi and Arumugam, 2006; Bonaparte Jr, 2008; Manetje and Martins, 2009; Dost *et al.*, 2011; Lauture *et al.*, 2012; Ghorbanhosseini, 2013). The understanding and awareness of organizational

culture bring effectiveness in organizational goals achievement (Brooks, 2006). Gordon and DiTomaso (1992) show that high and low performing companies had different culture profiles, and they provide further empirical support for the impact of cultural strength and value consensus on performance in a recent study of the insurance industry. Holbeche and Springett (2009), and Leiter and Bakker (2010) also suggest that the presence of high levels of employee engagement enhances job performance, task performance, and organizational citizenship behavior, productivity, discretionary effort, affective commitment, continuance commitment, levels of psychological climate, and customer service. Proper organizational culture is performance driven, which encourages participation and reinforces employee effectiveness and productivity (Ojo, 2014). Nikpour (2017) demonstrates the impact of organizational culture on organizational performance regarding employee's organizational commitment. Organizational culture is an open system approach which has interdependent and interactive associations with organizations' performance (Uddin, Luva and Hossain, 2012). Managers relate organization performance and culture to each other as they help in providing competitive advantage to firms (Kumari and Singh, 2018).

As summarized in table-4, only one piece of research focuses on the manufacturing sector in China using a large sample size, but only aggregated group level data is processed in this study. Meanwhile it also lacks other dimensions and factors within organizational culture construct. Therefore, we hypothesize:

H4: Organizational culture has a positive impact on organizational performance.

Job performance is one of most essential elements of organizational behavior research, and has been considered as a significant indicator of effective organizations. Thus, the success of an organization is dependent on the good performance of its employees (Colquitt *et al.*, 2011). Borman and Motowidlo (1993) distinguish the activities that contribute to the organization's 'technical core' performed by an individual with his or her competencies referred to as task performance, whether it be both direct (e.g., shop floor workers), or indirect (e.g., office staff or managers). In

contrast, individual contextual performance is the activities that do not directly contribute to the technical core, but help the organizational environment such as the social, and psychological environment in which organizational goals are achieved (Borman and Motowidlo, 1993). It is a continuous process of identifying, measuring and developing the performance of individuals and aligning performance with the strategic goals of the organization (Aguinis, 2009).

Research proves that the performance evaluation process closely links the individual performance to the organizational strategy and overall performance (Johnson, 2000; Vukotich, 2014). Success or failure of an organization depends on employee performance. Employee performance ultimately affects organizational performance (Siawash *et al.*, 2013). If the empowerment and recognition of employees is increased, their motivation to work will also improve, as well as their accomplishments and organizational performance (Russell, 2013). Manu (2004) outlines those skillful employees are essential for the improvement of the organization. The employee is one of the most valuable resources and assets of an organization, while the success or failure of the organization depends on the performance of its employees (Hameed and Waheed, 2011). Sciarelli, Gheith and Tani (2020) state in their study that the implementation of human resource management (HRM) can improve employees' capabilities and innovation behavior, and in turn improves organizational performance. Employee's customer orientation is one of the key factors in achieving benefits such as improved quality of products and services, greater customer satisfaction, enhanced productivity, and flexibility in reaching out to customers (Siddiqui and Rahman, 2007). Agha, Alrubaiee and Jamhour (2011) consider employee core competence to be a vital determinant of competitive advantage and organizational performance. Table-5 below summarizes the main studies in the literature on the impact of job performance on organizational performance.

Authors (Year)	Data / Sector / Country	Results	Limits/Research Directions
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Siawash <i>et al.</i> (2013)	N=197 / Education / Azad Jammu and Kashmir	Employee performance and organization performance are positively correlated.	Gender bias, limited sample size.
Hameed and Waheed (2011)	Literature review.	Employee performance affects organizational effectiveness.	
Sciarelli, Gheith and Tani (2020)	N=365 / Academia / Italy.	Innovation and improved organizational performance.	Only faculty members of universities in Naples.
Al-Hakim and Hassan (2016)	N=233 / Telecom / Iraq.	Innovation has a significant and positive effect on organizational performance.	Limited generalizability.
Gede Riana <i>et al.</i> (2020)	N=126 / Small and medium enterprises (SME) / Indonesia.	HRM significantly affects organizational performance and innovation. Innovation improves organizational performance.	Limited sample size.
Fotopoulos and Psomas (2010)	N=370 / Consulting / Greece.	Customer focus is one of the factors that significantly affects company performance.	Self-reported from top management, limited sectors.
Agha, Alrubaiee and Jamhour (2011)	N=64 / Manufacturing / United Arab Emirates.	Core competence can improve competitive advantage and organizational performance.	Very limited sample size.

Table-5 Summary of the literature on the links between employee job performance and organizational performance

As summarized in table-5, most recent research are lacking in generalizability due to limited sample sizes and a narrow focus on particular regions or countries. Clearly there is a gap in the knowledge on the automotive industry, as well as in country comparisons. Thus, we propose:

H5: Employee job performance has a positive impact on organizational performance.

2.6 The National Culture Impact

National culture is conceptualized by many management researchers as a set of ideas or beliefs shared by the members of a group. Keesing (1974) defines culture as an individual's theory of what his fellows know, believe and mean, his theory of the code being followed, the game being played. Schein (1981) describes culture at three levels from a broader perspective, which is: basic assumptions and premises, values and ideology, and artifacts and creations. As one of the most cited researchers in the literature on national culture, Hofstede defines culture as the collective programming of the mind that distinguishes the members of one group or category of people from others (Hofstede, 2011). Hofstede describes national cultures as acquired by individuals at the pre-puberty level, organizational cultures are obviously acquired at the post-puberty level, because people acquire them when entering the organization (Hofstede & Fink, 2007).

2.6.1 Hall's framework of culture analyses

An early well-known concept developed by Hall (1976), mainly focuses on three categories for how communications and interactions are different between different cultures, namely: high- versus low-context communications, space, and attitudes toward time.

2.6.1.1 Context

High- versus low-context cultures refers to how a message is communicated. In high-context cultures, such as in Latin America, Asia, and Africa, the physical context of the message carries a great deal of importance. People tend to be more indirect and to expect the person they are communicating with to decode the implicit part of their message. In high-context cultures, body language is as important and sometimes more important than the actual words spoken. Therefore, the receiver is expected to use the

situation, messages, and cultural norms to understand the message. In low-context cultures such as the United States and most Northern European countries, people tend to be explicit and direct in their communications. “Say what you mean” and “Don’t beat around the bush” are typical sayings. The guiding principle is to minimize the margins of misunderstanding or doubt. Low-context communication prefers to get straight to the point (Hall, 1976). Communication between people from high-context and low-context cultures can be confusing. In business interactions, people from low-context cultures tend to listen to the exact words spoken. As it turns out, people often miss the hidden implication from the high context culture.

2.6.1.2 Space

Hall (1976) calls this the study of proxemics, which focuses on space and distance between people as they interact. Space refers to everything from how close people stand to one another to how people might mark their territory or boundaries in the workplace and in other settings. Standing too close, for example depends on where you are from. People establish a comfort zone when interacting with others whether consciously or unconsciously. Standing distances shrink and expand across cultures. In cultures that have a low need for territory, people not only tend to stand closer together but also are more willing to share their space - whether it be a workplace, an office, a seat on a train, or even ownership of a business project.

2.6.1.3 Attitudes toward Time

Polychronic versus Monochronic Cultures. Hall (1976) identifies that the concept of time is greatly influenced by culture. In polychronic cultures, people can do several things at the same time. In monochronic cultures, people tend to do one task at a time. This doesn’t refer to the multitasking capabilities between polychronic cultures and monochronic cultures. Rather, people in monochronic cultures, such as Northern Europe and North America, tend to schedule one event at a time. Being punctual is expected, no matter for a business event or a private appointment. One’s time schedule

defines the order. For example, company meetings end on time, even if the meeting agenda has not been completed. In polychronic cultures, on the contrary, relationships obviously are more important than time. Completing a conversation or meeting may matter much more than just keeping on time. For Latin America, the Mediterranean, or the Middle East, the timetables are more flexible and relaxed. In polychronic cultures, it's not impolite to walk into a meeting or a party well past the appointed hour. Those who prefer the monochronic order of things may find polychronic order frustrating and hard to manage effectively. Those raised with a polychronic sensibility, on the other hand, may dislike the "tyranny of the clock" and prefer to finish whatever is ongoing at hand (Hall, 1976).

2.6.2 The GLOBE framework of culture

The GLOBE (Global Leadership and Organizational Behavior Effectiveness) research program was founded by Robert House in 1991. The GLOBE 2004 study (House et al., 2004) is the culmination of a ten-year quantitative survey-based study of societal culture, organizational culture, and attributes of effective leadership in 62 societies around the world. In terms of the project scope, it is based on data from 17,300 middle managers in 951 organizations across different sectors including food processing, financial services, and telecommunications industries as well as archival measures of country economic prosperity and the physical and psychological well-being of the cultures studied (House et al., 2004).

The GLOBE study develops nine cultural dimensions. The nine cultural dimensions they identified as independent variables are: Uncertainty Avoidance, Power Distance, Institutional Collectivism, In-group Collectivism, Gender Egalitarianism, Assertiveness, Future Orientation, Performance Orientation, and Humane Orientation. Please see below for a detailed explanation (House et al., 2004).

2.6.2.1 Power Distance

Power distance is defined as the degree to which members of a collective expect power to be distributed equally.

2.6.2.2 Uncertainty Avoidance

Uncertainty Avoidance is defined as the extent to which a society, organization, or group relies on social norms, rules, and procedures to alleviate unpredictability of future events.

2.6.2.3 Humane Orientation

Humane Orientation is defined as the degree to which a collective encourages and rewards individuals for being fair, altruistic, generous, caring, and kind to others.

2.6.2.4 Institutional Collectivism

Institutional Collectivism is defined as the degree to which organizational and societal institutional practices encourage and reward collective distribution of resources and collective action.

2.6.2.5 In-group Collectivism

In-group Collectivism is defined as the degree to which individuals express pride, loyalty, and cohesiveness in their organizations or families.

2.6.2.6 Assertiveness

Assertiveness is defined as the degree to which individuals are assertive, confrontational, and aggressive in their relationships with others.

2.6.2.7 Gender Egalitarianism

Gender Egalitarianism is defined as the degree to which a collective minimizes gender inequality.

2.6.2.8 Future Orientation

Future Orientation is defined as the extent to which individuals engage in future-oriented behaviors such as delaying gratification, planning, and investing in the future.

2.6.2.9 Performance Orientation

Performance Orientation is defined as the degree to which a collective encourages and rewards group members for performance improvement and excellence.

Cultural value dimensions are subdivided into values and practices: Value data comes from answers to survey questions that ask “what should be”; Practice data comes from answers to survey questions that ask “what is (or are)”. 18 scales measure the practices and values with respect to the core GLOBE dimensions of culture (House, et al, 2004). The GLOBE authors recognized that the idealized cultural (values) and what actually happens (practices) do not always correspond, however, (i) values and practices both serve to differentiate between societies and organizations; (ii) the values and practices each account for unique variance; (iii) the values and practices scales interact; and (iv) the dimension of values and practices can be meaningfully applied at both societal and organizational levels (Xiumei and Jinying, 2011).

2.6.3 Hofstede’s framework of culture analyses

The U.S. is the cradle of modern management science and practices for Western or American contexts. In early 1980’s, development studies had concerns about how well the national values of different countries fit into management and organization practices (Hofstede, 1980). As a consequence, many studies demonstrated that that western practices needed to be adapted to local contexts (Adler, 1983; Hofstede, 1984; Jaeger, 1986). Culture is more often a source of conflict than of synergy, pointed out Hofstede (Hofstede, 1980). As per Hofstede’s (1980) model, there are four primary dimensions of organizational culture: (1) Power distance, (2) Individualism versus Collectivism, (3) Uncertainty avoidance, and (4) Masculinity versus femininity. In 1991, the fifth dimension “long term orientation” along with Chinese culture values were added into the Hofstede culture dimension model. Finally in 2010, with the data from the World

Values Survey from Minkov, Hofstede completed the model with 93 countries and the sixth last dimension “indulgence versus restraint” (Hofstede, Hofstede and Minkov, 2010).

2.6.3.1 Individualism vs. collectivism (IDV)

The IDV index explores the degree to which people in a society are integrated within groups (Hofstede, 2011). On the individualistic side, one finds cultures in which the ties between individuals are loose, where each individual is expected to take care of himself and his immediate family. On the collectivist side, one finds cultures in which individuals are embedded from birth in strong, cohesive groups, often extended families (with uncles, aunts, and grandparents) that continue to protect them in exchange for unquestioning loyalty (Hofstede, 2011).

2.6.3.2 Power distance index (PDI)

The PDI is defined as the extent to which less powerful members of organizations and institutions accept and expect power to be distributed unequally (Hofstede, 1980). This represents inequality (more vs. less), but defined from the bottom, not the top, suggesting that the level of inequality in a society is endorsed by followers as much as by leaders (Hofstede, 2011). Power and inequality are extremely basic facts of any society, in which they are unequal, but some are more unequal than others (Hofstede, 2011).

2.6.3.3 Uncertainty avoidance (UAI)

UAI is defined as a society's tolerance for ambiguity, in which people embrace or avert an unexpected, unknown or unusual event. Uncertainty avoidance is not the same as risk avoidance. Unstructured situations are novel, unknown, surprising, and different from usual. Uncertainty avoiding cultures try to minimize the possibility of such situations by strict behavioral codes, laws and rules, disapproval of deviant opinions, and a belief in absolute Truth (Hofstede, 2011).

2.6.3.4 Masculinity vs. femininity (MAS)

Masculinity is defined as a societal preference for achievement, heroism, assertiveness and material rewards for success. Masculinity versus its opposite, femininity as a societal, not individual, characteristic refers to the distribution of values between the sexes, which is another fundamental issue for any society. The pole of assertiveness has been called "masculine" and the pole of modesty and concern "feminine". Women in feminine countries have the same modest and caring values as men; in masculine countries, they are somewhat assertive and competitive, but not as much as men, so these countries have a gap between the values of men and women (Hofstede, 1998).

2.6.3.5 Long-term vs. Short-term Orientation

This dimension describes how societies have to maintain links with their own past while dealing with the challenges of the present and future. Societies prioritize these two existential goals differently. Short-term oriented societies prefer to maintain traditions and norms while viewing societal change with suspicion. Long-term societies, on the other hand, take a more pragmatic approach and encourage thrift and efforts in modern education to prepare for the future (Hofstede, 2020).

2.6.3.6 Indulgence

Indulgence is defined as the extent to which the human desire to enjoy life is satisfied. Indulgence represents a society that allows the relatively free satisfaction of basic and natural human desires related to the enjoyment of life and pleasure. Restraint, conversely, represents a society that controls the satisfaction of needs and regulates it through strict social norms (Hofstede, 2011).

2.6.4 Critical comparison between the culture analyses frameworks

Compared Hofstede's Model, GLOBE researchers keep the Power Distance and Uncertainty Avoidance index, and rename Long Term Orientation index to "Future

Orientation” index. GLOBE research split Individualism vs Collectivism index into Institutional Collectivism and In-group Collectivism, and replaced Masculinity vs Femininity by four components, which are 1) Assertiveness, 2) Performance Orientation, 3) Gender Egalitarianism, and 4) Humane Orientation. According to Hofstede, values differentiate between different societies, and practices differentiate between different organizations. In comparison, the GLOBE researchers believe that both values and practices can exist at both societal and organizational level. Both the Hofstede and the GLOBE Model are widely cited and highly valuable in cultural research and organizational management studies. Both provide comprehensive dimensions for evaluating and understanding the similarities and differences from country to country. However, there have inevitably been a number of debates on the fitness and validity of Hofstede culture dimension and the GLOBE cultural dimensions. Nevertheless, GLOBE researchers were heavily influenced by the work of Hofstede and other researchers.

In the research behind this thesis, we choose Hofstede’s framework due to its wide popularity in the domain of national culture studies as one of the most cited national culture frameworks. Alkailani et al. (2012) and Gong et al. (2007) argue that the Hofstede and Globe models are still considered the most robust measure of national culture due to their significant face validity. Thus, we adopt this model for the current study.

2.6.5 Review of literature on the Chinese and Thai cultures

2.6.5.1 Chinese culture

The Chinese, influenced by Confucianism, tend to exhibit a pragmatic approach to life (Wong, 2001). Chhokar, Brodbeck and House (2007) state, "The Confucian classics are the map by which China's leaders have endeavored to navigate the ship of state." Confucianism has touched the Chinese people and has been embedded in Chinese culture for thousands of years. Although Chinese society is undergoing unprecedented

changes, traditional values are still highly respected and constantly pull Chinese business leaders down, urging them to conform to traditional values. Their internal desires to become competitive and external pressure all push them toward modern Western ideologies, encouraging them to defy norms (Chhokar, Brodbeck and House, 2007). Chinese business leaders, living and working under the Chinese Communist Party, are also exposed to communist ideology, which discourages autocratic and dictatorial leadership, and encourages leaders to care about, respect, and sacrifice for their followers (Chhokar, Brodbeck and House, 2007).

With respect to the organization, Lockett (1988) states that four key characteristics of Chinese culture can be recognized:

(a) Respect for age and hierarchy. The importance of age and hierarchical position is evident from fieldwork in China and discussions with Chinese colleagues. These values can be linked to the Chinese language with its elaborate vocabulary for family relationships between different generations, ages and genders. Everyone needs to know precisely where they stand in the family by referring to this order. Such a hierarchy can also be seen in the national hierarchical ranking system for workers and managers (Lockett, 1988).

(b) Group orientation. A second major characteristic is the relative importance of group orientations compared to individual orientations. Power within the family was unequal, with those with wealth and power having obligations to less fortunate relatives. In industry, the key to such a group is the work group, which is not only the focus of work activity but also exerts control in non-work life. At a higher level, the organization can be seen in this light, as much of a worker's life (and that of his or her family) depends on the work unit (Danwei). The implication of this group orientation is that the cultural assumptions of Western management theories may make their conclusions less appropriate to the Chinese organization. The difference between Chinese and Western conceptions of self-actualization is significant: for the Chinese, success tends to be a group enterprise rather than an individual journey of self-discovery (Lockett, 1988).

(c) Face. A third related feature of Chinese culture is the relative importance of the face in social interaction. It is difficult to define "face" precisely, as it is essentially recognized by others from one's social status and position, and thus must be seen as situationally defined. Certainly, losing face is more important to a Chinese manager than to a Western manager, and is felt much more deeply. In addition, the importance of attaining a certain position - and being recognized by others - may be relatively more important than in the West, while individual recognition through salary may be less important (Lockett, 1988).

(d) Relationships. In the Chinese organization, ongoing relationships are of great importance, based in part on family and other ties. In business, relationships are important because contracts are often not strictly specified in legal terms but are based on trust between the parties. Within these relationships, there is an expectation of reciprocity, with one favor being repaid by another at a later date. Relationships combined with reciprocity give rise to "Guanxi," a Chinese term that best translates as "connections." While formal organizational structures are ostensibly based on impersonal bureaucracy, in practice personal connections play a major role. The importance of ongoing relationships that do not fit Western models of personal friendship or professional contacts is thus an important feature of Chinese organizations (Lockett, 1988).

2.6.5.2 Thai culture

In the early Ratanakosin era (1782-1851), the Thai economy was based primarily on agriculture, while existing non-agricultural commercial activity was dominated by Chinese immigrants (Runglertkengkrai and Engkaninan, 1987). For many years, the Thai economy was self-sufficient and self-reliant, with activity confined to the interests of the kingdom itself until this situation was changed by the signing of the Bowring Treaty, part of which emphasized international trade (Runglertkengkrai and Engkaninan, 1987). Since then, the Thai economy has begun to transform itself into a free enterprise system. Throughout its long history, Thai culture has been nurtured and

shaped by a variety of concepts, among them Buddhism, imported and shaped to the Thai way of life; and others, such as the routines of village life, are indigenous and have remained relatively unchanged since ancient times (Runglertkengkrai and Engkaninan, 1987). In this context, it must be understood that, unlike other countries in South and Southeast Asia, Thailand never lost its political autonomy; thus, Thailand experienced neither the stimulus nor the pain that is associated with colonial status (Runglertkengkrai and Engkaninan, 1987).

According to Runglertkengkrai and Engkaninan (1987) study, Thai traditional culture can be separated into three dominant themes:

1. Personalism. Thai people consider people to be very important; if there are no people involved, things are quite insignificant. This value influences the behavior of Thai people, who are self-reliant but maintain a friendly and genial relationship with people who can be useful to them. Thai people are much more relationship-oriented than task-oriented. Personalism is divided into two associated themes which are individualism and permissiveness. Individualism leads to a lack of disciplined behavior. Permissiveness implies a lack of questioning, reflecting indifference, risk avoidance and fear of public criticism. In addition, permissiveness results from not wanting to destroy good human relationships (Runglertkengkrai and Engkaninan, 1987).

2. Fun-loving. Thai people believe that the pursuit of fun does not have to come at the expense of sustenance, which results in the elimination of seriousness. This value is divided into three associated themes that emphasize consuming in the moment, disliking hard work, and liking broad-minded people (Runglertkengkrai and Engkaninan, 1987).

3. Accumulation of merit. Buddhism has been widely accepted because of its emphasis on tolerance and individual initiative, thus complementing the inner freedom cherished by Thai people. Thai Buddhists believe in "the middle way," trying to avoid violent reactions (Runglertkengkrai and Engkaninan, 1987).

Vongvipanond (1994) used the expression "Mai-pen-rai," which can be roughly translated as "It doesn't really matter" or "It's not a problem," to reflect the attitude of Thai people toward themselves, the people they come in contact with, and the world around them. Thais are known for their tolerance and accommodating nature; almost everyone and everything is acceptable to Thai people; objections and conflicts are to be avoided at all costs (Vongvipanond, 1994). The "Mai-pen-rai" attitude makes Thai people an easygoing and compromising people, which is reflected not only in language but also in social interactions, religion, and politics. Interpersonal conflicts do not lead to open confrontation unless one is willing to risk losing a relationship (Vongvipanond, 1994).

The Thai expression "thii tam thii soong" literally means "high place and low place", reflecting that almost everything in Thai people perception is in a hierarchical system (Vongvipanond, 1994): People can be "high" or "low" depending on their age, family background, occupation, or professional rank and whether they are Buddhist monks or clergy of other religions; older people are generally honored and respected.

Thai people are taught from an early age to "krenng jai" others, which means that they must be careful about what they say and do so as not to offend or upset others in any way (Vongvipanond, 1994). The end result is that most Thais seem to be very good at pleasing others and avoiding conflict in order to maintain harmony (Vongvipanond, 1994).

Thai people place a high priority on harmonious relationships and the well-being, especially psychological well-being, of all people in the group or community, whether it is a home, a workplace, a neighborhood, a city, a country or the world (Vongvipanond, 1994). Thai words for concepts such as success, ambition, achievement, development, or planning are new compounds, which may indicate that work and achievement are lower on the list of Thai priorities (Vongvipanond, 1994).

2.6.6 Moderating impact of culture

According to the published national culture value on the Hofstede-insights website (<https://www.hofstede-insights.com/country-comparison>), Thai culture scores very high in Power Distance with 64, very low in Individualism with a score of 20, high in Uncertainty Avoidance with score of 64, and low in Masculinity with a score of only 34. In contrast, Chinese culture scores even higher in Power Distance with 80, as low as Thai culture in terms of Individualism, much higher than Thai culture on the Masculinity score with 66, much lower than Thai culture in terms of Uncertainty Avoidance with a score of only 30 (Hofstede, 2020). In the two new dimensions from Hofstede’s national culture model, Chinese culture has the highest score for Long-term Orientation with 87 compared to Thai culture having only a score of 32. Finally, Chinese culture scores very low at 24 on Indulgence while Thai culture scores on a medium level with 45. Figure-1 shows the Hofstede culture value comparison between Chinese and Thai culture.



Figure-1: Thailand vs China culture value in Hofstede’s Model (2020)

Due to the mega trend of globalization, employees in multi-national companies (MNCs) are faced with at least two national cultures at the same time (Hewling, 2005). Management literature has shown that because of this multi-faceted environment, national culture is subject to continuous re-invention and recapturing (Myers and Tan, 2002; Jones and Alony, 2007). In line with the management literature, we thus investigate how national culture patterns of behaviour solve a given problem and how this behaviour is compared with that of other cultures (Harzing & Hofstede, 1996;

Hofstede, Neuijen, Ohayv, 1990; Hofstede, 2011, 2012; Johnson & Golembiewski, 1992; Wu, 2006). Research in organizational commitment finds that the process of identification is greatly influenced by cultural factors (Abrams, Ando and Hinkle, 1998). In the literature, it is well established that eastern and western cultures have a significantly different influence on employee's behaviours, expectations, and attitudes (Hofstede, 1980; Trompenaars and Hampden-Turner, 2011). Researchers on organizational culture suggest that national culture is an important determinant particularly in areas such as employee performance and commitment (Lok and Crawford, 2004). We thus hypothesize:

H6: National culture moderates the above conceptualized relationships (H1-H5) between organizational culture, organizational commitment, job performance, and firm performance.

H6 leads to different sub-hypotheses taking into account the different dimensions of Hofstede's framework: uncertainty avoidance, individualism/collectivism, power distance, masculinity/femininity cultures, and Long-term/Short-term Orientation (Hofstede, Hofstede and Minkov, 2010).

2.6.6.1 Individualism (IDV) influence

Thailand's score of 20 suggests a strong collective society in which the needs of the group is valued much more over the needs of the individual. Holmes, Tangtongtavy and Tomizawa (1995) describe in their guiding book on Thai culture to foreign managers in Thailand that one of the cornerstones of Thai society is "relationships". Thai culture places strong emphasis on collaboration and maintaining face to avoid any conflict. The "Kreng Jai" behavior is one of the most obvious demonstrations of this culture value in Thailand, which can be translated to "consideration of another person, and not willing to impose or being against the other person, or not denying the other person or hurting their feelings" (Holmes, Tangtongtavy and Tomizawa, 1995). In the

Thai culture, people restrain their individual feelings as far as possible to maintain the harmony of the group or organization.

At a score of 20, China is a highly collectivist culture just like Thailand, where people act in the interests of the group and not necessarily of themselves. In-group considerations affect hiring and promotions, with closer in-groups (such as family) getting preferential treatment. Organizational commitment to the organization (but not necessarily to the people in the organization) is low. Whereas relationships with colleagues are cooperative for in-groups they are cold or even hostile to out-groups. Personal relationships prevail over task and company (Hofstede, 2020).

In collective cultures employees are more satisfied with their work and supervisor. Firms offer rewards to encourage them, which supports individual and organizational performance (Ahmed and Shafiq, 2014). While in individualist societies, employees are more careful about themselves and their families only. The study by Kumar *et al.* (2013), demonstrates that there exists a strong association between job performance of employees and two cultural dimensions (individualism and collectivism). Therefore, we consider IDV to be an influencing factor on the effects hypothesized in H6, and hypothesize the following:

H6a: Collectivism (Individualism) strengthens (weakens) the relationship between organizational culture, organizational commitment, job performance, and organizational performance.

2.6.6.2 Power distance index (PDI) influence

Thailand has never been really colonized throughout history, and has been governed by King Rama 9th with the full respect of citizens for 80 years. The King is looked upon as a father by everyone in Thailand, compared to the cold and ruthless ruling class in some other regions' history. People in the upper levels of the hierarchy are supposed to take care of the people in the lower levels. People in this society have lived peacefully for hundreds of years. Everyone respects the hierarchy in organizations

and the country, which is described by Holmes, Tangtongtavy and Tomizawa (1995) as the 2nd key cornerstone of Thai society, also reflecting their high score in Hofstede's culture model (1980).

With a score of 80, China sits in the higher rankings of PDI – i.e., a society which believes that inequalities amongst people are acceptable. The subordinate-superior relationship tends to be polarized and there is no defense against power abuse by superiors. Individuals are influenced by formal authority and sanctions and are in general optimistic about people's capacity for leadership and initiative. People should not have aspirations beyond their rank (Hofstede, 2020).

Farh, Hackett and Liang (2007) suggest that power distance has a negative moderating effect on the perceived support of a firm and work outcomes such as job performance and organizational commitment. In low power distance societies, power should be used lawfully, is subject to criteria of good and evil, and subordinates expect to be consulted. On the contrary, in high power distance societies, power is the fundamental factor for predating good or evil, authorities are irrelevant, and subordinates expect to be told what to do (Hofstede, 2011; Bilal, Saghar and Abbasi, 2017). Kumar *et al.* (2013) check the association between power distance and the performance of employees, coming to the conclusion that both variables have a positive association. Therefore, we consider PDI to be an influencing factor that may enhance or reduce the effects hypothesized in H6. We hypothesize the following:

H6b: Low (High) level of power distance moderates the relationship between organizational culture, organizational commitment, job performance, and organizational performance.

2.6.6.3 Uncertainty avoidance (UAI) influence

Thailand scores an intermediate 64 score on this dimension at a medium-high level of uncertainty avoiding culture. Thai culture emphasizes the stability and structure of society and relies strongly on the framework. In general, the people tend to avoid risks

in Thai society (Holmes, Tangtongtavy and Tomizawa, 1995). The goal of this population is to control everything in order to eliminate or avoid the unexpected. As a result of this high uncertainty avoidance characteristic, the society does not readily accept change and is very risk adverse, and change has to be seen for the greater good in the group level (Hofstede, 2020).

At 30 China has a low score on Uncertainty Avoidance. Truth may be relative, though in the immediate social circles there is concern for Truth with a capital T and rules (but not necessarily laws) abound. Nonetheless, adherence to laws and rules may be flexible to suit the actual situation, and pragmatism is a fact of life. The Chinese are comfortable with ambiguity. The Chinese language is full of ambiguous meanings that can be difficult for Western people to follow. The Chinese are adaptable and entrepreneurial (Hofstede, 2020).

The Uncertainty Avoidance dimension appears to be of particular interest for management research into how people behave in unknown situations. Hofstede (1993) notes that western cultures have strong UAI (e.g. Germany and France), whereas eastern Asian countries based on Confucian culture, have lower levels of UAI (e.g. China). Kumar *et al.* (2013) find a significant positive relation between uncertainty avoidance and job performance of employees. Uncertainty avoidance culture tries to reduce the probability of such circumstances happening by developing strict behavioral codes, rules, and laws (Hofstede, 2011). Therefore, we consider UAI to be an influence factor that may enhance or reduce the effects hypothesized in H6 and hypothesize the following:

H6c: High (Low) levels of UAI strengthens (weakens) the relationship between organizational culture, organizational commitment, job performance, and organizational performance.

2.6.6.4 Masculinity (MAS) influence

Thailand scores 34 on this dimension and is thus considered a Feminine society. Thailand has the lowest Masculinity ranking among the average Asian country score of 53, and the World average of 50. This lower level is indicative of a society with less assertiveness and competitiveness (Hofstede, 2020). Thailand is well-known as having the highest occurrence of transsexualism in the world, which also indicates its high feminine value in the local culture.

With a score of 66 China is a Masculine society, success oriented and driven. The need to ensure success can be exemplified by the fact that many Chinese people sacrifice family and leisure priorities for work. Leisure time does not have a high level of importance. The migrated farmer workers leave their families behind in faraway places in order to obtain better work and pay in the cities. Another example is that Chinese students care very much about their exam scores and ranking, as this is the main criteria for achieving success or not (Hofstede, 2020).

Masculinity correlates positively with a focus on growth as opposed to care for the weak and the environment, and negatively with the percentage of women elected in parliaments and governments (Hofstede, 2012). In masculine communities, the “culture” of struggle probably is “to live to work”, which may bring positive results, and promote competitiveness. Working in such a culture, employees are satisfied and enjoy autonomy of power and decision-making, which may boost their level of confidence (Kumar *et al.*, 2013). Therefore, we consider MAS to be an influence factor that may enhance or reduce the effects hypothesized in H6, and hypothesize the following:

H6d: High (Low) levels of Masculinity strengthens (weakens) the relationship between organizational culture, organizational commitment, job performance, and organizational performance.

2.6.6.5 Long-term Orientation influence

Thailand’s low score of 32 indicates that Thai culture is more normative than pragmatic. People in such societies have a strong concern with establishing the absolute

Truth; they are normative in their thinking. They exhibit great respect for traditions, a relatively small propensity to save for the future, and a focus on achieving quick results (Hofstede, 2020).

China scores 87 in this dimension, which means that it is a very pragmatic culture. In societies with a pragmatic orientation, people believe that truth depends very much on situation, context and time. They show an ability to adapt traditions easily to changed conditions, a strong propensity to save and invest, thriftiness, and perseverance in achieving results (Hofstede, 2020).

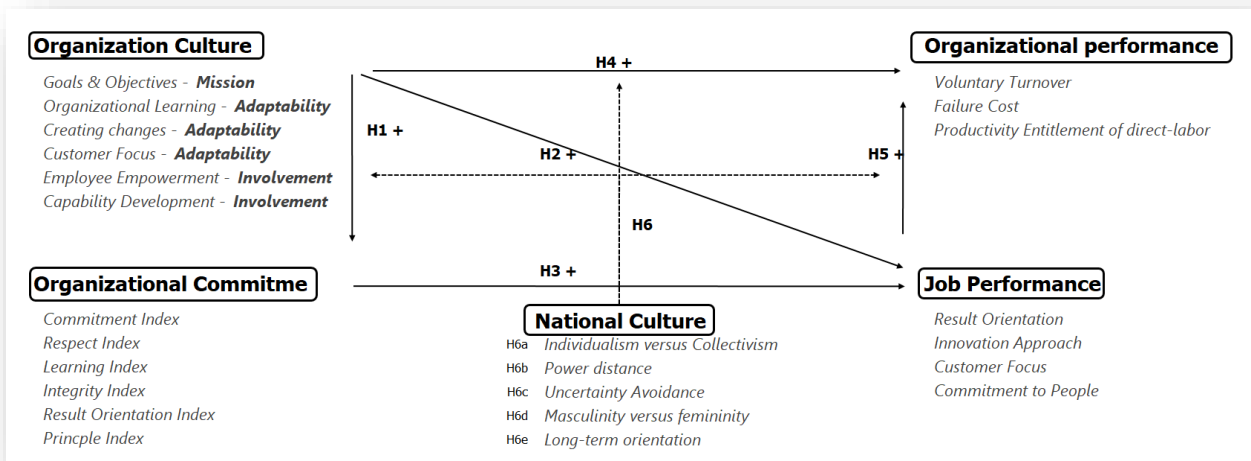
Since long-term or short-term orientation relates to the choice of focus for people's efforts towards the future, or the present and past, Hofstede (2011, 2012) states that long-term orientation correlates with economic growth of poor countries, and adapting to changed reality, as opposed to short-term orientation which correlates with concern for social obligations, national pride, and fundamentalism. This dimension correlates with people's attitude towards change and adaptability, hard-work and perseverance to achieve the goal (Hofstede, 2011). Therefore, we consider Long (Short)-term orientation to be an influence factor that may enhance or reduce the effects hypothesized in H6, and hypothesize the following:

H6e: Long (Short) term orientation strengthens (weakens) the relationship between organizational culture, organizational commitment, job performance, and organizational performance.

2.6.6.6 Indulgence influence

Thailand has an intermediate score of 45 for indulgence, which means that people's attitude towards life is in between indulgence and restraint. In comparison, China is a very restrained society as can be seen in its low score of 24 in this dimension. In contrast to indulgent societies, restrained societies do not put much emphasis on leisure time and control the gratification of their desires (Hofstede, 2020).

In the research behind this thesis, we do not test the “Indulgence” dimension, because Indulgence is more or less complementary to Long-versus Short-term Orientation, and in fact weakly negatively correlated with it (Hofstede, 2011). The indulgence dimension covers attitude to life rather than attitude to work, and there is little research available in the literature on the correlation between this dimension and organizational commitment or performance. As a result, we primarily focus on the culture dimensions of Power Distance, Uncertainty Avoidance, Individualism, Masculinity and Long-term Orientation to test our hypotheses.



In summary, our conceptual framework with the hypotheses is shown in figure-2:

Figure-2: Conceptual Model

Summary of the hypotheses as below in table-6:

H1	Organizational culture has a positive impact on organizational commitment.
H2	Organizational culture has a positive impact on employee job performance.
H3	Organizational commitment has a positive impact on employee job performance.
H4	Organizational culture has a positive impact on organizational performance.

H5	Employee job performance has a positive impact on organizational performance.
H6a	Collectivism (Individualism) strengthens (weakens) the relationship between organizational commitment and job performance as well as the link between organizational commitment and organizational performance.
H6b	Low (High) level of power distance strengthens (weakens) the relationship between organizational commitment and job performance as well as the link between organizational commitment and organizational performance.
H6c	High (Low) level of UA strengthens (weakens) the relationship of organizational commitment effects on job performance as well as the link between organizational commitment and organizational performance.
H6d	High (Low) level of Masculinity strengthens (weakens) the relationship of organizational commitment effects on job performance as well as the link between organizational commitment and organizational performance.
H6e	Long (Short) term orientation strengthens (weakens) the relationship of organizational commitment effects on job performance as well as the link between organizational commitment and organizational performance.

Table-6: Summary of hypotheses

2.7 Chapter Summary

This literature review chapter starts from the description of culture, then step by step progresses towards organizational culture, as well as the dimensions developed by researchers to measure organizational culture. Organizational commitment is the first construct we derive from organizational culture. Job performance is the next construct in our research, followed by organizational commitment and influenced by both organizational culture and organizational commitment. Organizational performance is presented after job performance as the final independent variable. As an empirical cross-culture study, we then look into national culture and mainstream dimensions to describe national culture. Finally, we present the conceptual model of our research.

3. Research Methodology and Data

This chapter presents the research methodology, which involved the use of measurement scales, samples and preliminary analyses. In this 2-step mixed research approach, we adapted existing measurement scales and used internal company scales to measure organizational culture, organizational commitment, individual job performance and organizational performance as common methods for collecting field data.

Step-1 involves an online survey including 3 parts designed with Sphinx Declic. Part-1 conceptualizes organizational culture. Part-2 conceptualizes organizational commitment, which is carried over from the company-wide annual employee commitment index survey. The third and final part conceptualizes employee job performance, which is taken from the company-wide employee individual annual performance evaluation process.

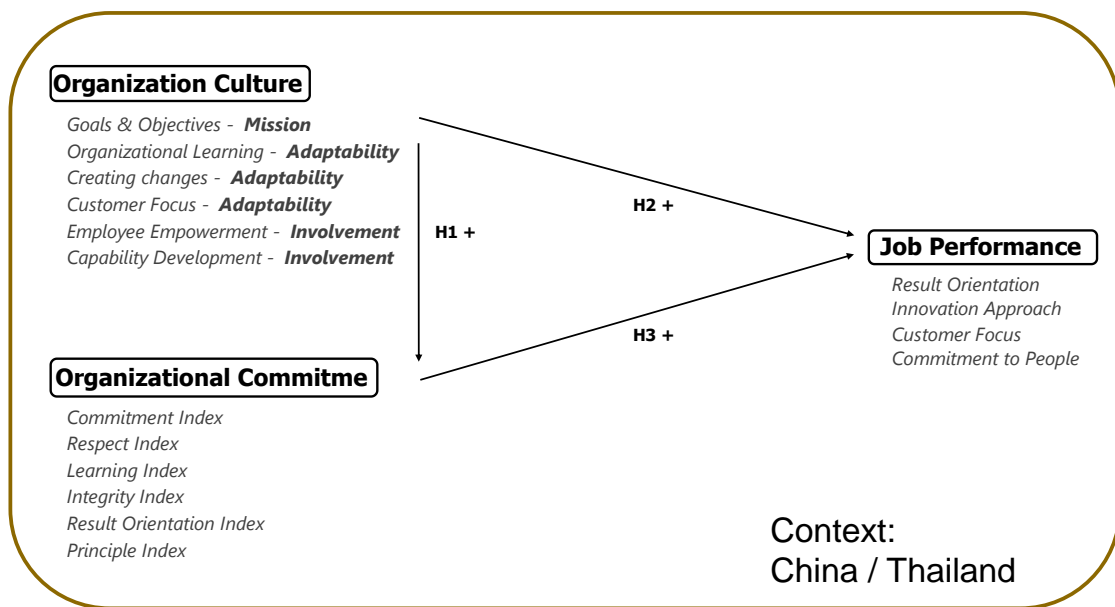


Figure-3a: Conceptual Model for Step-1

Step-2 involves the conceptualization of organizational performance

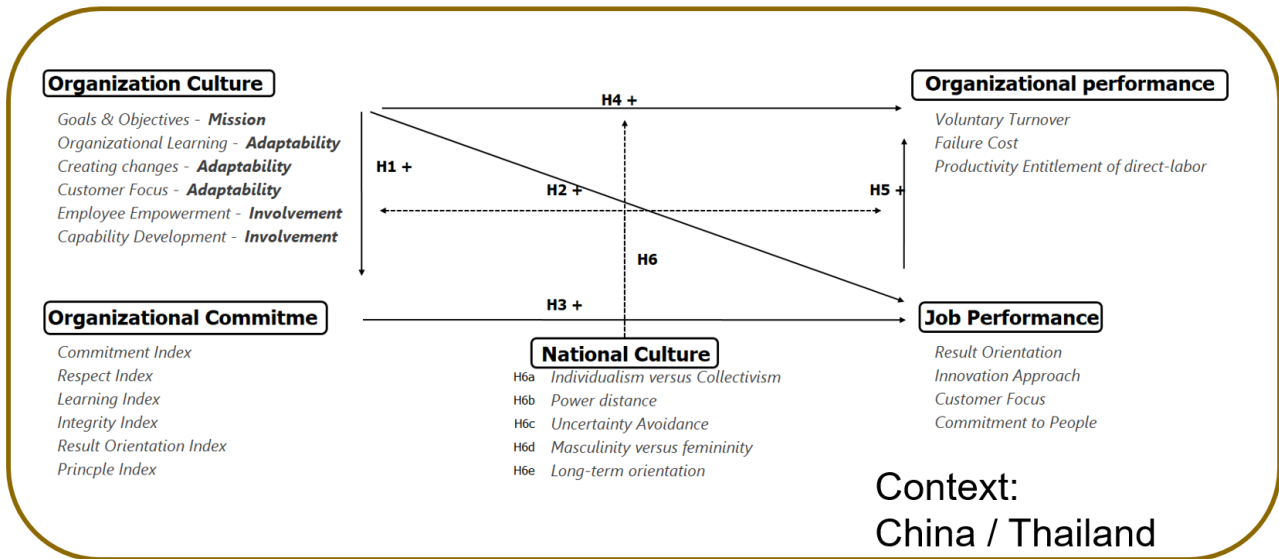


Figure-3b: Conceptual Model for Step-2

3.1 Conceptualization of measurement scales

Table-7 below summarizes for each concept the measurement scales used in the research behind this thesis.

Concepts	Authors	Scales	Scale Adapted / Used
Organizational Culture	Denison et al. (2006)	4 traits (Involvement, Consistency, Adaptability, Mission), Total of 12 indexes.	6 adapted indexes: Empowerment, Capability Development, Creating Change, Customer Focus, Organization Learning, Goals & Objectives.
Organizational Commitment	Company internal measurement	Commitment, Respect, Learning, Integrity, Result Oriented, Guiding Principle, Quality.	Commitment, Respect, Learning, Integrity, Result Oriented, Guiding Principle.

Job Performance	Company internal measurement	Result Orientation, Innovation Approach, Customer Focus, Commitment to People.	Result Orientation, Innovation Approach, Customer Focus, Commitment to People.
Organizational Performance	Company internal measurement	Standard full set of operational and financial records.	Employee Voluntary Turnover, Failure Cost % Sales, Productivity Entitlement.
National Culture	(Hofstede, Hofstede and Minkov, 2010)	Power distance, Individualism versus Collectivism, Uncertainty Avoidance, Masculinity versus femininity, Long-term orientation, Indulgence.	Power distance, Individualism versus Collectivism, Uncertainty Avoidance, Masculinity versus femininity, Long-term orientation.

Table-7: Measurement scales used in our research

3.1.1 Organizational culture

Organizational culture is measured with scales adapted from Denison’s Organizational Culture Survey (Denison et al., 2006). We select six organizational culture indexes from the total of 12 indexes in Denison’s Organizational Culture Survey (DOCS), including “Goals and Objectives”, “Organizational Learning”, “Creating Changes”, “Customer Focus”, “Employee Empowerment” and “Capability” Development. These indexes are selected to measure the “Mission”, “Adaptability” and “Involvement” traits which can map to the “Result Orientation”, “Innovation Approach”, “Customer Focus” and “Commitment to People” in the individual job performance measurement. For more details, please see Appendix-1 “Organizational

Culture Survey Scale” adapted from Denison’s Organizational Culture Survey (Denison et al., 2006).

3.1.2. Organizational commitment

Taking advantage of being a practitioner working directly in this field of research , we use the existing corporate-wide questionnaire survey to measure organizational commitment. The ECI (Employee Commitment Index) survey is conducted on an annual base using the following indexes: “Commitment”, “Respect”, “Learning”, “Integrity”, “Result Orientation”, and “Guiding Principle”. For more details, please refer to Appendix-2 “Company internal scale for Organizational Commitment”, and Appendix-3 “Company ECI Survey summary (2017 - 2018)”.

3.1.3 Job performance

As to the individual job performance, we use the framework of the company-wide annual employee performance evaluation method to compose the survey including 4 indexes: Result Orientation, Innovation Approach, Customer Focus, and Commitment to People. For further details, please refer to Appendix-4 “Company Internal Indicators” and “Scale of Employee Performance Evaluation”.

Please see Appendix-6 “Online Survey”, and below the summary of the questionnaire for each dimension within each construct (Table-8).

Dimension of Org Culture	Number of questions	Dimension of Employee Commitment	Number of questions	Dimension of Employee Performance	Number of questions
Empowerment	OC-1 to OC-3	Commitment	EC-1 to EC-6	Innovation Approach	EP1-1 to EP1-6
Capability Development	OC-4 to OC-6	Respect	EC-7, 10, 15, 18	Customer Focus	EP2-1 to EP2-5
Creating Changes	OC-7 to OC-9	Learning	EC-9, 11, 14	Result Orientation	EP3-1 to EP3-5
Customer Focus	OC-10 to OC-12	Integrity	EC-13, 16, 19	Commitment to People	EP4-1 to EP4-6
Organizational Learning	OC-13 to OC-15	Result orientation	EC-8, 12, 17		
Goals & Objectives	OC-16 to OC-18	Guiding principle	EC-20 to EC-23		

Table-8: Questionnaire Summary

For the Organizational Culture scale and Organizational Commitment scale, five-point Likert scale questions are used ranging from 1 = Strongly Disagree to 5 = Strongly

Agree. For the Employee Performance scale, five-point Likert scale questions are used ranging from 1 = Never to 5 = Very Often. To increase the validity of the responses and to make it easy to filter out the invalid responses, one “Attention Check” question is designed and placed in the middle of the online survey.

Control variables are included in this study, including: department, service years, employee education, employee age, and employee gender.

3.1.4 Organizational performance

For Organizational Performance, we use company historical annual performance records, which are aggregated at each plant level as secondary data. Interviews with the key stakeholders was conducted to collect their subjective perception of each plant’s performance. The key stakeholders include the regional operations director, the regional finance director, the regional quality director, and the regional Vice President.

For organizational performance, the company standard operational records are used, including employee voluntary turnover as an indicator of HR performance, failure cost as percentage of sales as indicator of quality performance, and productivity entitlement of director-labor as an efficiency indicator of financial performance. We select HR performance as a non-financial indication of organizational performance, while we use quality performance and financial performance as a financial indicator of organizational performance. These 3 selected KPI’s are the most important performance indicators used in our company from plant level performance review up to corporate level review. Voluntary turnover rate refers to the percentage of employees who decide to leave the company from their own will recorded on an annual basis. Failure cost as percentage of sales refers to the annual total scrap cost (including process scrap and product scrap) divided by the annual total sales. Productivity entitlement of direct-labor refers to the total effective hours (producing compliant parts) of all the shopfloor director-labor divided by their total working hours (from check-in until

check-out) on an annual basis. Please refer to Appendix-5 for the internal organizational performance measurement indicators (2018, 2019, and 2020).

3.1.5 National culture

We use Hofstede's national culture value (1980) to compare the cultural difference between Thailand and China. Among the 6 cultural indexes we described in figure-1 to compare the differences and similarities between China and Thailand, we use Individualism versus Collectivism, Power Distance, Uncertainty Avoidance, Masculinity versus Femininity, and Long-term Orientation in our study to test the national culture impact, with potential moderation effects.

The survey and data collection are conducted in 2 phases, involving a pre-test in Shanghai and a final survey across three plants in China, and in one plant in Thailand.

3.2. Pre-test survey and psychometrical properties of the measurement scales

In phase one, in Feb 2021 a pre-test was firstly launched in the Shanghai manufacturing plant, which is not used in the subsequent research process due to its unique situation of down-sizing as well as the geographical similarity with one of the test plants (Zhangjiagang). The purpose of the pre-test was to check survey reliability. In the pre-test, a total of 249 answers were received, the total valid responses being $n = 92$. Table-9 below shows the results of the reliability tests. Cronbach's Alpha value of Employee Commitment section with 23 questions is 0.969 ($M = 86.78$, $SD = 15.39$). Cronbach's Alpha value of Organizational Culture section with 18 questions is 0.956 ($M = 66.90$, $SD = 11.77$). Cronbach's Alpha value of Employee Performance section with 22 questions is 0.963 ($M = 87.41$, $SD = 19.05$). Cronbach's Alpha values for the entire questionnaire with 63 questions is 0.98 ($M = 241.10$, $SD = 40.94$). All the

Cronbach Alpha values are greater than the recommended 0.70, indicating satisfactory reliability.

Total Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.980	0.981	63

EC Reliability Statistics	
Cronbach's Alpha	N of Items
0.969	23

OC Reliability Statistics	
Cronbach's Alpha	N of Items
0.956	18

EP Reliability Statistics	
Cronbach's Alpha	N of Items
0.963	22

Table-9: Survey reliability

3.3 Final survey and Data collection

In the second phase, the large-scale online survey was launched in early April 2020 and the data collection finished in May 2020. To achieve a high response rate, the online survey was designed for use on PCs, tablets, and smart phones. Respondents could select the most convenient way to complete the survey. The web-link and 2D-code of the online survey was distributed by the regional HR director to each plant manager and HR manager at each of the selected plants. Following this, a phone call by the author was made to each plant manager to brief them on the purpose of the survey. In the next 2 weeks, the regional HR director also followed up with each plant HR manager concerning the progress and collection of the survey.

Employees in the Thailand and China manufacturing plants were surveyed in order to compare the results between the different cities and countries. We selected 3 typical locations from China for this study. One in the north-east of China, one on the east coast, and one in central China, to be representative of the different regions in the country, and also to increase the generalizability and representativeness of the Chinese samples. In comparison, we also carried out the case study for the plant located in

Thailand to see the similarities and differences at organization level, as well as the potential link to the national culture impacts.

The population of this survey covered more than 90% of the total employees from all management levels to shopfloor operators in each manufacturing plant. The Wuhan plant counted around 421 employees, and the Zhangjiagang plant counted around 837 employees (including blue- and white-collar staff). The Changchun plant counted around 985 employees. The Rayong plant, counted around 273 employees. Table-10 below summarizes the sample structure of the different plants.

Plant Location	Changchun-CN	Wuhan-CN	Zhangjiagang-CN	Rayong-TH
Number of employees	985	421	837	273
Gender ratio (female/male)	70/30	50/50	60/40	65/35
Avg age	36	33	30	38
white-collar/blue-collar ratio	1/9	1/5	1/8	1/4

Table-10: Sample structure of each plant

The main reasons for the invalid responses were as follows: (1) The failure to respond to the attention check question, which we designed in the middle of the survey. We reversed the order of the question on the five-point Likert scale relative to the other questions, in order to assess whether respondents were reading each question carefully; (2) Quick responses - all responses completed in less than 5 minutes were dropped, as we believe this is too quick to be of good quality; (3) the wrong plant location selection: we also dropped responses if the respondent selected the wrong plant location, indicating that the respondent did not pay enough attention when completing the survey.

In total, we yielded a sample size of 695 valid responses in China. There were 566 answers received from the Changchun plant (total valid responses n = 236). There were 387 answers received from the Wuhan plant (total valid responses n = 208). There were 752 answers received from the Zhangjiagang plant (total valid responses n = 251). In total we yielded a sample size of 186 valid responses in Thailand, with 259 answers received from the Rayong plant (total valid responses n = 186). In China and Thailand,

we yielded in total 881 valid responses. The respective samples and corresponding plants are described below.

3.3.1 Final survey and samples

We present details of the contexts of each plant surveyed in the following sections.

3.3.1.1 Changchun plant

Changchun plant is located in Changchun city, which is the provincial capital of Jilin province in the northeast of China, adjacent to North Korea and very east of Russia. Changchun is one of the oldest industrial bases in China, going back to World War II due to its geographical location. The First Automobile Works (FAW) were founded here in the 1950s, which was the first state owned automotive industry group in China. Volkswagen (VW) found a joint venture with FAW group in the early 1990s, which in later years became one of the most popular car makers in mainland China and step by step making China the biggest single market in the world for VW group. The automotive industry is the backbone of the whole city's economy. Most people are proud to be part of the big family of the automotive industry. By 2020, Changchun had a population of 9 million people. Changchun has an average annual temperature of 4 degrees centigrade, and 5 months of a year is experiencing below-zero temperatures. Due to its strong heavy industry history, the people in the city are rather stable and do not generally hop from one company to another like the people in mega cities such as Beijing and Shanghai. Additionally, due to the cold weather conditions, people tend to save for the future, which is quite the opposite to indulgence. People here live-in cold weather conditions, but have warm hearts. The people in the northeast of China are traditionally hard-working, brave, persevering, and easily make friends.

Changchun plant was established in 1997, producing chassis modules for commercial vehicles and passenger safety systems such as airbags, and steering wheels for passenger cars. The total employee headcount including shop floor operators and office staff is about 1,000 people. Given that the automotive industry is the backbone

industry of the city with relatively higher benefits than average, most of the employees whether they are production operators or engineers are quite stable in their positions. The overall HR turnover rate is much lower than the developed cities in the east coast area, which is positive for production efficiency and maintaining a high quality of products. The downside of this is higher employee costs due to less new staff coming in, as well as the high cost and low performance associated with people staying too long in an organization. The Changchun plant is a joint venture (JV), in which the ZF Group holds a 60% stake and the FAW Group a 40% stake. This is a unique configuration compared to the other three wholly owned ZF plants in this study. Due to the special one-party governance and union system in China, most JVs in China, regardless of the actual percentage of ownership, are more like state-owned enterprises than wholly owned foreign enterprises (WOFEs) in terms of organizational culture. Located in Northeast China, one of the earliest bases of heavy industry in China, the pre-1980s planned economy mentality still influences middle-aged employees in some ways. Western corporate culture and values can only be implemented on a superficial level. Another important reason is the JV partner. Due to the inherent nature of the JV, both parties seek to control the business, even the minority party. Employees working in a JV are certainly influenced by the power-seeking game and may oscillate between the two parties without knowing which one is really in control. This is particularly negative for establishing a strong organizational culture. Employees tend to attend to their own contractual responsibilities far more than any work outside their job description, and they value hierarchy and tend to please and satisfy their bosses.

3.3.1.2 Wuhan plant

Wuhan plant is located in Wuhan city, which is the provincial capital of Hubei province. Wuhan sits in the middle of the longest inland river on the Chinese mainland called Yangzi River. Wuhan is also one of China's biggest industrial and transportation bases. Due to its geographical location, Wuhan is one of the biggest transportation hubs for inland shipping, high-speed trains, highways, and inland flights. The high-speed train network from Wuhan can access more than half of the Chinese mainland area.

Wuhan is also the only city in central China which provides international flights across all 5 continents in the world. 2,000 years ago, Wuhan was already one of the most important military and transportation bases in central China in each dynasty until modern times. The Revolution of 1911 also originated from Wuhan, which ignited the widespread rebellion against the old feudal regime towards the rebirth of the new China. In the late 1960s, the 2nd Automobile Works was founded near the city. Wuhan became one of the biggest passenger car manufacturing bases in central China. In 2020, Wuhan had a population of over 12 million people. As a result of a highly convenient transport structure as well as abundant job opportunities in the automotive industry and other modern industries, the workforce is drawn to the city from all over the country, thus making the job market very buoyant. The inhabitants in this area are honest, direct, sharp-sighted and embrace evolution and change.

Wuhan plant was established in 2008 producing passenger safety systems such as airbags and seatbelts for passenger cars. The total employee headcount including shop floor operators and office staff is about 400 people. Due to the continuously growing industries and buoyant job market, along with as the high mobility of the workforce for both labor and more highly educated positions, the turnover rate of this plant has always been high. On the one hand, this poses a major challenge in managing, training and the skills development of employees. On the other hand, this dynamic HR environment also provides interesting opportunities to continuously refresh the whole mechanism with new blood to control HR costs and the implementation of change. The job market is buoyant, and customer expectations and competition are high, so the overall talent requirements and competition are relatively high. **Although the city has a long history, the growing economy makes the city energetic and dynamic. This macro-environment gives the Wuhan plant the advantage of introducing and adapting the corporate culture from headquarters. As the Wuhan plant is relatively new among the four plants in this study, the Wuhan plant team is very task and result oriented. To meet the increasing demands of customers and survive in a competitive market, the young team of Wuhan plant can always adapt to the changing situation. The cross-functional team works**

together according to the project configuration within the matrix organization, where the hierarchy is rather flat compared to normal state-owned enterprises.

3.3.1.3 Zhangjiagang plant

Zhangjiagang (ZJG) plant is located in Zhangjiagang city. Zhangjiagang city sits at the end of Yangzi River, the longest river on the Chinese mainland, where the Yangzi River enters the East China Sea as a part of the Pacific Ocean. Zhangjiagang neighbors the main satellite-cities of Shanghai. Less than 100 kilometers separates downtown Shanghai from Zhangjiagang city. Geographically Zhangjiagang has a unique advantage. Sitting at the entrance to the Yangzi River on the East China Sea, Zhangjiagang has its own deep seaport connecting to more than 150 ports across the globe. This makes Zhangjiagang an important location for internal transport and trading. The local people have calculating business minds. Both the textile and new electrical automobile industry are located in the city. One of the newest joint ventures from BMW for electrical cars was established in late 2019 in Zhangjiagang. In 2020, Zhangjiagang had a population of 1.4 million people, a relatively smaller city compared to mega cities such as Beijing or Shanghai. However, the workforce situation is far from being an advantage for Zhangjiagang city. Even if new modern industries are increasingly locating to the city, compared to the market dynamics and job market in Shanghai and the satellite-cities of Shanghai, most of the labor force and talent are naturally drawn to the highly-developed Shanghai area. For labor coming in from across the country, they prefer to work in big cities to have more options to earn more money through hard work. For highly educated talent, Shanghai can offer much better universities and further education opportunities, as well as competitive job offers from global leading companies. However, Zhangjiagang has its own advantage of a relatively lower living cost. But to attract more employees and talent, there is certainly a long way to go for this city in the longer term.

Zhangjiagang plant was established in 2014, producing passenger safety systems such as airbags, seatbelts and steering wheels for passenger cars. The total employee

headcount including shop floor operators and office staff is about 600 people. As a young plant, the year-on-year growth rate is higher than any of the other plants in China. As a new manufacturing base according to the corporate footprint and business expansion strategy, Zhangjiagang gathers much of the attention and focus from the local and global management teams. High expectations and heavy workloads certainly increase work pressure. Also, due to the attraction of Shanghai and its satellite-cities, the overall HR turnover rate at the Zhangjiagang plant is very high. It is also difficult to find suitable replacements once a position becomes vacant. This gives the plant two types of challenge. One is people management since business is growing. As a result, more and more new projects are being launched in the plant even if there is not enough talent to handle the workload. There is strong pressure to recruit enough staff to produce the new products and to fulfill customer demand. The other challenge is related to quality management. As a new manufacturing base, most of the new technologies are being launched in this plant as the primary location. The new manufacturing processes and quality control of the products have become an increasing issue for the local team who requires ever-more cumulative knowledge and experience. **As the youngest and favorite son of the family, all the new technologies and functional support from all over the world are gathered in Zhangjiagang plant. As a result, the plant team is developing very fast and has no choice but to remain very flexible in the face of different customer requirements and newly developed and launched products. Certainly, the pressure on the shoulders of the young team is also very high. The team is like a ship “pushed on the top of the wave towards the given direction, moving fast but also very dangerously”. Same as at Wuhan plant, the young team in Zhangjiagang plant is less focused on hierarchy and more focused on achieving results within the matrix organization. Speed and agility are the team's slogan.**

3.3.1.4 Rayong plant

Rayong plant is the only plant in Thailand selected for this study which is in the same division as the other 3 plants selected in China and producing similar products. The Rayong plant is located in one of the 3 biggest industrial zones in Rayong province

called Eastern Seaboard Industry Zone. Rayong is about 185 kilometers away from Bangkok, located on the east coast of Thailand. Most of the leading car makers such as Ford, GM, Toyota, Honda, Mitsubishi, Isuzu, Nissan, and BMW have manufacturing locations or facilities in this area, operating as their manufacturing bases in South Asia and supplying to the local South Asia market as well as exporting to global markets such as Australia, Argentina, Arabic countries and South Africa. Rayong is therefore known as the “Eastern Detroit”. Rayong has a population of about half a million people, with a population density of 147 people per square kilometer, only 6% of the population density in Wuhan. In terms of the industry employment market, Rayong is the 2nd biggest in Thailand behind Bangkok. The overall employee benefit in the industry zone is also very competitive and stable when compared with other locations and categories of business. As a consequence, this increases the people cost of local companies and somehow reduces the competitiveness in the global market. A stable work force and management team makes companies function like close-knit families instead of being market driven and customer-oriented organizations. Generally speaking, the big industry zones attract most of the labor force from across Thailand, leaving other sectors such as food and construction no choice but to use the cheaper labor from neighboring countries such as Myanmar, Laos and Cambodia. The people tend to avoid direct conflict wherever they can, and follow their superiors without too much of their own perspective. They are also generally slow and hesitant when it comes to decision making.

Rayong plant was established in 1995, producing braking systems for light trucks, as well as passenger safety system such as airbags, seatbelts and steering wheels for passenger cars. The total employee headcount including shop floor operators and office staff is about 200 people. Before 2010, Rayong only produced braking modules for a single customer, namely Toyota. Since then, new safety system products have started to be introduced into this plant such as steering wheels and airbags. Before late 2018, the main products in the Rayong plant were on the decrease as customer vehicles reached the end of their production life cycle. No new product had been launched in

this plant since 2015. The team working in the plant had been in a stagnant mode for a number of years. The HR turnover rate dropped year on year. Redundancies started to appear in both shopfloor and office functions. Once the new launches started again in 2018, the teams were rather overwhelmed due to a lack of product and process knowledge with regard to the new technology, lack of systematic launch processes, and a lack of competitive management approach and mindset. Building back up the team, implementing the new management processes, embracing change to meet new requirements, and building up the local team's competitiveness became the priorities for Rayong plant. **Rayong plant team is very customer oriented. This is due to its rather small customer base compared to its sister plants in China. The customer portfolio is complex and mixed in the other three Chinese factories in this study, where each factory has more than a dozen key customers, as well as a handful of smaller customers. But in the Rayong plant, about 40% of its revenue comes from Toyota, while another 60% of its revenue comes from Ford by the end of 2019. On the one hand, keeping the remaining customers in a declining plant is simply survival. On the other hand, the focus on just the two main customers makes the team a true expert group on customer requirements and procedures, but anything outside that focus becomes obscure to the team. After a few years of the same work pattern, the team is not willing to stretch its legs and arms outside its comfort zone. Members of the leadership team began to make excuses for their lack of flexibility in the face of a changing environment when suddenly the new business came along. The team is very respectful of the hierarchy. An engineer at retirement age must first show respect to a much younger manager with a special Thai greeting gesture (wai), and then the younger manager returns the respect (wai) with a lighter gesture. The team tends to wait for the decision of the top management, and never openly expresses its objection or even its different opinions.**

3.3.2 Psychometrical properties of the measurement scales for the final sample

The reliability test was repeated as done during the pre-test for the final overall sample, as shown in table-11. This once again proved the reliability of the survey.

Reliability Statistics	
Construct	Cronbach's Alpha
Organizational Culture	0.924
Employee Commitment	0.948
Employee Performance	0.872

Table-11: Reliability Statistics

The Principal Component Analysis (Table-12) indicates that the dimensions of Organizational Culture and Employee Commitment are highly correlated. Although this was detected in the pre-test phase, but after review and discussion with several BSI faculty members, we decided to proceed with the large-scale online survey to collect data with the full questionnaire for several reasons: (1) The organizational culture questionnaire adapted from Denison et al. (2006) is already shortened to match the employee performance measurement indices from the company's annual appraisal protocol, which allows respondents to complete the entire questionnaire in 10-15 minutes. (2) The priority of this research is to verify the relationship between each construct in the conceptual model. The complete diagnosis of the organizational culture of each plant is not a key objective of this survey, as we can obtain more information about this from the in-depth case study in the second stage of this research. (3) The employee engagement indices reported from the company's annual survey are known to all respondents. Thus, we preferred to preserve the integrity of the measure and not drop any indexes in the large-scale online survey, so that the survey results could provide key stakeholders with a valuable benchmark to compare the results of the early years in the company's records, in order to define HR interventions accordingly from a longitudinal perspective. (4) With the complete dataset of all constructs of the conceptual model, we always keep the flexibility in the final phase of data analysis to combine or delete any index (if necessary), especially during the construct validity check.

Component Matrix ^a			
	Component		
	1	2	
Mean EC-Result	0.883		
Mean EC-Learn	0.869		
Mean OC-Change	0.864		
Mean OC-Capability	0.838		
Mean EC-Respect	0.836		
Mean EC-Integrity	0.821		
Mean EC-Commit	0.814		
Mean OC-Goal	0.812		
Mean EC-Principle	0.803		
Mean OC-Empower	0.796		
Mean OC-Learn	0.755		
Mean OC-Customer	0.736		
Mean EP-Customer	0.544		0.702
Mean EP-Result	0.572		0.695
Mean EP-Commit	0.541		0.659
Mean EP-Innovation	0.576		0.635

Extraction Method: Principal Component Analysis.
a. 2 components extracted.

Table-12: Principal Component Analysis of OC, EC, & EP

In the construct validity check, the discriminant validity issue between the Organizational Culture scale and the Employee Commitment scale appears unsurprisingly, while the convergent validity of the three constructs in the model are good. After eliminating three of the highly correlated items within the Organizational Culture (Creating Changes, Employee Empowerment, Capability Development) and Employee Commitment (Learning, Result Orientation, Principle) scales, the optimized model gave a satisfactory construct validity check without convergent validity nor discriminant validity concerns, as shown in table-13. The scales show good discriminant validity for each variable with AVE square roots greater than .50 and higher than the inter-scale correlations in the corresponding rows and columns (Fornell and Larcker, 1981). Hence, our scales show good reliability and validity, and the variables meet the necessary conditions of normality.

	CR	AVE	MSV	MaxR(H)	Employee Perform	OrgCulture	Employee Commit
EmployeePerform	0.874	0.635	0.570	0.875	0.797		
OrgCulture	0.861	0.675	0.646	0.874	0.755	0.822	
EmployeeCommit	0.915	0.782	0.646	0.918	0.723	0.804	0.885

Table-13: Construct Validity Check (convergent and discriminant validity)

The final step in the data analysis involved checking the normality of the data distribution according to the results collected from the online survey. The Skewness value and Kurtosis value of each variable are listed below in table-14.

Normality					
	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Mean EC-Commit	881	-0.831	0.082	0.902	0.165
Mean EC-Respect	881	-0.899	0.082	1.094	0.165
Mean EC-Learn	881	-0.890	0.082	2.046	0.165
Mean EC-Integrity	881	-0.964	0.082	1.136	0.165
Mean EC-Result	881	-1.069	0.082	1.873	0.165
Mean EC-Principle	881	-0.950	0.082	2.661	0.165
Mean OC-Empower	881	-1.005	0.082	2.709	0.165
Mean OC-Capability	881	-1.148	0.082	1.994	0.165
Mean OC-Change	881	-0.979	0.082	1.564	0.165
Mean OC-Customer	881	-0.655	0.082	1.419	0.165
Mean OC-Learn	881	-1.104	0.082	2.147	0.165
Mean OC-Goal	881	-1.016	0.082	1.771	0.165
Mean EP-Innovation	881	-0.737	0.082	0.899	0.165
WeightedEPIInnovation	881	-0.591	0.082	0.747	0.165
Mean EP-Customer	881	-0.842	0.082	0.762	0.165
WeightedEPCustomer	881	-0.714	0.082	0.677	0.165
Mean EP-Result	881	-0.693	0.082	0.776	0.165
WeightedEPRResult	881	-0.546	0.082	0.600	0.165
Mean EP-Commit	881	-0.665	0.082	0.297	0.165
WeightedEPCCommit	881	-0.481	0.082	0.020	0.165

Table-14: Data Normality

From the analysis, the Absolute Skewness value of all variables is between -2 and +2; the Absolute Kurtosis value of all variables is between -7 and +7. The normality of this data is proven to be acceptable in a normal distribution for further analyses. The details of the Descriptive Statistics of each variable can be seen in Appendix-8. **The correlation matrix between organizational culture dimensions and employee commitment dimensions which we used for discriminant validity improvement can be seen in Appendix-9. Appendix-10 shows the organizational culture descriptive statistics among all 4 plants.**

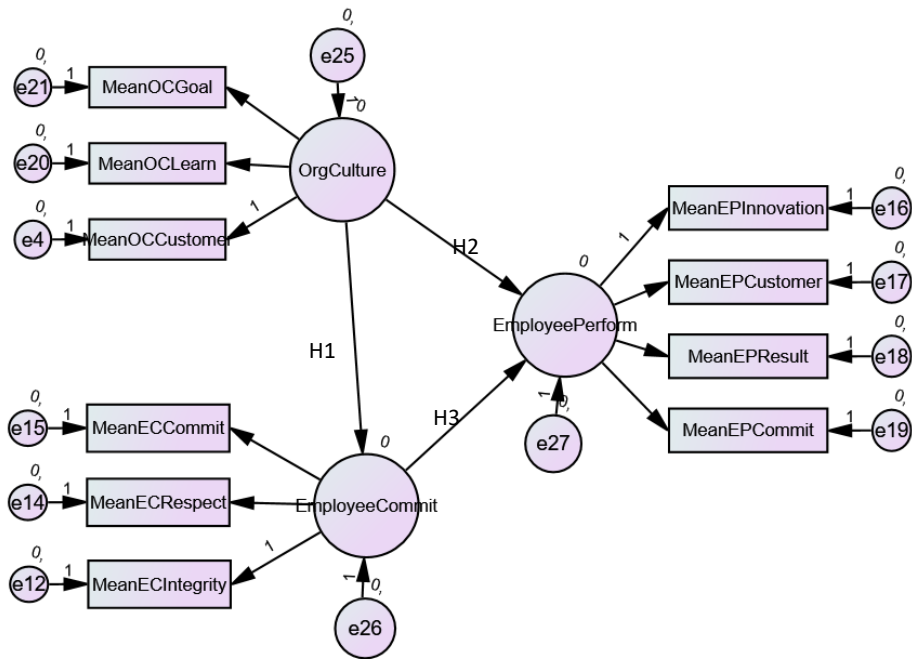


Figure-4: SEM organizational culture, organizational employee commitment and employee performance

As shown in figure-4 above, the organizational culture construct is illustrated at the top left, with 3 dimensions (indexes), as follows: Goals & Objectives, Organizational Learning, and Customer Focus. The employee commitment construct is at the bottom left, with 3 dimensions (indexes), as follows: Commitment, Respect, and Integrity. The employee job performance construct is on the right side of the illustration, with 4 dimensions (indexes), as follows: Innovation Approach, Customer Focus, Result Orientation, and Commitment to People.

3.4 Chapter Summary

In this chapter we conceptualize the measurement scales of each concept, namely: organizational culture, organizational commitment, individual job performance, and organizational performance, as well as the national culture, which is a combination of adapting the existing measurement scales from the literatures and utilizing internal corporate measurement scales. The data collection protocol of our research is then presented, followed by a pre-test to examine the questionnaire reliability in the first

phase of data collection. In the 2nd phase of data collection with the large-scale online survey, we collected data from 3 plants in China and one plant in Thailand, including a brief description of each plant.

4. Results and Discussion

This chapter presents the quantitative analyses and the results of the study according to the methodologies and data presented in Chapter 3. The chapter concludes with a discussion of the results and findings with 2 steps illustrated in detail below.

4.1 Model estimation for the total samples in Thailand and China

From the conceptual model illustrated in figure-3a, we constructed a Structural Equation Model (SEM) for the links between organizational culture, employee commitment and employee performance as shown in figure-4. SPSS Version 25 and AMOS Version24 were used in this study with SEM through path analysis to analyze the impacts between the constructs and variables. We used the full sample size of 881 datasets (including China and Thailand) to run the SEM analysis.

The model-fit indexes (as shown in Table-15) also prove the model-fit is acceptable, and good to continue to run the SEM data analysis. The detailed Model-fit Summary is provided in Appendix-11.

Index	Value	Acceptable fit
Root Mean Square Error of Approximation (RMSEA)	0.016	< 0.09
Normed Fit Index (NFI)	0.982	> 0.9
Goodness of Fit Index (GFI)	0.975	> 0.9
Adjusted Goodness of Fit Index (AGFI)	0.957	> 0.9
Comparative Fit Index (CFI)	0.993	> 0.9
Incremental Fit Index (IFI)	0.993	> 0.9
Tucker-Lewis Index (TLI)	0.990	> 0.9
P-value	0.000	< 0.05
CMIN/DF	1.649	<3 & >1

Table-15: Model Fit Indexes of the Global Conceptual Model

4.1 Overall results for the links between organizational culture, organizational commitment, and job performance

The SEM results (Figure-5) show that Organizational Culture significantly and positively impacts Employee Commitment with a total effect of 0.8 ($p < 0.01$); Organizational Culture significantly and positively impacts Employee Performance

with a total effect of 0.49 ($p < 0.01$); finally, Employee Commitment significantly and positively impacts Employee Performance with a total effect of 0.33 ($p < 0.01$). All results are summarized in Table-16. We thus validate H1, H2 and H3:

H1: Organizational culture has a positive and significant impact on organizational commitment.

H2: Organizational culture has a positive and significant impact on employee job performance.

H3: Organizational commitment has a positive and significant impact on employee job performance.

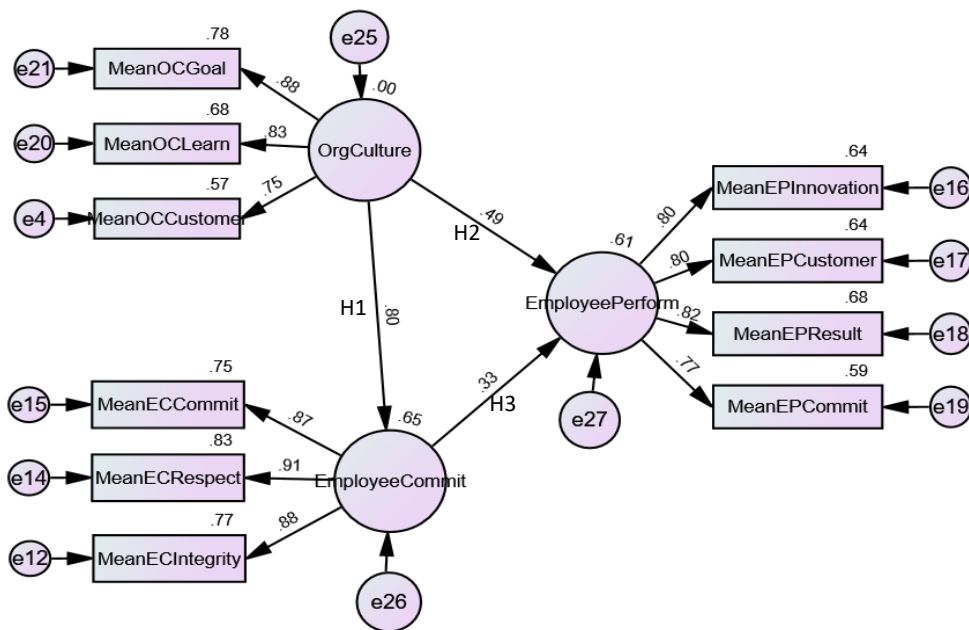


Figure-5: Full Sample Model (China and Thailand)

Path analysis	Regression Coefficient	P-value
Org Culture -> Employee Commitment	0.804	***
Org Culture -> Employee Performance	0.492	***
Employee Commitment -> Employee Performance	0.327	***

Table-16: Path Analysis Result for Step-1 Optimized Model

In the following sections we describe results for the 3 plants in China, and the plant in Thailand.

4.2 Results by group for links between organizational culture, organizational commitment and job performance

In the next step, we split the big sample group separately into a China sample and a Thailand sample to conduct the SEM path analysis to check the similarities and differences between the different country groups (Figure-6 for the Chinese group of plants and Figure-7 for the Thai plant). Then we carry on the same analysis for different gender group as well (Figure-8 for male group and Figure-9 for female group).

4.2.1 Results for the links between organizational culture, organizational commitment and job performance for China

For the Chinese group, the SEM result shows that Organizational Culture positively and significantly impacts Employee Commitment with a total effect of 0.8 ($p < 0.01$); Organizational Culture positively and significantly impacts Employee Performance with a total effect of 0.46 ($p < 0.01$); Employee Commitment positively and significantly impacts Employee Performance with a total effect of 0.4 ($p < 0.01$).

CN group

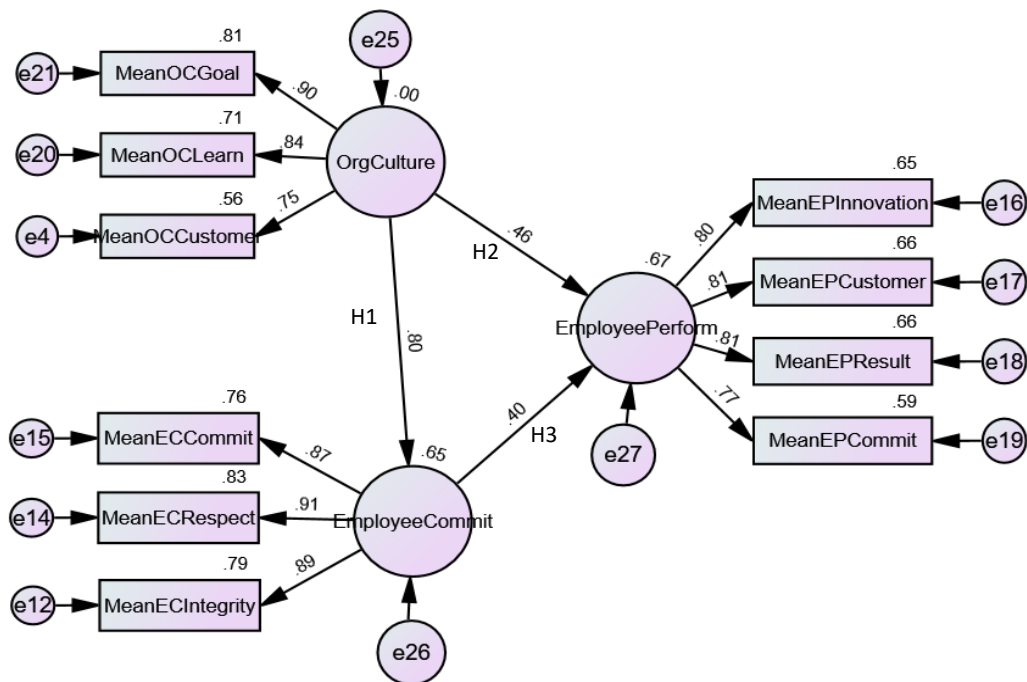


Figure-6: Model for China

4.2.2 Results for the links between organizational culture, organizational commitment and job performance for Thailand

For the Thai plant, the SEM result shows that Organizational Culture positively and significantly impacts Employee Commitment with a total effect of 0.85 ($p < 0.01$); Organizational Culture positively but less significantly impacts Employee Performance with a total effect of 0.34 ($p = 0.057$); and Employee Commitment positively and significantly impacts Employee Performance with a total effect of 0.39 ($p < 0.05$). Table-17 below shows the summary of the regression coefficients and P-values of China vs. Thailand.

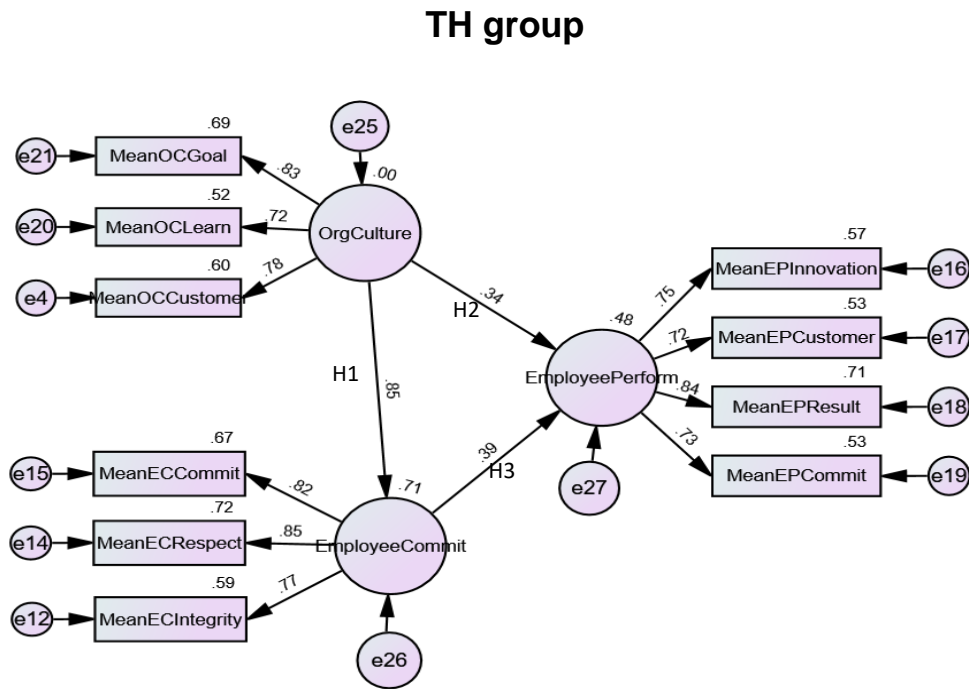


Figure-7: Model for Thailand

Path analysis	Regression Coefficient / P-value (China group)	Regression Coefficient / P-value (Thailand group)
Org Culture -> Employee Commitment	0.804 / ***	0.845 / ***
Org Culture -> Employee Performance	0.460 / ***	0.336 / 0.057
Employee Commitment -> Employee Performance	0.403 / ***	0.386 / 0.028

Table-17: Path Analysis Results for China vs Thailand

In summary, we find the total effect of Organizational Culture on Employee Commitment is slightly lower in China than in Thailand; the total effect of Organizational Culture on Employee Performance is higher in China than in Thailand; and finally, the total effect of Employee Commitment on Employee Performance is very similar in both countries. **The aforementioned differences between the China group and the Thailand group are all statistically significant (see the details from the regression comparisons in Appendix-17).** We take these findings to move to step-2 of the case study.

4.2.3 Results for gender differences for the links between organizational culture, organizational commitment, and job performance

We perform the group analysis with both male and female groups as shown below in figure-8 for male respondents and figure-9 for female respondents.

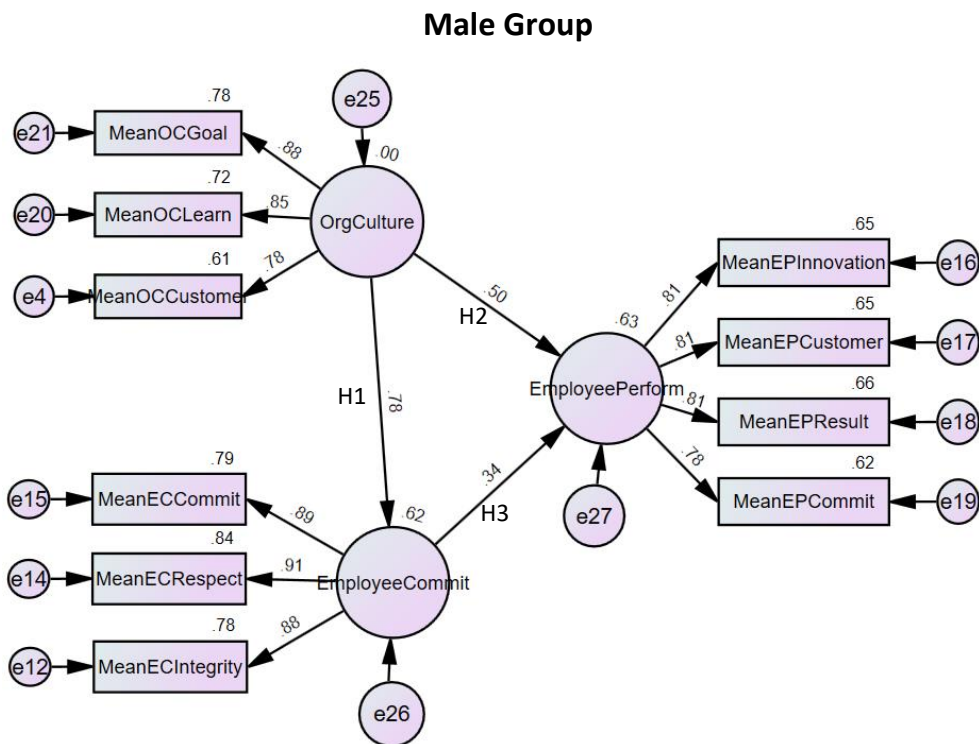


Figure-8: Model for the Male Group

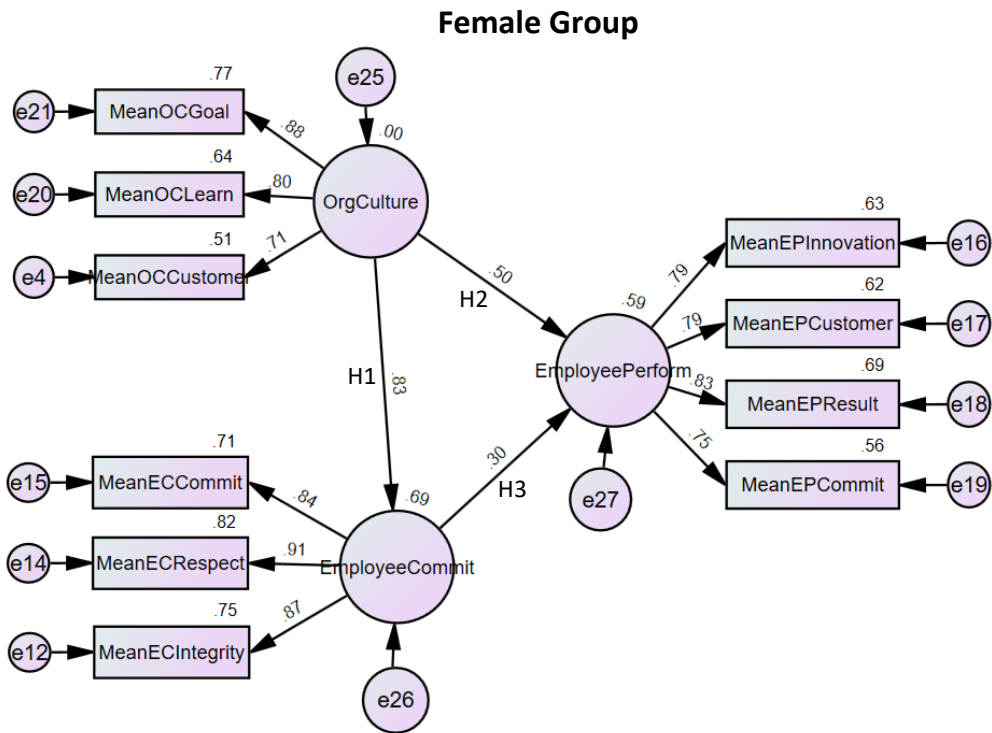


Figure-9: Model for the Female Group

For the male group, the SEM group analysis result shows that Organizational Culture positively and significantly impacts Employee Commitment with a total effect of 0.78 ($p < 0.01$); Organizational Culture positively and significantly impacts Employee Performance with a total effect of 0.50 ($p < 0.01$); Employee Commitment positively and significantly impacts Employee Performance with a total effect of 0.34 ($p < 0.01$).

For the female group, the SEM group analysis result shows that Organizational Culture positively and significantly impacts Employee Commitment with a total effect of 0.83 ($p < 0.01$); Organizational Culture positively and significantly impacts Employee Performance with a total effect of 0.50 ($p < 0.01$); Employee Commitment positively and significantly impacts Employee Performance with a total effect of 0.30 ($p < 0.01$).

Table-18 shows the summary of the regression coefficients and P-values of the male group vs. the female group. No distinguishing difference between gender groups

can be observed. None of the aforementioned differences between the males and females are statistically significant (see the details from the regression comparisons in Appendix-18).

Path analysis	Regression Coefficient (Male group)	Regression Coefficient (Female group)
Org Culture -> Employee Commitment	0.785 / ***	0.832 / ***
Org Culture -> Employee Performance	0.500 / ***	0.499 / ***
Employee Commitment -> Employee Performance	0.339 / ***	0.301 / ***

Table-18: Path Analysis Results for Male vs Female Groups

4.3 Results for the links between organizational culture, employee job performance and organizational performance

In this section, our purpose is to further include Organizational Performance into the conceptual model to empirically test the impact of Organizational Culture and Employee Performance on Organizational Performance. Secondly, we also look into the similarities and differences between China and Thailand by comparing the different plants in order to illustrate the influence of national culture.

4.3.1 Plant Performance

As shown in the Methodology Chapter, the Organizational Performance of each plant can be extracted from the company's historical annual performance records (see Table-19 below for a summary of plant performances, (including HR, quality, and financial performance) at Changchun, Wuhan, and Zhangjiagang in China, and Rayong in Thailand. The summary includes the records from 2018 through to 2020.

Location	Turn over 18'	Turn over 19'	Turn over 20'	Avg Turn over (R)	Failure cost 18'	Failure cost 19'	Failure cost 20'	Avg Failure cost (R)	Productivity 18'	Productivity 19'	Productivity 20'	Avg Productivity
Changchun	14.05	9.01	9.14	89.27	0.26	0.12	0.12	83.33	86.00	90.00	90.00	88.67
Wuhan	39.43	22.12	21.76	72.23	0.39	0.20	0.26	71.67	75.00	83.00	76.50	78.17
Zhangjiagang	37.00	23.90	18.47	73.54	0.41	0.29	0.57	57.67	80.00	82.00	79.90	80.63
Rayong	0.18	0.56	0.50	99.59	0.58	0.49	0.19	58.00	90.00	90.88	89.00	89.96

Table-19: Plant Performance Summary 2018 to 2020

The 2018-20 turnover rate shows the percentage of staff turnover in each year. The higher the turnover, the worse employee stability is at the plant. We use Avg Turnover (R) as the reverse indicator to present the HR performance of each plant over the three-year period. The Failure Cost shows the cost of failures in each year. The higher the failure costs, the worse the plant quality performance is in each year. Avg Productivity is used to present the financial performance of each plant over the three-year period. The performance results are summarized in table-19 and represent the objective KPIs of each plant from 2018 to 2020. We can easily see that the HR performance in the Thailand plant is much better than the other three plants in China; the Quality performance in the plants located in China is generally higher than in plant located in Thailand; and the Avg Productivity or Financial performance of each plant is similar.

4.3.2 Stakeholder Interview

Although the three plants in China and the one in Thailand are part of the same division of the company and produce the same product portfolio, each plant has their unique situation and environment to take into consideration. To avoid being misled by the objective KPIs, we also conducted interviews with key stakeholders to collect their subjective perception of each plant's performance within their specific contexts. The key stakeholders selected were the regional operations director as the functional head of all the plants in Asia Pacific, the regional HR director as the functional head of HR in Asia Pacific, the regional finance director as the functional head of Finance in Asia Pacific, the regional quality director as the functional head of Quality in Asia Pacific, and finally the regional Vice President as the overall business head of the whole division in Asia Pacific. All aforementioned stakeholders are the key leadership members directly responsible for the HR, quality, and financial performance of the whole Asia Pacific region, including the selected plants in China and Thailand. From the stakeholder interviews, we aimed to understand what the "behind-the-scenes" context to the survey data was, or what could be the possible explanation regarding the results of the survey analysis. Furthermore, we aimed to understand what could be the supplementary contextual background in terms of their unique situation to avoid

potential bias from the methods of analysis, and interpretation of results. We also interviewed the general manager of each plant to obtain their perception of the performance of each department of their own plant over the 2018-20 period.

The interview protocol was designed as follows: we organized a Teams online conference call with video to communicate with each of the stakeholders one by one according to a pre-agreed 1-hour time schedule. This setup was also used to accommodate the global COVID-19 Pandemic since the middle of 2020, in order to reduce unnecessary travel and face to face communication. We introduced the overall concept of the study and the purpose of the call at the beginning of each meeting for 10 minutes. We then let the stakeholder provide their subjective rating on the overall HR, quality, operational financial and general performance of the whole plant. Each of the plants selected in this study were rated one by one. The stakeholders also provided a brief explanation of their opinion behind each rating they provided in consideration of the particular context of each plant.

The rating method is adapted from the company-wide annual performance rating methodology, which rates several KPIs at an achievement level of between 80% to 120%. 80% (or 0.8) stands for underachieving the expectation as the minimum rating, 100% (or 1.0) stands for meeting the expectation, and 120% (or 1.2) stands for overachieving the expectation as the maximum rating. The regional HR director provides the subjective rating on the overall HR performance of each selected plant from a rating between 80% (0.8) to 120% (1.2). The regional quality director provides the subjective rating between 80% (0.8) to 120% (1.2) on the overall quality performance of each selected plant. The regional finance director provides the subjective rating between 80% (0.8) to 120% (1.2) on the overall financial performance of each selected plant. The regional operations director and regional Vice President provide the subjective rating between 80% (0.8) to 120% (1.2) on HR, Quality, and Financial performance, as well as the general performance of each selected plant. With the rating from each key stakeholder, we then calculated the average rating for each performance dimension of the plants. Table-20 below provides a summary of

stakeholders' subjective rating of each performance dimension. The next section provides key takeaways for each plant from the stakeholder interviews.

Rate 0.8 to 1.2 as coefficient of perceived performance												
2018-2020	Changchun						Wuhan					
	Div. VP	Ops Dir	FIN Dir	QA Dir	HR Dir	Avg rate	Div. VP	Ops Dir	FIN Dir	QA Dir	HR Dir	Avg rate
HR performance	0.95	0.9			1	0.95	1.05	1			0.8	0.95
QA performance	1.05	0.95		0.9		0.97	0.9	0.85		0.9		0.88
FIN performance	1.15	1.05	1.2			1.13	1	0.8	1			0.93
Overall Org performance	1.05	1				1.03	1	0.95				0.98
2018-2020	ZJG						Rayong					
	Div. VP	Ops Dir	FIN Dir	QA Dir	HR Dir	Avg rate	Div. VP	Ops Dir	FIN Dir	QA Dir	HR Dir	Avg rate
HR performance	1.05	0.85			0.95	0.95	0.95	0.8			0.875	0.88
QA performance	1.1	1.05		1.1		1.08	1.05	1		0.875		0.98
FIN performance	1.1	0.95	0.8			0.95	1	1.05	0.9			0.98
Overall Org performance	1.1	1.05				1.08	1	1.05				1.03

Div.VP stands for the regional Vice President of the whole division in the Asia Pacific
Ops Dir stands for the regional operation director as the functional head of all the plants in the Asia Pacific
FIN Dir stands for the regional finance director as the functional head of Finance in the Asia Pacific
QA Dir stands for the regional quality director as the functional head of Quality in the Asia Pacific
HR Dir stands for the regional HR director as the functional head of HR in the Asia Pacific

Table-20: Summary of Stakeholder (Regional leadership members) Ratings

4.3.2.1 Changchun Plant

Changchun plant is rated at the highest level for its overall financial performance. According to the regional finance director, the people cost at the Changchun plant is not an advantage compared with the other selected plants, and is due to its long history and rather stable people turnover rate compared to the other 2 plants located in China. The stable shopfloor and office workforce inflated the people cost in the past years. However, due to strong operational discipline and long-term perseverance, they do not waste resources and manage to save costs in every possible area. The regional operational director commented that the Changchun plant has the highest overall efficiency on labor intensive operations, and initiated many low-cost automation ideas and solutions to reduce the heavy capital investment, and to improve productivity as a benchmark for the other plants. Finally, the division Vice President added that the Changchun plant is doing its best in utilizing their people resources not only in their main Changchun facility, but also in their branches in Chengdu city and Foshan city. Within the last 5 years, Changchun plant has generated the highest revenue with the highest profit rate among all the plants in Asia Pacific, and contributed the most in terms of business growth and financial health to the whole division in the region. **In terms of organizational culture, each key stakeholder made quite similar comments:**

Changchun plant is a former JV factory, the political conflict between the two parties has undoubtedly influenced the employees' working style, mindset, decision-making process, and intention to seek power and authority within the organization. The team has a very strong discipline to follow the directives of superiors. Pleasing superiors becomes a higher priority than their daily work. The downside of this strong discipline is also evident in the lack of personal initiative and creativity. These comments are very much in line with the organizational culture assessment as summarized in Appendix 10. Changchun plant scored the lowest in each dimension (“Involvement”, “Adaptability”, and “Mission”) of organizational culture among the four plants. The lowest overall score also indicates the weakest organizational culture compared to the other three factories in this study. This is not surprising for a JV plant where the general manager and deputy general manager of both parties often change after a few years. The political struggle intensifies each time the general management changes to one side or the other, until the two parties reach a rather delicate balance in the control of power. This is an unavoidable burden on the plant in developing its long-term capabilities and establishing the vision and mission.

4.3.2.2 Wuhan Plant

Wuhan plant is rated the lowest for quality performance and financial performance, and especially for quality performance. The regional quality director commented that the management position of the quality function at Wuhan had been changed frequently in the past 3 years, and that a lack of stable quality leadership directly impacted the overall capability of the quality department. The quality mindset was missing from the whole operational team as a consequence. The regional operations director said that quite a few new technologies were introduced to the Wuhan plant before 2018, which was the first local facility in China to produce these. The local team certainly was not prepared for this, and was overwhelmed by the new launches and resulting new issues in terms of production and quality. Continuous customer complaints added to the pressure of the local quality team, which led to frequent voluntary turnover of the quality manager function. As a result, the quality management system in Wuhan plant

had not been systematically improved over the past few years. The division Vice President also mentioned that the local customer base in Wuhan city (including General Motors and Nissan) had introduced increasingly high-quality requirements over the years, which in turn required major steps by the Wuhan plant to catch up in order to satisfy customers, and to ensure long-term market development. As to the financial performance, most of the stakeholders commented that the Wuhan plant suffered from its high people turnover on the shopfloor due to the demanding workload and a dynamic job market. There were still many areas of improvement regarding cost elements and shopfloor productivity. **In terms of the Wuhan plant's organizational culture, the team is very open in communication, both upstream and downstream. This promotes the well-aligned mission of the entire organization, as well as the detailed breakdown of objectives and goals for each function. Each team member plays his or her own role and supports each other as a catalyst to ensure the smooth functioning of the larger organizational machine. The measure of organizational culture, as presented in Appendix 10, reflects their highest score in “Mission” trait very well. The overall viscosity of the Wuhan plant's organizational culture is also quite high. But the team still faces challenges in developing a well-rounded capability in each function due to the dynamic labor market and high employee turnover.**

4.3.2.3 Zhangjiagang Plant

Zhangjiagang plant is rated as the highest for its quality performance and overall plant performance, which obviously and interestingly contrasts with the objective KPIs for the 4 selected plants. As the most recent plant in China, there had been major launches each year to produce cutting edge products for both local and global customers. The regional operations director commented that the Zhangjiagang team had taken the lessons learned from Wuhan plant in its early years, and consequently did better in pre-launch preparations to avoid quality issues from day-1 on any new production. The regional quality director stated that the Zhangjiagang team received visits and audits from the different customers at a rate of almost 2 times a week throughout the year. Not only the quality team but also the management team had been well trained and

prepared to continuously fulfill customer quality assurance expectations. This emphasized the quality mindset and customer orientation at all levels of the operational team. The way in which the team handled and managed the inevitable problems of a newly established plant, and how they learnt from each event earned Zhangjiagang extra praise. The division Vice President said that Zhangjiagang is under the spotlight of the global management team due to its strategic mission to grow the Chinese market further as well as penetrating markets in Japan and Korea. As a consequence, the support from central functions is also gathering in the plant, which provides great opportunities for the local team to absorb new knowledge, and to grow from frontline operations faster than the others. In general, the stakeholders are aware of Zhangjiagang's objective KPIs, but given the real challenges inside the plant, they are highly appreciative of the local team's accomplishments. **In terms of organizational culture, the young team is very energetic. They often voluntarily work long hours to accomplish urgent tasks in new launches, customer site audits, as well as productivity improvements to meet increasing demand. They are not afraid of challenges, yet they embrace constant change. Since day one of the establishment of this facility, it has continued to grow in size and scope. By the end of 2023, it will become the largest manufacturing plant in the entire Asia-Pacific region. According to the comparison in Appendix 10, Zhangjiagang plant has the strongest organizational culture, the "Involvement" and "Adaptability" traits are particularly high compared to the other three plants in this study, indicating that Zhangjiagang plant is rather flexible according to Denison et al., (2006) organizational culture model.**

4.3.2.4 Rayong Plant

Rayong is the only plant in Thailand within the same division as the other three selected plants in China. Rayong is rated the lowest in its overall HR performance among all the plants selected for this study, which contrasts with the lowest people turnover rate (highest HR performance score in reverse) in the objective KPI summary. The regional HR director commented that HR leadership had been absent over the past three years, due to misalignment between the prior plant manager and the HR manager.

After the voluntary early retirement of the HR manager, many of the regular HR activities were left behind, and the prior plant manager was not able to assume the responsibility during the interim period, which caused negative perceptions from both local staff and senior central management. The extremely low people turnover rate is actually a sign of a potential problem, as highlighted by the regional operations director. It means potentially most of the local work force is in the comfort zone, which is the biggest psychological block to continuous improvement. This also inflated the people cost over the past years. In spite of high cost and low performance, people do not leave the plant voluntarily, which means that fresh blood cannot come in. This is not only a HR concern, but also the major top management problem of the local plant. The division Vice President also holds a very negative impression that due to improper information sharing and communication upwards to the regional head office as well as downwards to the plant local staff, the senior regional management team was left with no choice but to agree with the requirements on the annual “wish list” of the local plant labor union from year to year. This made the plant the highest in terms of people cost in 2018 across the whole Asia Pacific division, and undermined the cost advantage of healthy growth through new business. **In terms of organizational culture, the distinctive difference can be observed. The general pace of work is slow, whether it is shop floor production or management decision making. This is very much in line with the general perception of Thai culture in terms of a relaxed view of everything. The organization is like an old machine to which new components are added, but the old parts and the new parts are not able to work at a synchronous pace. Because of the strong hierarchical concept and the inherent nature of conflict avoidance, some young and capable team members prefer to follow what they have been told rather than speak their minds, in order to avoid the extra workload and responsibility as well as the potential benefits. This suppresses the organizational capacity for continuous improvement and adaptation to the changing world. These elements are well reflected in the measurement and comparison of organizational culture, as illustrated in Appendix 10. One of the strengths of the Rayong plant is the highest score in terms of customer orientation, which is consistent with its simplex customer base described earlier. Thus, the Rayong**

plant is a rather stable organization instead of being flexible, as well as weak in mission. In addition, the culture of the Rayong plant is also the weakest among the three wholly owned plants in this study.

4.3.2.5 Plant Manager Interview

To minimize the impact of common method bias due to the self-reporting in the quantitative online survey in step-1 of the study, we experimentally designed the following protocol to continue into step-2. The purpose of step-2 is to collect the management point of view on employee job performance from an aggregated level of each department, then use this as a coefficient on the employee self-reported job performance rating to generate weighted employee job performance, to eliminate to a certain extent the potential common method bias from the individual self-reported survey.

Following on from the key stakeholder interviews with the regional leadership team, we extended the interviews to each plant's general manager to let them provide a subjective perception of the performance of each department in their own plant participating in the online survey. The rating is based on the overall department performance from 2018 to 2020, by using the same method as the key stakeholder interview, which is to rate each department performance between 80% to 120%: 80% (or 0.8) stands for underachieving expectations as the minimum rating, 100% (or 1.0) stands for meeting expectations, and 120% (or 1.2) stands for overachieving expectations as the maximum rating. The interviews were also facilitated through Teams online conference calls with video according to the pre-agreed time schedule. Each interview took from 30 minutes to 1 hour. At the beginning of each interview, the purpose of the study and the intention of the call was explained briefly to each plant manager for 10 minutes.

The Changchun plant manager felt that the production team and the quality team could have done a better job in the same way as logistic team and maintenance team to

better support operations. Correspondingly, the production department and quality department were rated at 0.9 (from minimum 0.8 to maximum 1.2), and the logistics department and maintenance department were rated at 1.05 (from minimum 0.8 to maximum 1.2). The launch management department was rated at 0.95, slightly lower than the manufacturing engineering department at 1.0 as an average in meeting expectations. Finally, the finance and IT department, as well as the safety and facilities department were all rated by the plant manager at 1.1 as the highest score among the departments at Changchun.

The Wuhan plant manager felt that the finance team could improve their way of communicating and controlling costs to have a better understanding of, and cooperation from other departments. Consequently, the finance department was rated at 0.9 (from minimum 0.8 to maximum 1.2) as the lowest score among all the departments in Wuhan plant. The manufacturing engineering department and maintenance department were rated at 0.95, slightly below expectations due to production down time issues which were not properly solved in the long term as commented by the plant manager. The launch management department and quality department were rated at 1.0 on average therefore meeting expectations, while the logistics department and production department were rated at 1.05 slightly higher than average due to their hard work in managing the complicated product portfolio to keep the supply chain and production running smoothly. Lastly, the safety and facilities department was rated by the plant manager at 1.1 as the highest score among all the departments at Wuhan plant by its plant manager due to their excellent performance in keeping the plant safe from COVID-19 during the very first outbreak.

The Zhangjiagang plant manager gave a very high appreciation to the logistic team in their managing the complex supply chain from customer demand fluctuation through to supplier material disruption, and also to the safety team for their professional coordination in preventing and minimizing the impact of the COVID-19 pandemic. Consequently, the logistics department, and the safety and facilities department were rated at 1.1 (from minimum 0.8 to maximum 1.2) as the highest score among all the

departments at Zhangjiagang. On the other hand, the production department was rated at 0.95, which is slightly under expectation due to it continuously missing production efficiency targets because of relatively high employee turnover. Other departments such as finance, IT, manufacturing engineering, maintenance, launch management, and quality were all rated at 1.0 by the plant manager as meeting average expectations.

Rayong plant was rated by the author of this thesis in my role as head of plant operations assigned by the division Vice President since the end of 2018. I appreciated the phenomenal performance of the local safety team to make the plant number one in maintaining safe production without any registered injury for more than 2,000 days, as well as the production, logistics, and maintenance teams in keeping improving the production efficiency, and quickly moving out of their comfort zone. Especially with regard to the maintenance department, they constantly and willingly supported other departments such as the production and the manufacturing departments, even if they were out of their work scope. Correspondingly, I gave the maintenance department the highest rating of 1.15 (from minimum 0.8 to maximum 1.2) among the departments at Rayong, and 1.1 as above expectations for the safety and facilities department, logistics department, and the production department. The launch department was rated at 1.05, which was slightly above average expectations due to their hard work with limited resources in launching new projects at the plant. The Finance and IT department were rated at 1.0 as meeting average expectations. Finally, the manufacturing department and quality department were rated at 0.9 as the lowest among the departments at Rayong due to them missing internal production expectations and external customer quality targets.

Table-21 below provides a summary of the plant managers' ratings.

Location	FIN/IT	HSE/Facility	Log	Prod	ME	Maint	LM	QA
Changchun	1.1	1.1	1.05	0.9	1	1.05	0.95	0.9
Wuhan	0.9	1.1	1.05	1.05	0.95	0.95	1	1
Zhangjiagang	1	1.1	1.1	0.95	1	1	1	1
Rayong	1	1.1	1.1	1.1	0.9	1.15	1.05	0.9

FIN/IT - Finance department & IT department

HSE/Facility - Health & Safety department & Facilities & Building department

Log - Logistic department

Prod - Production department

ME - Manufacturing Engineering department

Maint - Maintenance department

LM - Launch department

QA - Quality department

Table-21: Summary of Plant Managers' Ratings

4.3.3 Weighted Employee Performance

The performance rating from the general managers at each plant was used as a coefficient to be multiplied by the self-rated Employee Performance dimensions from the online survey to obtain the weighted Employee Performance value on each dimension. For example (according to Table-21): The plant manager rating of the Production department is 0.9 corresponding to the overall subjective perception of the Production department's performance from 2018 to 2020. We consider that each department member contributes to the whole function, and their performance is aggregated to the overall performance of the department. The department's overall performance somehow represents the individual employee performance at an average level. If a survey respondent is from the Changchun plant Production department, then we use 0.9 as the coefficient to be multiplied by the self-rated Employee Performance value of this respondent as their weighted Employee Performance. The same rationale applies to all the respondents according to their department and plant manager rating.

4.3.4 Weighted Organizational Performance

As the key part of the 2nd step of this experimental analysis, we added the organizational performance construct into the conceptual model, which had previously been tested in the 1st step of the analysis. If we had simply associated the plant performance of each individual employee directly to each respondent as their

corresponding organizational performance, we would have run into a situation with sample sizes that were far too small for this variable (only 3 variants from 3 China plants, and 1 variant from 1 Thailand plant) to run the SEM analysis, especially for the group analysis to see differences between China and Thailand. To overcome this obstacle, we inevitably generated many more variants in the organizational performance construct to enable the SEM analysis. The experimental methodology we used in this study was to calculate the weighted organizational performance associated to each individual respondent. In the following, we explain in detail the steps in our experimental methodology.

First of all, we could associate each respondent to a certain department and plant according to the online survey data. We had the organizational performance from the objective plant performance records, as well as the key stakeholders' objective rating. We also had each department performance rating from the plant manager interviews. All that was left to accomplish was to build the bridge between the employee (each respondent) of a certain department, with each department associated (or contributed) to their plant performance dimensions, namely: HR performance, quality performance, and financial performance.

For HR performance: People voluntary turnover rate, from the plant operational point of view, is contributed to by all departments (any voluntary turnover case from any department is counted into the plant level).

For quality performance: Failure cost is mainly related to the Production department which directly manufactures products; the Manufacturing Engineering department takes responsibility for setting up the machines and processes; the Quality department systematically controls the monitoring of the quality of products as well as the whole process; and finally the Launch Management department which is responsible for new product introduction phases as a project leader until the start date of the production (a safe and robust launch certainly leads to better quality in the mass production phase).

For financial performance: Production Productivity is mainly contributed to by the Production department which manufactures products directly against the ideal takt time; the Manufacturing Engineering department and Maintenance department which need to ensure the production machines run with as little downtime as possible; the Quality department which needs to make sure of the incoming material quality in the first instance, and then systematically controls the monitoring of the quality of the products as well as the whole process to detect any potential problems as early as possible in order to reduce waste; the Logistics department which has a crucial role in operations to make sure the blood (material) runs properly throughout the whole body system (value chain); and finally the Launch Management department takes the overall responsibility for introducing new products and needs to make sure that any potential problems are detected and solved before moving to the mass production phase.

Table-22 is the summary of the departments in relation to each plant KPI.

Turnover:	all departments
Failure cost:	Production, Manufacturing Engineering, Quality, Launch Management
Productivity:	Logistics, Production, Manufacturing Engineering, Maintenance, Quality, Launch Management

Table-22: Summary of Departments in relation to Plant KPIs

After building the bridge between organizational performance dimensions and plant departments, we then used each plant manager's rating of departments as a coefficient to be multiplied by the Organizational Performance dimensions (HR performance, quality performance, and financial performance) in order to obtain the corresponding weighted Organizational Performance associated to each individual respondent.

4.3.4.1 Weighted Organizational Performance based on Plant Performance Records

As previously mentioned, the purpose of the weighted organizational performance is firstly, to associate each plant performance (including HR performance, quality performance, and financial performance) to each respondent as organizational

performance correspondingly; and secondly, to generate wide enough variants according to the managerial protocol (as described in table-22) to enable the SEM analysis. We use the following examples to explain the method in our study. If a respondent is from the production department at the Changchun plant, the plant manager rating of the Production department is 0.9 (according to table-21); we then use 0.9 as the coefficient to be multiplied by each Organizational Performance dimension summarized in Table-19 (Turnover as HR performance, Failure cost as Quality Performance, and Productivity as Financial performance) to get the weighted Organizational Performance value corresponding to this respondent, since the Production department is related to each plant KPI according to table-22. If a respondent is from the Logistics department of the Zhangjiagang plant with a plant manager rating of 1.1 for the Logistics department (according to table-21), we then use 1.1 as the coefficient to be multiplied by Turnover (as HR performance) and Productivity (as Financial performance) to get the weighted HR performance and Financial performance value corresponding to this respondent while not changing the Quality performance value, because the Logistics department is related to the Turnover and Productivity KPIs according to table-22.

4.3.4.2 Weighted Organizational Performance based on Stakeholder Ratings

Similar to the weighted organizational performance based on plant performance records, the base we use is the key stakeholder ratings of the overall HR performance, overall quality performance, and overall financial performance as the subjective Organizational Performance value of each selected plant (as summarized in Table-20). We then apply the same rationale and method as described in 4.3.4.1 to get the weighted Organizational Performance value of each dimension based on the key stakeholder ratings corresponding to each individual respondent.

4.3.5 Analyzes of the Weighted Survey results

After obtaining the weighted Employee Performance value and weighted Organizational Performance value (from Plant KPI records and Stakeholder ratings), we experimentally designed the SEM model as shown below in Figure-10 (with Plant KPI records as Organizational Performance) and Figure-11 (with Stakeholder ratings).

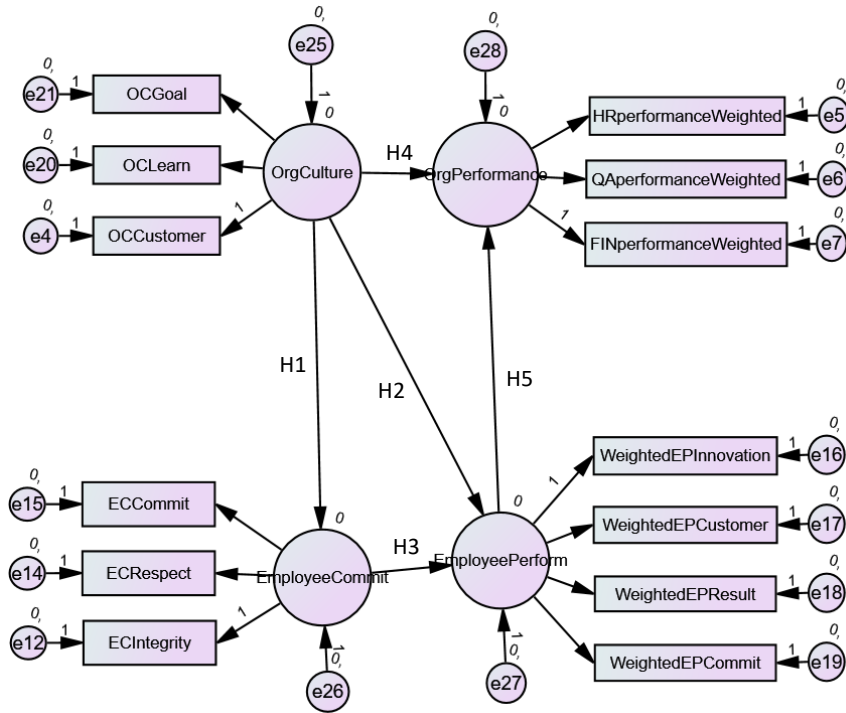


Figure-10: SEM with Org Performance (Plant KPI records)

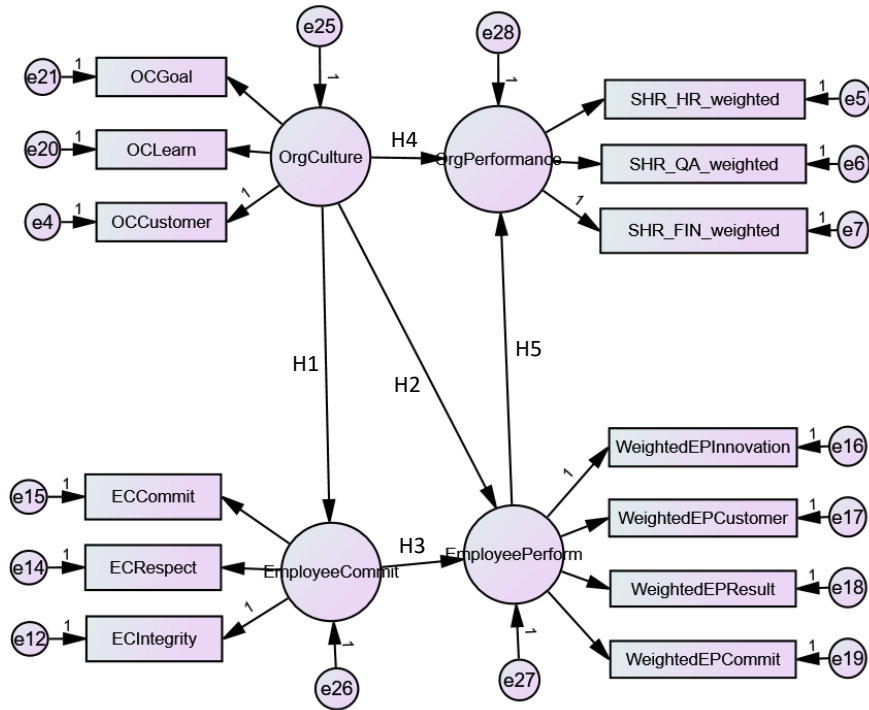


Figure-11: SEM with Org Performance (Stakeholder Ratings)

In figure-10, we add the organizational performance construct at the top right with 3 dimensions (indexes), namely: weighted HR performance, weighted quality performance, and weighted financial performance. All 3 organizational performance dimensions are based on the plant performance records.

In figure-11, the 3 dimensions of organizational performance in sequence at the top right of the figure are stakeholder rated HR performance (SHR_HR_weighted), stakeholder rated quality performance (SHR_QA_weighted), and stakeholder rated financial performance (SHR_FIN_weighted). All 3 organizational performance dimensions are weighted according to the method described in chapter 4.3.4.2.

Figure-12 below shows the SEM path analysis results with organizational performance according to plant KPI records. Figure-13 shows the SEM path analysis result with organizational performance according to key stakeholder ratings.

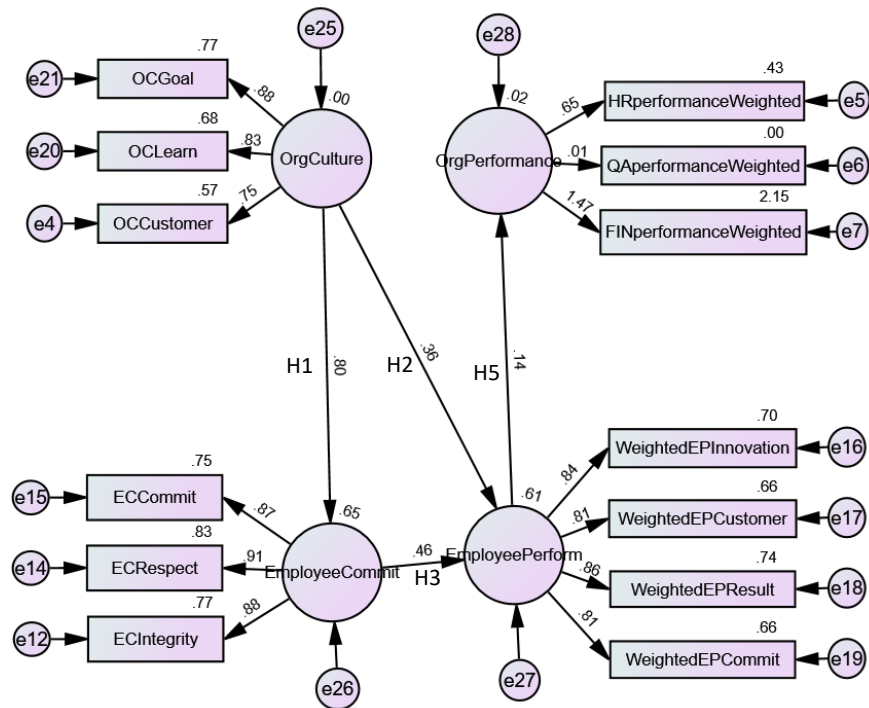


Figure-12: SEM Results with Org Performance (Plant KPI records)

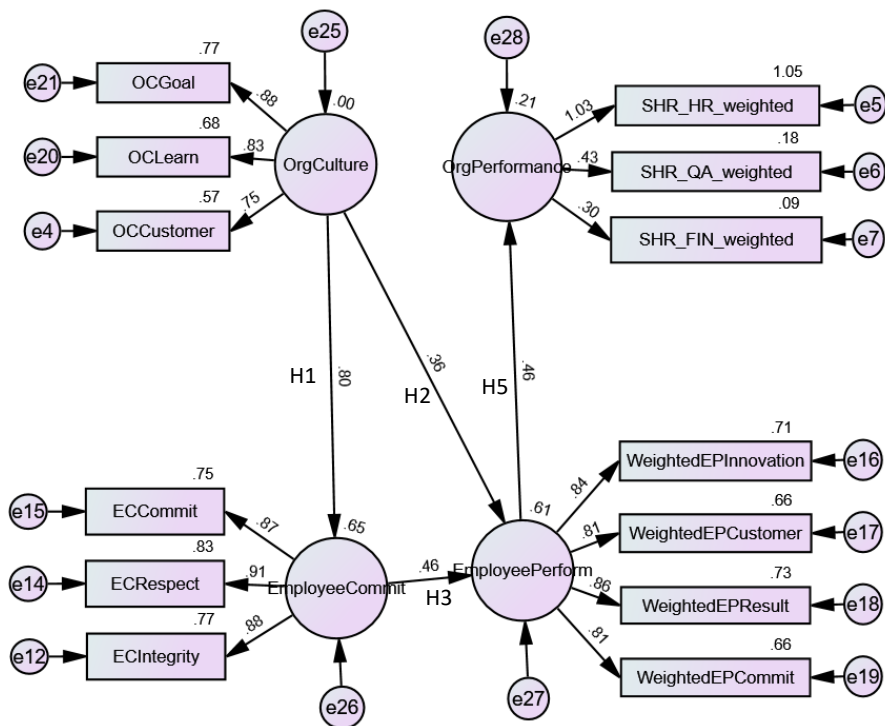


Figure-13: SEM Results with Org Performance (Stakeholder Ratings)

From the total sample including China and Thailand, very similarly to the results from the quantitative survey analysis in the first step of the study, we can still see the highly significant and positive impacts of Organizational Culture on Employee Commitment as described in H1 ($b = 0.80$; $p < 0.01$), Organizational Culture on Employee Performance as described in H2 ($b = 0.36$; $p < 0.01$), and Employee Commitment on Employee Performance as described in H3 ($b = 0.46$; $p < 0.01$). With the newly added construct into the model, we can see as described in H5 that Organizational Performance is highly significantly and positively impacted by Employee Performance in the SEM with plant KPI records as Organizational Performance ($b = 0.14$; $p < 0.01$). While in the SEM with Stakeholder ratings as Organizational Performance, we can see even stronger significant and positive impact of Employee Performance on Organizational Performance as described in H5, ($b = 0.46$; $p < 0.01$). Hence, we confirm that Employee Performance positively impacts Organizational Performance.

However, we don't see any positive impact of Organizational Culture on Organizational Performance as expected in hypothesis-4 from either of these two models, whether we used objective plant KPI records as Organizational Performance or subjective Stakeholder ratings as Organizational Performance. **This is mainly due to contextual reasons: Changchun Plant has the weakest organizational culture due to its JV nature, but has the best objective KPIs, such as plant performance; Zhangjiagang Plant has the strongest organizational culture, but its objective KPIs are all below average, while enjoying high subjective evaluation from stakeholders; Rayong Plant also has a weak organizational culture, but has the best human resource performance due to its extremely low turnover rate.** We then checked the correlations between Organizational Culture dimensions and Organizational Performance dimensions with the model using the plant performance records as organizational performance (please refer to details in appendix-12), and with the model using Stakeholder ratings as Organizational Performance (please refer to details in appendix-13).

By using the plant performance records as organizational performance, we could not draw any meaningful conclusion from the correlation table due to the fact that while the plant KPIs are objective, they are also highly situational, which should be considered as a whole in this specific context. By using the stakeholder ratings as organizational performance, we can see that HR performance and quality performance are significantly and positively correlated with each dimension of organizational culture as shown below in table-23. This is more meaningful as the key stakeholders have given consideration to the specific situations of each plant during their subjective evaluation. Consequently, H4 is partially supported.

Correlations									
	OC-Empower	OC-Capability	OC-Change	OC-Customer	OC-Learn	OC-Goal	SHR_HR_weighted	SHR_QA_weighted	SHR_FIN_weighted
OC-Empower	1	.686**	.723**	.583**	.614**	.679**	.121**	.107**	-0.042
OC-Capability		1	.804**	.584**	.659**	.675**	.194**	.233**	-.085
OC-Change			1	.653**	.665**	.748**	.203**	.202**	-0.062
OC-Customer				1	.620**	.671**	.110**	.132**	.073
OC-Learn					1	.724**	.175**	.178**	-.070
OC-Goal						1	.169**	.123**	-0.033
SHR_HR_weighted							1	.440**	.310**
SHR_QA_weighted								1	.095**
SHR_FIN_weighted									1

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

OC-Empower: refers to Organizational Culture Employee Empowerment index

OC-Capability: refers to Organizational Culture Capability Development index

OC-Change: refers to Organizational Culture Creating Changes index

OC-Customer: refers to Organizational Culture Customer Focus index

OC-Learn: refers to Organizational Culture Organizational Learning index

OC-Goal: refers to Organizational Culture Goals & Objectives index

SHR_HR_weighted: refers to weighted stakeholder rated HR performance

SHR_QA_weighted: refers to weighted stakeholder rated quality performance

SHR_FIN_weighted: refers to weighted stakeholder rated financial performance

Table-23: Correlations between Org Culture and Org Performance (Stakeholder Ratings)

Once again, we split the dataset from the China and Thailand samples and ran the same SEM analysis to see the differences between the countries. Due to the fact that the limitation of the data variance from Stakeholder ratings is not enough to run the SEM model separately in the China or Thailand samples, we could only use the Plant KPI records as an Organizational Performance variable to run the SEM model separately for both countries.

Figure-14 shows the SEM results of the China sample. Other than the relationships between Organizational Culture, Employee Commitment and Employee Performance as proved in the earlier stage of this study (H1: $b = 0.80$, $P < 0.01$; H2: $b = 0.39$, $P < 0.01$; H3: $b = 0.46$, $P < 0.01$), in the Chinese plants we could not find any positive impact of Organizational Culture on Organizational Performance (H4), nor any positive impact of Employee Performance on Organizational Performance (H5).

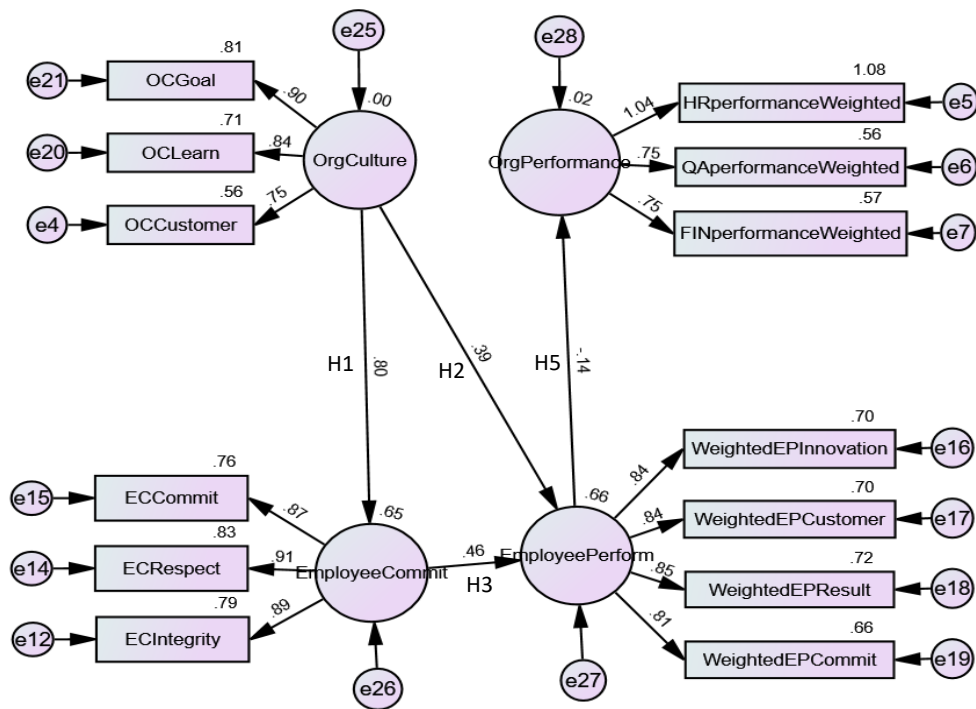


Figure-14: SEM Results – China

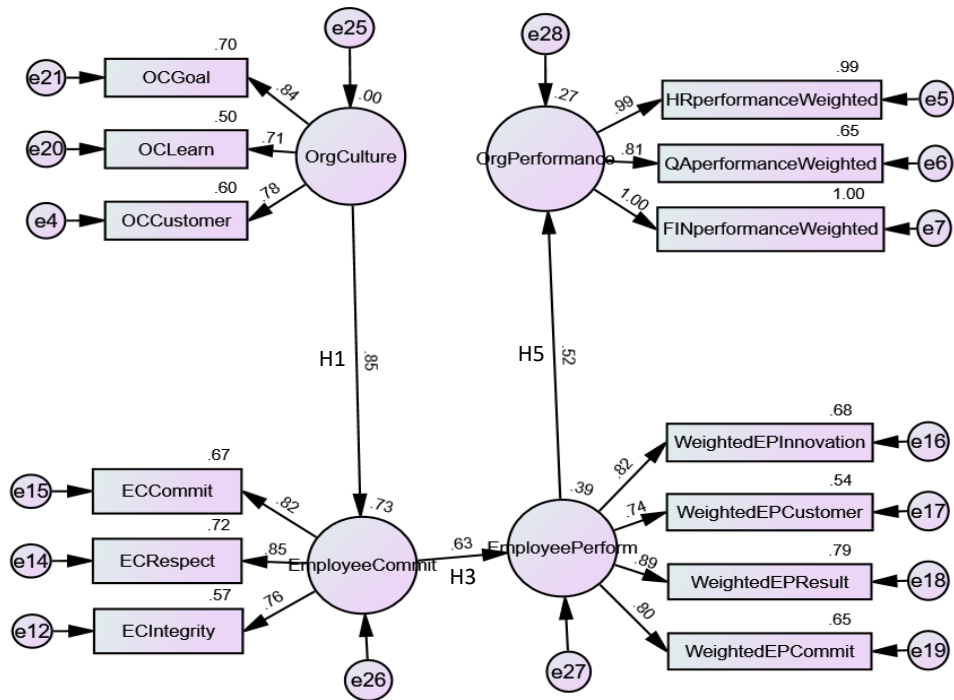


Figure-15: SEM Results – Thailand

Figure-15 shows the SEM result of the Thailand sample. In addition to the relationships between Organizational Culture, Employee Commitment and Employee Performance as proved in the first step of this study (H1: $b = 0.85$, $P < 0.01$; H2: $b = 0.21$, $P < 0.01$; H3: $b = 0.43$, $P < 0.01$), in contrast to the Chinese sample, there is positive and significant impact of Employee Performance on Organizational Performance (H5: $b = 0.52$, $P < 0.01$), while there is once again no positive impact of Organizational Culture on Organizational Performance.

China group	Correlations								
	OC-Empower	OC-Capability	OC-Change	OC-Customer	OC-Learn	OC-Goal	SHR_HR_weighted	SHR_QA_weighted	SHR_FIN_weighted
OC-Empower	1	.718**	.728**	.602**	.638**	.687**	.148**	.145**	-.056
OC-Capability		1	.825**	.578**	.675**	.687**	.219**	.241**	-.176**
OC-Change			1	.656**	.686**	.755**	.209**	.215**	-.148**
OC-Customer				1	.624**	.678**	.121**	.114**	0.038
OC-Learn					1	.758**	.221**	.204**	-.122**
OC-Goal						1	.197**	.144**	-.072
SHR_HR_weighted							1	.299**	.034
SHR_QA_weighted								1	-.367**
SHR_FIN_weighted									1

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

OC-Empower: refers to Organizational Culture Employee Empowerment index

OC-Capability: refers to Organizational Culture Capability Development index

OC-Change: refers to Organizational Culture Creating Changes index

OC-Customer: refers to Organizational Culture Customer Focus index

OC-Learn: refers to Organizational Culture Organizational Learning index

OC-Goal: refers to Organizational Culture Goals & Objectives index

SHR_HR_weighted: refers to weighted stakeholder rated HR performance

SHR_QA_weighted: refers to weighted stakeholder rated quality performance

SHR_FIN_weighted: refers to weighted stakeholder rated financial performance

Table-24: Correlations between Org Culture and Org Performance (Stakeholder Ratings) – China

Table-24 shows the correlations between Organizational Culture dimensions and Organizational Performance dimensions based on Stakeholder Ratings for the Chinese group. HR Performance and Quality Performance are positively and significantly ($P < 0.01$) correlated to each dimension of the Organizational Culture.

Table-25 shows the correlations between Organizational Culture and Organizational Performance with Stakeholder Ratings for the Thai plant, in which we can also observe differences. In comparison to the Chinese group's HR Performance and Quality Performance positive and significant ($P < 0.01$) correlation to each dimension of Organizational Culture, the Thai plant's Creating Changes is the only dimension within the Organizational Culture construct that is positively and significantly correlated with HR performance ($b = 0.194$, $P < 0.01$), Quality Performance ($b = 0.190$, $P < 0.01$), and Financial Performance ($b = 0.190$, $P < 0.01$) within the Organizational Performance construct.

Although we observe differences in the correlations (table-24 and table-25) between the plants located in China and Thailand, it is overall in line with the findings

from correlation table-23 for the whole sample group, and partially supports H4: Organizational culture positively impacts organizational performance.

Thailand group	Correlations								
	OC-Empower	OC-Capability	OC-Change	OC-Customer	OC-Learn	OC-Goal	SHR_HR_weighted	SHR_QA_weighted	SHR_FIN_weighted
OC-Empower	1	.521**	.707**	.514**	.491**	.646**	.038	.034	.034
OC-Capability		1	.691**	.616**	.544**	.649**	.111	.108	.108
OC-Change			1	.644**	.549**	.719**	.194**	.190**	.190**
OC-Customer				1	.591**	.655**	.071	.068	.068
OC-Learn					1	.565**	.015	.013	.013
OC-Goal						1	.086	.082	.082
SHR_HR_weighted							1	1.000**	1.000**
SHR_QA_weighted								1	1.000**
SHR_FIN_weighted									1

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

OC-Empower: refers to Organizational Culture Employee Empowerment index

OC-Capability: refers to Organizational Culture Capability Development index

OC-Change: refers to Organizational Culture Creating Changes index

OC-Customer: refers to Organizational Culture Customer Focus index

OC-Learn: refers to Organizational Culture Organizational Learning index

OC-Goal: refers to Organizational Culture Goals & Objectives index

SHR_HR_weighted: refers to weighted stakeholder rated HR performance

SHR_QA_weighted: refers to weighted stakeholder rated quality performance

SHR_FIN_weighted: refers to weighted stakeholder rated financial performance

Table-25: Correlations between Org Culture and Org Performance (Stakeholder Ratings) – Thailand

Table-26 shows the correlation between Employee Performance and Organizational Performance with Stakeholder Ratings for China. HR Performance and Quality Performance are positively and significantly correlated with each dimension of the Employee Performance construct, while there is no significant correlation between Financial Performance and any dimension of the Employee Performance construct.

Table-27 shows the correlation between Employee Performance and Organizational Performance with Stakeholder Ratings for Thailand. Compared with China the difference is that HR, Quality and Financial Performance, which are all significantly and positively correlated with each dimension of the Employee Performance construct, and the correlations between Quality Performance with each Employee Performance dimensions from the Thailand sample are much stronger than in the China sample.

The differences observed in the correlations (table-26 and table-27) is in line with the differences from the SEM path analysis in the Chinese group and the Thai plant (figure-14 and figure-15), namely that employee job performance impact on organizational performance (H5) in the Thai plant is significantly stronger than for the plants located in China.

Correlations							
China group	Weighted EP-Innovation	Weighted EP-Customer	Weighted EP-Result	Weighted EP-Commit	SHR_HR_weighted	SHR_QA_weighted	SHR_FIN_weighted
Weighted EP-Innovation	1	.688**	.711**	.686**	.453**	.187**	-.058
Weighted EP-Customer		1	.707**	.683**	.374**	.181**	-.036
Weighted EP-Result			1	.699**	.393**	.191**	-.051
Weighted EP-Commit				1	.449**	.121**	.011
SHR_HR_weighted					1	.299**	.034
SHR_QA_weighted						1	-.367**
SHR_FIN_weighted							1

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Weighted EP-Innovation: refers to weighted Employee Performance Innovation Approach index

Weighted EP-Customer: refers to weighted Employee Performance Customer Focus index

Weighted EP-Result: refers to weighted Employee Performance Result Orientation index

Weighted EP-Commit: refers to weighted Employee Performance Commitment to People index

SHR_HR_weighted: refers to weighted stakeholder rated HR performance

SHR_QA_weighted: refers to weighted stakeholder rated quality performance

SHR_FIN_weighted: refers to weighted stakeholder rated financial performance

Table-26: Correlations between Weighted Employee Performance and Org Performance (Stakeholder Ratings) – China

Thailand group	Correlations						
	Weighted EP-Innovation	Weighted EP-Customer	Weighted EP-Result	Weighted EP-Commit	SHR_HR_weighted	SHR_QA_weighted	SHR_FIN_weighted
Weighted EP-Innovation	1	.570**	.725**	.684**	.476**	.473**	.473**
Weighted EP-Customer		1	.692**	.568**	.290**	.287**	.287**
Weighted EP-Result			1	.693**	.475**	.472**	.472**
Weighted EP-Commit				1	.471**	.469**	.469**
SHR_HR_weighted					1	1.000**	1.000**
SHR_QA_weighted						1	1.000**
SHR_FIN_weighted							1

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Weighted EP-Innovation: refers to weighted Employee Performance Innovation Approach index

Weighted EP-Customer: refers to weighted Employee Performance Customer Focus index

Weighted EP-Result: refers to weighted Employee Performance Result Orientation index

Weighted EP-Commit: refers to weighted Employee Performance Commitment to People index

SHR_HR_weighted: refers to weighted stakeholder rated HR performance

SHR_QA_weighted: refers to weighted stakeholder rated quality performance

SHR_FIN_weighted: refers to weighted stakeholder rated financial performance

Table-27: Correlations between Weighted Employee Performance and Org Performance (Stakeholder Ratings) — Thailand

4.4 Impact of National Culture

As we have seen from the literature according to the Hofstede national culture value, Thai culture and Chinese culture are different in terms of Power Distance, Masculinity, Uncertainty Avoidance, Long Term Orientation and Indulgence. With the results from the analysis carried out in the previous chapters, we tested if the national culture value difference across different dimensions could be used to explain the differences between the plants in Thailand and China.

Total effects	Step-1						Step-2		
	Changchun CN	Wuhan CN	Zhangjiagang CN	Rayong / TH group	CN group	All group	TH	CN	ALL
OC -> EC	0.78	0.82	0.81	0.85	0.80	0.80	0.85	0.80	0.80
OC -> EP	0.40	0.53	0.54	0.34	0.46	0.49		0.39	0.36
EC -> EP	0.51	0.28	0.30	0.39	0.40	0.33	0.63	0.46	0.46
EP -> OP							0.52	-0.14	0.14
OC -> Goals & Objectives	0.93	0.90	0.84	0.83	0.90	0.88			
OC -> Organizational Learning	0.89	0.74	0.78	0.72	0.84	0.83			
OC -> Customer Focus	0.84	0.70	0.68	0.78	0.75	0.75			
EC -> Commitment	0.90	0.83	0.84	0.82	0.87	0.87			
EC -> Respect	0.91	0.92	0.88	0.85	0.91	0.91			
EC -> Integrity	0.88	0.89	0.85	0.77	0.89	0.88			
EP -> Innovation Approach	0.82	0.81	0.76	0.75	0.80	0.80			
EP -> Customer Focus	0.86	0.77	0.77	0.72	0.81	0.80			
EP -> Result Orientation	0.78	0.87	0.82	0.84	0.81	0.82			
EP -> Commitment to People	0.80	0.76	0.74	0.73	0.77	0.77			

OC: refers to Organizational Culture
EC: refers to Employee Commitment
EP: refers to Employee Job Performance
OP: refers to Organizational Performance

Table-28: SEM Path Analysis Summary from Step-1 and Step-2

Table-28 is the summary of the path analysis from the step-1 quantitative survey and the added step-2 Organizational Performance model.

4.4.1 National Culture Influences the impact of Organizational Culture on Employee Commitment

The overall effect of Organizational Culture on Employee Commitment for the Thai plant is higher than for the Chinese group. Thailand is a very high uncertainty-avoidance society, people have the tendency to stay in jobs even if dislike their work, while China is a low uncertainty-avoidance society, and job hopping is much more common (Hofstede, 2011). This is precisely reflected in our research data since all three of the plants in China have a much higher people voluntary turnover rate than for the plant in Thailand. China also scores higher than Thailand for Power Distance, which has a negative moderating effect on perceived company support and work outcomes such as organizational commitment (Farh, Hackett and Liang, 2007). Furthermore, this difference is also reflected in the step-2 case study in which the Chinese plants have a relatively high employee voluntary turnover rate, whereas the plant in Thailand has an extremely low employee voluntary turnover rate. As previously mentioned in the

literature review, although Thai culture and Chinese culture are both very collective and inner group oriented (Hofstede, Hofstede and Minkov, 2010), differences still exist. Thai people tend to avoid conflict between each other as far as possible within their bigger life cycle (Holmes, Tangtongtavy and Tomizawa, 1995). While personal relationships for Chinese people prevail over task and company, their commitment to the organization is lower compared to the personal loyalty to a specific person within the organization, and they are cooperative for in-group colleagues but cold or even hostile to out-of-group members within the company (Hofstede, 2020).

4.4.2 National Culture Influences the impact of Organizational Culture on Employee Job Performance

The overall effect of Organizational Culture on Employee Performance in the Chinese group is higher than for the overall sample size, while there is no significant effect in the Thai plant. This could also be explained by uncertainty-avoidance differences between China and Thailand. With a very low score of uncertainty-avoidance, Chinese in comparison to Thai people have lower stress, more self-control, are more curious about deviant ideas and more open to change (Hofstede, 2011). Furthermore, China is a Masculine society compared to Thailand as a Feminine society. Work prevails over family commonly in a Masculine society (Hofstede, 2011), which is also observed from the in-depth case study of each plant. In addition, China is a much more long-term oriented society than Thailand. Chinese people view traditions as adaptable to changing circumstances, trying to learn from other countries, and attributing success to effort and failure to lack of effort (Hofstede, 2011). Low uncertainty-avoidance, high masculinity, and high long-term orientation are positively related to employee performance (Ameer, 2017).

4.4.3 National Culture Influence on the impact of Employee Commitment on Employee Job Performance

The overall effect of Employee Commitment on Employee Performance in the Thai plant is higher than the Chinese group. Thailand has a relatively lower Power Distance in comparison with China. Farh, Hackett and Liang (2007) assert that power distance has a negative moderating effect on perceived support from the firm and work outcomes such as job performance. This is in line with what we observe in the different groups – overall employee commitment of the Thai plant is much higher than the Chinese group, which provides a rather comfortable and harmonious working environment in which employees can perform. Whereas in the China plants, employees are much more open to job hopping with less commitment towards the organization, which in turn negatively impacts individual performance.

4.4.4 National Culture Influence on the impact of Employee Job Performance on Organizational Performance

The overall effect of Employee Performance on Organizational Performance in the Thai plant is much higher than the Chinese group. **Interestingly, employee performance has a significant positive impact on organizational performance in Thailand, but a negative impact (on financial performance) in China.** It bears similarities to the effect of employee commitment on employee performance, **with the Thai plant's low power distance in turn resulting in very low employee voluntary turnover.** It could be inferred that higher employee commitment leads to high employee performance, and high employee performance leads to higher organizational performance, since individual employee performance aggregates to organizational performance (Borman and Motowidlo, 1993), while the success of an organization relies on outstanding employee performance (Colquitt et al., 2011). **On the other side, high people turnover in China group due to relatively higher power distance value, as well as the dynamic job market, negatively influences the organizational performance, because high performance people may leave the company for outsider opportunities and may jeopardize the organizational performance.**

4.4.5 National Culture Influences the Organizational Culture construct

Within the Organizational Culture construct, the dimensions of Goals and Objectives, and Organizational Learning both show bigger differences between the Chinese and Thai plants: the standard regression weight of Goals and Objectives in China ($b = 0.90$, $P < 0.01$) is higher than that in the Thai plant ($b = 0.83$, $P < 0.01$); and the standard regression weight of Organizational Learning in China ($b = 0.84$, $P < 0.01$) is also higher than that in the Thai plant ($b = 0.72$, $P < 0.01$), while these two dimensions both reflect the external focus of the organization.

By comparing with the national culture value difference, Thailand's score in Uncertainty Avoidance is much higher than China's score. In a study of the impact of uncertainty avoidance on organizational culture, Marinescu (2014) confirmed that in high uncertainty avoidance society, organizations are more focused on control as well as internal focus and integration. In another study from Wen and Chi (2012), the results showed that uncertainty avoidance affects the management innovation tendency through organizational culture, and they also found that the external adaptation value and internal integration value of organizational culture influence the relationship between uncertainty avoidance and management innovation.

Long-term Orientation is another national culture dimension where a significant gap exists between Chinese and Thai culture. China is positioned at the very high end of the Long-term Orientation pole while Thailand is positioned at the very low end. We argue that the Organizational Learning dimension within the Organizational Culture construct is largely influenced by the tendency of Long-term Orientation. A study on the effect of the Long-term Orientation of top management on new product creativity showed that long-term orientation of top management is positively related to new product creativity through resource flexibility (Liu et al., 2017). Buck, Liu and Ott (2010) investigated if the high long-term orientation as a distinctive feature of Chinese national culture still influences modern business decisions, with their findings suggesting the continued cultural influence of high Long-term Orientation in relation

to HRM in modern China. Obviously, Organizational Learning, and Goals and Objectives setting are both common HRM practices.

4.4.6 National Culture Influence on the Employee Commitment construct

In the Employee Commitment construct, the Standardized Regression Weights of Commitment dimension, Respect dimension and Integrity dimension of the Thai plant are all lower than the Chinese group. The gap in the Uncertainty Avoidance score between Thai culture (64) and Chinese culture (30) is significant. Higher uncertainty often leads to lower commitment to the organization. Ngirande (2021) found uncertainty to be a significant predictor of organizational commitment in his study, and there is a negative relationship between uncertainty and organizational commitment. Haque and Aston (2016) assert in their investigation about the relationship between occupational stress and organizational commitment that Pakistani workforces score lower in commitment to the organization than those from the UK, while Pakistan holds a much higher Uncertainty Avoidance score than the UK.

In terms of Power Distance, China has a score of 80 which is higher than Thailand's at 64. Marsland and Beer (1983) point out that in a high-power distance organization, a person gains respect from his or her position and age while junior staff are supposed to follow and show respect to senior staff (in position or age). The elder or senior staff give back to the junior staff through benevolence, generosity and paternalistic care (Kim, 1999). In this regard, there are also debates. Madlock (2012) proves in his study about the Influence of Power Distance and Communication, that Power Distance negatively impacts Communication Satisfaction through approach-oriented behaviors, while Communication Satisfaction positively impacts Organizational Commitment. High power distance between managers and subordinates may encourage workplace bullying (Rowley, Quang and Warner, 2007). On the other hand, Truong and Van Der Heijden (2009) assert that the cultural values of paternalism, harmony and respect for the position of legitimate authority positively relates to the manager-subordinate relationship. This could explain the fact that the Respect dimension of the Chinese

group has higher Standardized Regression Weights on Employee Commitment over the Thai plant in our study, while the Thai plant shows higher Employee Commitment. The finding in our study along with support from the literature echoes what we described in chapter 2.5.2.2 about the tendency difference between Thai people and Chinese people with respect to Power Distance.

With respect to Long-term Orientation, China is at the top position with a score of 87, while Thailand sits on the opposite side of the pole with a score of 32. In the study about the Long-term orientation impact on work stress, job satisfaction, and intention to quit, Sims, Ruppel and Zeidler (2016) investigate the attitudes of 347 entry-level employees working in manufacturing and call center companies in China, India, and the Philippines, finding out that the national cultural dimension of long-term orientation moderates the relationships between work stress, job satisfaction, and intention to quit. The trust a team member places on his or her leader depends predominantly on his or her perception of integrity, and integrity was found to correlate significantly with affective, normative and calculative commitment (Freire, 2014). A significant difference in ethical attitudes between managers from the United States and Mexico was found by Anderson (2015). Referring to management scholar Geert Hofstede's classification of cultural elements for understanding and explaining how aspects of national culture are correlated with the ethical attitudes of business managers in the two national cultures of the United States and Mexico, the results indicated a significant positive relationship between national culture and ethical attitudes and the cultural dimensions of uncertainty avoidance, masculinity, and long-term orientation. These results from the literature are aligned with the findings from our results that the Standardized Regression Weights of Commitment dimension, Respect dimension and Integrity dimension on Employee Commitment for the Thai plant are all lower than those for the Chinese group.

4.4.7 National Culture Influence on the Employee Job Performance construct

In the Employee Performance construct, the Standardized Regression Weights of Innovation Approach dimension, and Customer Focus dimension of the Thai plant are lower than for the Chinese group. In terms of the Customer Focus dimension, based on a survey of Hong Kong companies that have a buyer-seller relationship with Chinese companies, the empirical findings indicated the mediating role and significance of 'Renqing' for enhancing trust and contributing towards long-term stability in relational exchange (Cheng, Siu and Barnes, 2008).

With respect to the Innovation Approach dimension, through an empirical study on 823 R&D staff among 72 domestic organizations in China, the results gave the following findings: firstly, marketing outcome orientation, as well as innovation and learning orientation exhibit significant and positive impact on staff's innovative behaviors while financial outcome orientation appears to hinder innovative behavior (Zhu and Long, 2009). Flammer and Bansal (2010) suggest that an increased Long-term Orientation is value-enhancing to companies by fostering innovation and allowing them to acquire intangible assets – such as legitimacy, reputation, and trust. Our results in this study exactly reflect the difference in Long-term Orientation tendency between China and Thailand. By using the results of cross-cultural research by Hofstede, based on the intermediary variable of organizational culture, Wen and Chi (2012) studied international businesses in Beijing and pointed out that uncertainty avoidance can affect management innovation indirectly through organizational culture, and the external adaptation value and internal integration value of organizational culture play key intermediary roles in the influence relationship between uncertainty avoidance and management innovation. Taking science and technology employees as the object, Liu, Zheng and Kong (2016) conclude that Uncertainty Avoidance has a negative impact on innovation performance. These findings support the differences between Thai and Chinese groups according to our investigation results.

4.4.8 Other influences of National Culture

After analyzing the differences between the Thai plant and Chinese group in each main construct of Organizational Culture, Employee Commitment, and Employee Performance in the SEM, we further explored the differences between other dimensions, intentionally move away from the path analysis model for the purpose of achieving divergent validity. In a cross-country study within the hotel industry, Magnini (2009) found that empowerment to the local team may face culturally based resistance in nations with high uncertainty avoidance. The same conclusion has been drawn later by Tuuli *et al.* (2015) from a large scale quantitative study of 1915 project organizations including 137 client organizations, 1292 contractor organizations and 486 consultant organizations, showing that Uncertainty Avoidance is negatively and significantly related to Psychological Empowerment. Appendix-14 shows the correlation summary of each Organizational Culture, Employee Commitment, and Employee Performance dimensions of the Chinese group. Appendix-15 shows the correlation summary of the Thai plant.

Along with the findings from the aforementioned literature, we summarize in Appendix-16 the correlation comparison between the Chinese group and the Thai plant, as well as the potential explanation according to national culture dimensions.

4.5 Chapter Summary

In this chapter, we have taken 2 steps to analyze the results from our study. Firstly, we examine the links between organizational culture, employee commitment, and employee job performance with strong evidence to support hypothesis 1 to hypothesis 3. In the second step, we experimentally add organizational performance into the conceptual model with managerial protocol. Based on the plant manager interviews, our main methodology is to use weighted employee job performance as well as weighted organizational performance to enable the SEM path analysis and group analysis. In this phase, we include plant operational records as objective organizational performance, as well as subjective evaluation from the regional key stakeholders as subjective organizational performance. According to the detailed results presented from

the 2nd step of the study, hypothesis 4 is partially supported, while hypothesis 5 is fully supported. The chapter concludes with a detailed discussion of the impact of national culture on each path of the conceptual model.

5. Conclusions, Contributions and Limitations

In this chapter, we first conclude the investigation with a summary of the results discussed in the previous chapter. The theoretical implications are then explained. We then delve into the managerial and societal implications of the research with detailed recommendations for practitioners and managers to extend the impact of this study. This chapter is finally closed with limitations and suggestions for future research directions.

5.1 Conclusion

In the first step, we carried out quantitative analyses for 3 plants in China and 1 plant in Thailand to study the impact of Organizational Culture on Organizational Commitment and Employee Job Performance. In the second step, we triangulated our results with a case study of each plant through experimental analysis and added Organizational Performance into the theoretical model to understand the impact of these variables on company performance. Finally, we compared our results with the National Culture of both countries. Our results are summarized as followed.

5.1.1 Organizational Culture impact on Organizational Commitment

In line with the literature we have been able to confirm hypothesis 1 and show that organizational culture has a positive and significant impact on organizational commitment (Singh and Das, 1978; Fritz, Arnett and Conkel, 1999; Ruppel and Harrington, 2000). Organizational culture has a number of important functions, among which is fostering mutual rather than individual commitment (Robbins and Barnwell, 2006). Organizational culture is viewed as positive, and conducive to triggering employees interest in the organization and enabling the growth of a sense of self-identification with organizational values and objectives, the desire to engage and participate actively in the organization, and the motivation to align the interest of the organization (Yanti and Dahlan, 2018). A well designed and established organizational culture is the key to creating commitment among members of the organization and

directly helping individual goals move towards organizational goals (Canessa and Riolo, 2004). Our research was able to confirm this stream of literature, and further enrich it by extending it to the automotive industry in China and Thailand where to our best knowledge work in this area is absent or scarce. Unlike the self-administered survey commonly used in the literature, we use the internal company's annual employee engagement survey as part of the research method (to combine academic and managerial measurement instruments) to test and confirm the relationship between organizational culture and employee engagement to enrich the practical use of this research.

5.1.2 Organizational Culture impact on Employee Job Performance

In line with the literature, we have been able to confirm hypothesis 2, namely: Organizational Culture has a positive and significant impact on employee job performance. Organization's cultural values and norms powerfully affect the employees who work within the organization, adding value directly and indirectly (Kanter, 1979; Daft and Weick, 1984; Arthur Jr *et al.*, 2006; Stewart, 2010; Na Ayutthaya, Tuntivivat and Prasertsin, 2016). Organizational culture is based on the effective systems that help employees to think and make effective decisions (Pettigrew, 1979). Organizational culture is positively related to employees' performance and organizational citizenship behavior (Ameer 2017). The results of our research enrich the OC-EP theory by extending it to Asian contexts with different national culture values. In addition, the job performance appraisal protocol adapted from the company's annual appraisal process provides practitioners and managers with a demonstration of a combined methodology between literatures and practices.

5.1.3 Organizational Commitment impact on Employee Job Performance

In line with the literature, we have been able to confirm hypothesis 3, namely: Organizational Commitment has a positive and significant impact on employee job performance. High-level organizational commitment is key to building effective high-

performance teams (Armstrong, 1982; Arthur, 1994; Bartlett, 2001; Wagner, 2007; Bhogle, Bhogle and Ambani, 2011). “An employee who accepts, acknowledges and supports the organization objectives is more likely to be given to their organization and have the inclination to advance their level of job performance” (Isse, Abdirahman and Najeemdeen 2018); this confirms that organizational commitment has a significant and direct relationship to employee performance. Our research not only extends the literature to different Asian contexts, but also provides important and practical referential value to managers in the field by testing the engagement-performance relationship with internal survey and corporate assessment protocols. All practitioners can replicate the study with their company's process and indicators and extend the literature to other regions and sectors.

5.1.4 Organizational Culture impact on Organizational Performance

In contrast to the literature, we were not able to confirm hypothesis 4, our results from the conceptual model constructed in the SEM not showing an overall positive impact of Organizational Culture on Organizational Performance. This difference can be explained by the very specific contexts of several plants. The Changchun plant has the weakest organizational culture due to its fundamental JV configuration, but the plant has generated outstanding KPIs in recent years due to its strong discipline and mature product portfolio. The Zhangjiagang plant has the strongest organizational culture, but its target KPIs are all below average, a result of its recently launched technology and product portfolio. This problematic contradiction also occurred in the Rayong plant, where the weak organizational culture contrasts with the better HR performance, due to an exceptionally low employee turnover rate, which may not be considered an advantage, as we heard in the stakeholder interview.

Nevertheless, by looking at Organizational Culture dimensions (using Stakeholder Ratings as Organizational Performance), we saw that HR performance and Quality performance are significantly and positively impacted by each dimension of organizational culture. We can therefore partially confirm H4 that: “Organizational

culture has a positive impact on organizational performance”. Our findings thus support prior studies from the literature that identify the relationship between organizational culture and company performance (Acar and Acar, 2012; Halkos and Tzeremes, 2011; Zheng, Yang and McLean, 2010), and confirm that organizational culture value could be used to optimize organizational performance and effectiveness (Denison and Mishra, 1995; Gordon and DiTomaso, 1992; Brooks, 2006; Holbeche and Springett, 2009; Leiter and Bakker, 2010; Nikpour, 2017). **Our study thus stimulates the search for a more holistic concept in culture-performance research, where the specific context plays an important role, especially in highly contextual societies like China or Thailand.**

5.1.5 Job Performance impact on Organizational Performance

In line with the literature, we have been able to confirm hypothesis 5, namely: Organizational culture has a positive impact on organizational performance. Thus, the individual employee contributes to the organization and its performance (Borman and Motowidlo, 1993), while the success of an organization is dependent on the good performance of its employees (Colquitt *et al.*, 2011), from both task performance and contextual performance perspectives (Borman and Motowidlo, 1993). It is a continuous process to align individual performance with the strategic goals of the organization to finally achieve the edge in organization performance (Johnson, 2000; Aguinis, 2009; Vukotich, 2014). **Our research supports the literature and extends it to highly contextual companies in Asia. The research methodology of using individual company performance assessment and historical performance of each plant provides practical guidance for managers to evaluate their organizations.**

5.1.6 National Culture impact

From the country analysis, we were not able to observe the positive impact of Employee Performance on Organizational Performance, nor the positive impact of Organizational Culture on Organizational Performance in China. However, in the Thai plant, there was positive and significant impact of Employee Performance on

Organizational Performance, while there was no positive impact of Organizational Culture on Organizational Performance.

Nevertheless in China, HR Performance and Quality Performance are positively and significantly impacted by each dimension of Organizational Culture. While in Thailand, we observe that Creating Changes is the only dimension within Organizational Culture that positively and significantly impacts HR performance, Quality Performance and Financial Performance within the Organizational Performance construct.

In China, the correlation between Employee Performance and Organizational Performance shows that HR Performance and Quality Performance are positively and significantly correlated with each dimension of Employee Performance, while there is no significant correlation between Financial Performance and any dimension of Employee Performance. In Thailand as comparison, differences can be observed for HR Performance, Quality Performance and Financial Performance which are all significantly and positively impacted by each dimension of the Employee Performance construct; the correlations between Quality Performance and each of the Employee Performance dimensions are much stronger in Thailand than in China.

From our analysis, we see that the difference in our conceptual module could be explained by the national culture differences in several dimensions such as Uncertainty Avoidance, Power Distance and Long-term Orientation, providing partial confirmation of H6: National culture influences the relationship between organizational commitment and job performance, as well as the link between organizational commitment and organizational performance.

In Thailand the standardized regression weights on the Goals & Objectives dimension and Learning dimension have a lower impact on Organization Culture, which could be explained by Thailand scoring higher in uncertainty avoidance and lower in long-term orientation in comparison with China (Marinescu, 2014; Wen and

Chi, 2012; Liu et al., 2017; Buck, Liu and Ott, 2010s). For Employee Commitment, the impact of Commitment dimension in the Thai plant is lower than in China, which could be explained by Thailand as a higher uncertainty avoidance society (Haque and Aston, 2016; Ngirande, 2021); the impact of Respect dimension in Thailand is lower than in China, which could be explained by Thailand's higher Power Distance in comparison to China (Marsland and Beer, 1983; Kim, 1999; Truong and Van Der Heijden, 2009); the impact of Integrity dimension in Thailand is also lower than in China, which could be explained by Thailand scoring very low in long-term orientation (Freire, 2014; Anderson, 2015; Sims, Ruppel and Zeidler 2016). For Employee Performance, the impact of Innovation Approach, and Customer Focus are lower in Thailand than in China, which could be explained by long-term orientation of Thailand being lower than China, while uncertainty avoidance of Thai people is higher than for the Chinese (Cheng, Siu and Barnes, 2008).

The total effect of Organizational Culture on Employee Commitment is stronger in Thailand than in China, which could be explained by higher uncertainty-avoidance (Hofstede, 2011) and Power Distance (Farh, Hackett and Liang, 2007), as well to a certain extent by the collective culture in both countries having different manifestations (Holmes, Tangtongtavy and Tomizawa, 1995; Hofstede, 2020).

The total effect of Organizational Culture on Employee Performance is higher in China than in Thailand, while there is no significant effect in the Thai plant, which could be explained by uncertainty-avoidance, masculinity, and long-term orientation differences between China and Thailand (Hofstede, 2011; Ameer, 2017).

The overall effect of Employee Commitment on Employee Performance is higher in the Thai plant than in the Chinese group, which could be explained by Power Distance (Farh, Hackett and Liang, 2007).

The overall effect of Employee Performance on Organizational Performance is much higher in Thailand than in China, which could be explained by power distance (Borman and Motowidlo, 1993; Colquitt *et al.*, 2011).

According to the aforementioned summary, we assert that national culture influences the relationship between organizational culture, organizational commitment, job performance, and organizational performance, thus supporting hypothesis 6. **Our study adds to the literature by replicating previous theories and research findings in the Asian context, and extends the literature by empirically investigating the influence induced by the cultural difference between China and Thailand.**

5.2 Findings and contributions

Hereby, we conclude the research findings according to the research objectives, and outline the theoretical implications for the literature, as well as the managerial implications in the field of industry. Furthermore, we provide managerial recommendations to my own organization based on the conclusions of this study.

5.2.1 Main findings

Through this empirical study carried out in the automotive industry field, we explore our conceptual model in China and Thailand to verify the impact of organizational culture, employee commitment, employee job performance, and organizational performance. We confirm:

- The positive influence of organizational culture on employee commitment, and employee job performance.
- The positive influence of employee commitment on employee job performance.
- The positive influence of employee job performance on organizational performance, which in the end is what most organizations are aiming for.

Our findings offer partial support regarding the positive influence of organizational culture on organizational performance. In particular, organization financial performance is not found to be significantly correlated with organizational culture. But looking at the different plants in China and Thailand there is some support for the link between organizational culture and organization financial performance. We use the key stakeholders' subjective rating for each plant's financial performance, while the overall perception of the individual plant's final performance could be influenced largely by its own specific situation. For example, Wuhan plant is rated lowest by the key stakeholders for its financial performance, whereas Wuhan plant mainly produces products with the average lowest factory contribution margin among other products being produced in other plants within our division. Additionally, and the plant in Thailand is producing products with many parts imported from China which drives down its factory contribution margin in financial performance in comparison with the other Chinese plants. It should be said that other factors may have more influential impact on the individual plant financial performance over its organizational culture in our research.

In this research, we also investigated the influence of national culture in our conceptual model, concluding from our study that the national culture value difference between China and Thailand could be used to explain the differences in the impact of the different concepts in each path of our conceptual model. All five national culture dimensions "individualism, power distance, uncertainty avoidance, masculinity, and long-term orientation" selected in our study are to some extent connected to the findings on differences between China and Thailand in respect to the influence of organizational culture on employee commitment, of organizational culture on employee job performance, of employee commitment on job performance, and of employee job performance on organizational performance.

5.2.2 Contributions

As mentioned at the beginning of this thesis, there is no recent research in the context of manufacturing firms with Asian cultures, namely China and Thailand, investigating the cultural impact on organization and employee commitment and performance; **we summarize the main characteristics of the Chinese and Thai cultures in relation to our study.**

5.2.2.1 The contributions related to differences between Chinese and Thai culture

In terms of Chinese culture, our study confirms that even though China is becoming the largest developing economic entity, Chinese organizational leaders still value traditions. As a male society, people want to be more competitive, success-oriented and motivated. The need to ensure success can be illustrated by the fact that many Chinese people sacrifice family and leisure time for work (Chhokar, Brodbeck and House, 2007; Hofstede, 2020).

China is a society that believes that inequality among people is acceptable, and that people should not have aspirations beyond their rank (Hofstede, 2020). People should know precisely where they fit in the organization by referring to age order and hierarchy (Lockett, 1988).

China is a highly collectivist society, where people act in the interest of the group and not necessarily in their own interest; they discourage dictatorial leadership and care about their followers (Chhokar, Brodbeck and House, 2007); group considerations affect hiring and promotions, with those close to the group receiving preferential treatment (Hofstede, 2020). In industry, the difference between Chinese and Western conceptions of self-actualization is different: success for the Chinese tends to be a group endeavor rather than individual self-discovery due to the strong group orientation of the Chinese; the importance of attaining a certain position and being recognized by others may be more important to the Chinese than to Westerners; in the Chinese organization,

relationships are important in business, where personal connections play a major role in practice (Lockett, 1988).

Rooted in language, Chinese are comfortable with ambiguity; adherence to laws and rules can be flexible to fit the actual situation, and pragmatism is a fact of life; people believe that truth depends on the situation, context, and time; they show an ability to easily adapt traditions to changing conditions, a strong propensity to save and invest, thrift, and perseverance in achieving results (Hofstede, 2020).

In Thai culture, Thai people believe that if there are no people involved, things are meaningless, which influences the behavior of them to be self-reliant but maintain a friendly and genial relationship with each other and others that can benefit them ; Thai people are much more relationship-oriented than task-oriented, which leads to a lack of questioning, reflecting indifference, risk avoidance, and fear of being criticized in public (Runglertkengkrai and Engkaninan, 1987). As a strong collective society, the needs of the group are valued far more than the needs of the individual. People at higher levels of the hierarchy are expected to take care of people at lower levels, and everyone respects the hierarchy in organizations and the country. Thai people are taught from an early age to "kreng jai" others, which means that they must be careful about what they say and do so as not to offend others (Vongvipanond, 1994). People restrain their individual feelings as much as possible to maintain the harmony of the group or organization. The expression "Mai-pen-rai" ("It doesn't really matter") reflects the Thai attitude towards themselves and the people around them, which makes Thai people an easy-going and compromising folk. Thai people prefer the "middle way", trying to avoid violent reactions, and they generally bury interpersonal conflicts deeply unless one is willing to risk losing a relationship (Runglertkengkrai and Engkaninan, 1987; Vongvipanond, 1994). The seriousness of Thai people is eliminated, which in turn leads to a tendency for day-to-day consumption, aversion to hard work with less assertiveness and competitiveness (Hofstede, 2020).

Thai culture emphasizes stability and structure in society and relies heavily on the framework to avoid the unexpected. Due to this high uncertainty avoidance characteristics, the society does not readily accept change and is very risk averse unless the change can be seen as a great good for the group as a whole; Thai culture is more normative than pragmatic, where people in these societies are highly concerned with establishing absolute truth, and also give great respect to traditions with a relatively low propensity to save for the future, but prefer quick results (Hofstede, 2020).

All of these cultural differences between Chinese and Thai people are well proven and reflected in our cross-cultural study and in-depth case studies. Thus, we contribute to both management theory and practice.

5.2.2.2 Theoretical Contributions

In terms of theoretical implications, we mainly contribute to the following 4 points:

Firstly, we empirically tested the relationships between organizational and national culture, organizational commitment, employee job performance and organizational performance in two Asian countries, Thailand and China, to compare and further the external validity, and to fill the gap in the literature on this field as summarized from table-1 to table-5. The cultural comparison within the Asian context is certainly one of the key missing pieces from the existing literature, and which deserves more focus and attention from researchers due to its unique position as the world's largest single economy and the fastest growing emerging market.

Secondly, we illustrate the impact of national culture on the corporate firm culture adaptation in the context of manufacturing firms based in Thailand and China. Especially for those multi-national corporations, there should be a more delicate balance between enforcing their strong corporate culture and making careful local adaptations. The manufacturing sector as one of the biggest sectors in most countries, for example the automotive industry, is crucial to the local economy as well as the world's supply chain rooted in many countries across the continents. As we have seen

in the past three years, one single incident at one manufacturing location could trigger a tsunami in the world's supply chain for years to come. This sector has not been the object of enough attention in the literature in comparison to other sectors.

Thirdly from the methodological point of view, instead of using the purely traditional self-administrated survey instruments found in the existing literature to collect data for analysis of the impact of culture, we use a combination of corporate operational evaluation indexes and historical operation results, in addition to the cultural frameworks from the literature to enhance our research. We also integrate cases study and key stakeholder interviews to mitigate the common method bias from self-reported survey methodology as in most of the research reported in the literature.

Last but not least, we contribute to a recent call concerning replications of western management research in Asian countries, Eastern Europe and African countries which typically receive less attention from the existing literature (March, 2005; Meyer-Waarden, 2019). From the literature review, we have seen that more and more research in the last 10 years has shifted its focus to south Asia, west Asia, south America, the Middle East, and African countries, especially for those less developed area with dense populations such as Indonesia and Nigeria. We thus contribute to Asian management research by testing culture difference and impacts, which is particularly recommended by researchers in order to apply and adapt the existing theory to other contexts, by exploring locally relevant research issues (March, 2005; Meyer-Waarden, 2019). This helps to further complete the wider picture piece by piece.

5.2.2.3 Managerial and Societal Implications

We empirically provide evidence that national culture plays an important role in the business environment. This enables us to offer managers recommendations to adapt their management practice in specific local contexts. In terms of managerial implications, we contribute to the following 2 areas:

Firstly, following the results of the research behind this thesis, we can provide solutions for implementation in our manufacturing plants in Thailand and China to respond to the impacts observed from the results of this study.

Secondly, we can provide managerial recommendations to practitioners to adapt their organizational management practices in local contexts to achieve business goals more effectively. From a concrete and personal perspective, this will enable me in my role as manager to make a direct and positive contribution to my own company.

5.2.2.3.1 Managerial Recommendations

Right from the very beginning of this “research journey”, I received very strong support and commitment from my organizational leadership, who showed great interest in my upcoming 3-year study on organizational culture topics. I was provided with not only the financial sponsorship, but also valuable input on my research topic. My organizational leader had in-depth discussions with me on the relevance of my research direction from my international assignment point of view, as well as my personal career development standpoint. My path has been impacted from that point of time already. During my in-depth case study of the plants in China and Thailand, as well as the interviews with the regional key stakeholders, all the plant managers and regional leadership members being interviewed showed great interest in this study, and willing to spend time to understand the research results in detail to search for potential guidance and implications for their management practice. This certainly provided me with the motivation to continue my research journey. In the following part of this section recommendations are made to practitioners, especially those working in similar industry sectors.

First of all, along with the confirmed hypotheses in this research, we recommend management and business owners to pay careful attention to their organizational culture. A strong and fit organizational culture is the glue that binds employees together non-contractually, and encourages them to strive to do their best to work towards the

common goal and vision of the organization. This point is widely supported by the literatures, and we assert this line of the theory by investigating a different context, namely the automotive industry in China and Thailand. As a leader of the local Thailand plant, setting up a strong organizational culture in the local facility to support the operation and business development in the local context has been my top priority since the day I started my overseas assignment. **This research as well as the results provide a holistic overview to the stakeholders who participated in this study, so they can compare the status of the organization at the regional level, as well as diagnose the specific dimension at the plant level to further develop strength and avoid risks.** Appreciation of these efforts does not only come from the regional leadership teams such as key stakeholders, but also from the plant performance records from 2018 to 2020, especially on the significant improvement in quality performance. Knowing that I have been working on this piece of organizational culture research, has even led my global leadership team to include me in their worldwide organizational workshops on different focuses and topics. This has provided me with opportunities to present my research and to extend its influence on different global contexts, as well as giving me resources and perspectives for future studies.

Secondly, cultural awareness is crucial for the business leaders working in multinational corporations. Our research findings have demonstrated that employees in China and Thailand do show different commitment levels, and people in the organization are often more loyal to a specific individual rather than the wider organization, especially in China. **Due to the relatively stronger tendency toward power distance than the Thais, the Chinese show a lower commitment to organization, which is consistent with the low-risk avoidance nature of the Chinese who are willing to venture into a new area to challenge the status quo.** As a consequence, HRM practices that enhance the commitment and alignment of middle management members of each function or group are recommended with the purpose of aligning the commitment at each level of the organization. This can avoid strong commitment and unity only within the department or even smaller group, but being over defensive between different

department or function. Continuous training and learning opportunities should also be considered as a key part of the employee development process, which could meet the needs of individuals to increase their skills and become more competitive, especially for factories in China. Cross functional team building events are very practical and useful, and it is even more important for cross-cultural team building events and workshops, which can be very mind-opening, promoting cultural awareness and understanding. In return, this unites the team members at different dimensions to achieve higher commitment towards the mission of the organization. As an expat working in Thailand, I am the bridge between the local team and the Chinese team, the Asia Pacific regional management members, and even the global team. I help the local teams to understand how staff act and think in other regions, and also facilitate the outside team in understanding the local Thai culture and working style to ensure cooperation for smoother and more effective operations. Thus, this research responds to Fan *et al.* (2021) call on International Human Resource Management (IHRM) that it is time for all of us, as members of the community of a shared future for humanity, to reflect on and extend the accumulated wisdom generated by the field of IHRM in order to enhance society's ability to cope with the increasingly unfavorable economic and social conditions in the world, and to extend the practical implication in the context of the Chinese and Thai automotive industry.

In respect to employee empowerment, its importance can never be emphasized strongly enough. Any organization success story relies on people and teamwork. Individualism is never sustainable in any organization. But the point here is how to promote empowerment especially in highly contextual societies. We strongly recommend business leaders and HR leaders to roll out the practices and interventions with adaption to the local cultural context. Even China and Thailand are both high-context societies, people perceive empowerment very differently because of the significantly different attitude toward uncertainty. Empowerment leadership is fluctuant in China plant, where people are willing to take actions with necessary autonomy and trust, even with honor. But in Thailand on the contrary, people view the

empowerment leadership as management trying to avoid their duty; subordinates who receive empowerment may feel burden instead of honor. In Thailand for instance, we could not simply impose the implementation of empowerment in the same way as for western cultures. Thai people need clearer frameworks and instructions to guide their actions to avoid ambiguity, which on the contrary may be accepted in China as a very low uncertainty avoidance society. The empowerment practices in Thailand should be planned and introduced step-by-step, and require closer individual monitoring from the leadership teams. Chen (2011) first proposed that empowering leadership exerts a stronger positive impact on individual team member's proactive behavior when the team has a low rather than high power distance climate, which is the same at the level of the team and at the level of the individual team member. Thailand and China are both rated higher in power distance in comparison to the west-European countries. The HR practices from western rooted cultures should be fine-tuned with full consideration of local culture when implementing them in Asia. We recommend that managers use less authoritarian leadership styles and try to encourage more bottom-up approaches to motivate the team members' initiatives at each level while empowering them. As a practitioner working in the field, I have experienced the difference and challenges first-hand. For western European managers, they may take on a challenging task voluntarily and even feel motivated and honored by getting this opportunity to contribute. In China, talented employees may not raise their hand to obtain the challenging task, but once they have received encouragement and assignment, they will strive to do their best to generate optimal output in working towards achieving the target, for the honor of themselves as well as the group. In Thailand even for high performing talents, they could be shy and overwhelmed when the leader empowers them to do a task out of the scope of their routine job. Based on the results of the in-depth case study, to make empowerment more effective in Thailand, it would be best for the organizational leaders to assign difficult tasks to a group rather than individuals, align with management first, and then cascade empowerment down the hierarchical ladder along with retail initiatives up. Awareness of the cultural differences can benefit managers in avoiding misunderstandings and selecting the best-fit methods to embrace teamwork.

Reducing peoples' perception of power distance within the organization or team also helps to enhance employee commitment at all levels, which is vital for boosting individual job engagement as well as the team contribution, finally aggregated to the organizational level. This makes the whole organization function like an organic ecosystem growing and continually improving itself. A practical way for organizational leaders to take the pulse of employees' perception of power distance is to include this element in the regular employee satisfaction or engagement survey. This could then provide the organization's first-hand situation for defining appropriate actions.

Implementing change is an inevitable subject for any organization striving to evolve and survive. Unlike Chinese culture, Thai culture does not embrace uncertainty, which is found both in the literature, as well as in the in-depth case studies of the four different plants in our study. Even the strong organizational culture like IBM, the national culture influence still prevails as Hofstede (2020) proved in his studies. Although the young and well-educated generation especially from Bangkok area are gradually changing to be more open for change, but the fundamental core value from the agricultural society will surely last much longer. The intention to avoid uncertainty is the handcuff of the free spirit, limiting creativity, as well as blocking the acceptance of change. We recommend that management teams set up and prepare well for the regular meeting of all team members and the senior level meeting, in order to promote transparent communication and decision making, to make team members aware of what is happening in the organization, why change is needed, and how to cooperate, contribute and influence this change. Setting up incentives and reward mechanisms (for individuals and teams), encouraging risk taking with innovative ideas, avoiding finger pointing, providing guidance and regular two-way communication will certainly help along the change process, which in return may even ignite the spark of innovation, especially in high uncertainty avoidance societies such as Thailand. While change seems to be a constant in China these days, where organizational leaders still have to orchestrate with delicacy, risk assessment tools, project management tools could be considered and implemented to improve management methodology and efficiency.

Considering the cultural differences between China and Thailand across multiple dimensions, especially regarding uncertainty avoidance tendency, we provide our recommendations to the leadership teams of manufacturing organizations in China and Thailand to place their focus differently, as summarized in figure-16 below by referencing to the Denison's model (2006). For Chinese organizations, as we have learned from the literature and our in-depth case studies, people are more results-oriented and hardworking; they are not afraid of change and uncertainty; and they are willing to put in continuous effort for long-term success. Therefore, we suggest that management put more effort into empowerment, change creation, customer orientation, organizational learning, strategic direction and intent, goals and objectives, and aspects of vision. For Thai organizations, people favor group action over individualistic heroism they follow the chain of command but avoid trial and error; they tend to maintain stability and improve step by step. Thus, we suggest management allocate resources to Team Orientation, Capability Development, Core Values, Agreement, and Coordination and Integration aspects. Every organization has its own limited resources, and it is not suggested that organizations ignore the importance of other aspects of the pie chart in figure-16, and every element is certainly important with its legitimate reason for existing. We recommend that managers spend most of their effort on those areas with the most effective returns. But for those organizations already at the stage of excellence, each improvement opportunity is likely to become affordable.

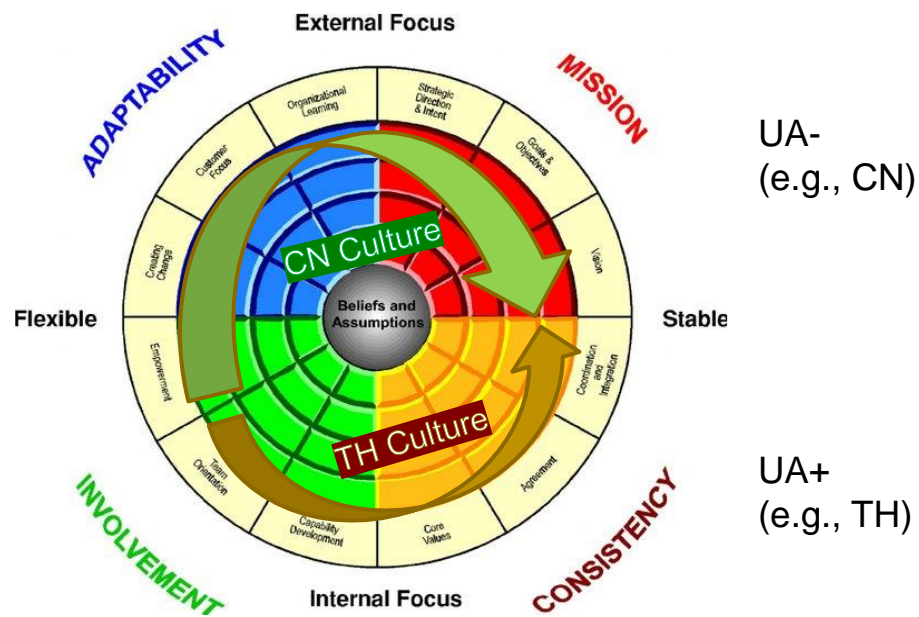


Figure-16 Recommendation of focus areas in CN Organizations vs TH Organizations

Long-term orientation intention is not highly valued in those societies that prefer to enjoy the moment such as Thailand. Recommendations to practitioners would include setting objectives and targets from organizational level downwards to each individual level both in the short-term and long-term, and establishing action plans at monthly, quarterly, and annual junctures to evaluate and adjust along the way. This will not only help staff to see the short-term, mid-term, and long-term for themselves, for their team or department, and for the whole organization, but also foster learning and self-development for the sake of employees as well as the organization. OKR (Objectives and Key Results) is a very good example of practice that has been widely used from start-ups through to major corporations. I have been promoting this methodology in my own organization in Thailand since the 2nd year of my running the plant. This has helped team members at each level to be clear about their own priorities, tasks, and deliverables, as well as their peers, subordinates, and superiors. This totally transparent progressive task and priority setting structure throughout the organization is particularly practical in Thailand's local context, as it can help to ease ambiguity, as well as facilitate individual ownership. Coincidentally, the corporate CEO started promoting OKR world-wide in his New Year kickoff workshop in 2022. Not only was

OKR demonstrated to the audience who participated in the online workshop, but also the management board team members participated in this campaign.

Business leaders in multi-national corporations should demonstrate a higher degree of intercultural communication competence than employees and leaders in traditional or state-owned organizations, in order to avoid potential conflicts, preserve the uniqueness of national cultures present, and ensure organizational culture is not functioning in a way that suppresses individuality or homogenizes differences (Appelbaum et al., 2015).

Cultural workshops and trainings are highly recommended for organizational leaders, especially those who have just set foot in a new land. The cultural workshop I attended, as well as this study, certainly gave me a broader perspective to understand diversity.

In summary, Table-29 below consolidates the above recommendations as well as the implications.

<u>Recommendation</u>	<u>Strategic implication</u>
Pay high attention to develop a strong and fit organizational culture.	A strong and fit organizational culture binds employees together non-contractually, and encourages them to strive to do their best towards the common goal and vision of the organization.
MNC leaders need to enhance cultural awareness when dealing employee commitment in different countries.	China and Thailand do show different commitment levels due to its difference in Power Distance & Uncertainty Avoidance, and people are often more loyal to a specific individual rather than the wider organization in China.
Implement HRM practices that enhance the commitment and alignment of middle management of each function or group.	Aligning the commitment at each level of the organization can avoid strong commitment only within the department or even smaller group, but being over defensive between different department or function.
Continuous training and learning opportunities shall be provided.	As a key part of employee development process, it could fulfill the needs of the individuals to grow the competency and become more competitive, especially for the plants in China.
Cross functional team building shall be organized, especially for cross-cultural team building events and workshops.	It can be mind-opening, and promoting cultural awareness and understanding which unites the team members at different dimensions to achieve higher commitment towards the mission of the organization.
Carefully promote empowerment especially in highly contextual societies.	Any organization success story relies on people and teamwork. Individualism is never sustainable in any organization.
Empowerment practices in Thailand shall be planned and introduced step-by-step, and require closer individual monitoring from the leadership teams.	Thai people need clearer frameworks and instructions to guide their actions to avoid ambiguity
Use less authoritarian leadership styles and try to encourage bottom-up approaches to motivate the team members' initiative at each level.	empowering leadership exerts a stronger positive impact on individual team member's proactive behavior.
Assign challenging jobs to a group rather than individuals; align at the management first then to cascade the empowerment downwards along with the upwards detail initiatives.	Awareness of the cultural differences can benefit managers in avoiding misunderstandings and selecting the best-fit methods to embrace teamwork.
Check on employee's perception of power distance in the regular employee satisfaction survey or employee commitment survey.	It can provide the first-hand status of the organization to define the appropriate actions to reduce peoples' perception of power distance within the organization to enhance employee commitment at all levels.
Management teams shall arrange regular all-hands meetings and skip level meetings.	It can promote transparent communication and decision-making, to make team members aware of what's going on, why change is needed, and how to cooperate, contribute and influence it (especially in high uncertainty avoidance society like Thailand).
Setting up incentives and reward mechanisms (for individuals and teams).	It encourages risk taking with innovative ideas, avoids finger pointing, provides guidance and regular two-way communication, to facilitate the change process (especially in high uncertainty avoidance society like Thailand).
Implement risk assessment tools, project management tools.	It improves the management methodology and efficiency in dealing with changes.
Put more effort on Empowerment, Creating Changes, Customer Focus, Organizational Learning, Strategic Direction and Intent, Goals and Objectives, and Vision aspects.	For Chinese organizations, people are more result driven and hard-working; they don't fear changes and uncertainties; they are willing to spend continuous effort for long-term success.

<u>Recommendation</u>	<u>Strategic implication</u>
Allocate resources to Team Orientation, Capability Development, Core Values, Agreement, and Coordination and Integration aspects.	For Thai organizations, people are favor of group action instead of individualistic heroism; they follow the chain of command but avoid trial and error; they tend to keep stability and improve step by step.
Set objectives and targets from organizational level to each individual level both in the short-term and long-term, and establish action plans at monthly, quarterly, and annually to evaluate and adjust along the way. (such as OKR)	It can help staff to see the short-term, mid-term, and long-term for themselves, for their team or department, and for the whole organization, but also foster learning and self-development for the sake of employees as well as the organization.
Cultural workshop and training are highly recommended to the organizational leaders, especially for expats.	Business leaders should demonstrate a higher degree of intercultural communication competence in order to avoid potential conflicts, preserve the uniqueness of national cultures present, and ensure organizational culture is not functioning in a way that suppresses individuality or homogenizes differences.

Table-29: Summary of recommendations and implications

In the end, which cultural impact prevails? Organizational culture or national culture? This is a question that has been the subject of much debate in the literature. Here, we did not intend to take sides on the argument, but to assert that the unit's cultural contexts seem to be more powerful than the national cultural contexts (Arslanagic-Kalajdzic, Cerne and Kadic-Magljalic, 2019), no matter whether this unit is a working group, department, organization function, or the whole organization. We should not be bonded to the national culture difference and overlook the importance of working culture in the organization. Diversification is a source of power, advancing globalization becoming one of the mega trends moving towards us. Each one of us should prepare ourselves, embrace it, carry it forward, and contribute every single bit of our effort to support the course of global development, global solidarity, and global prosperity in a sustainable manner.

5.2.2.3.2 Societal Recommendations

We shed light on the country culture impact on organizational commitment, job-and organizational performance through this empirical study. Thus, we provide societal recommendations in two areas:

Firstly, "When in Rome, do as the Romans do." This adage has prevailed over time. The best way to make an organization effective is to match and align with the societal norms and values within the country. The best interests of organizations rely on their people, while people's well-being must be integrated into the policies and strategies by the organization leaders of MNCs with full consideration for the local societal context. From a societal responsibility point of view, this aligns with the United Nations Objective – promoting the well-being for all is essential to sustainable development.

Secondly, operating organizations in different countries must focus on their best asset – people, and their commitment. Sustainable economic growth requires organizations in societies to create the conditions that allow people to have opportunities to receive training and education properly to improve their skills for **quality jobs and decent work**, which in turn eventually benefits the long-term success of organizations.

From the stakeholder interview, they all placed the highest importance on people, just like the Chinese adage, "The water that carries the boat is the same that swallows it," which carries the degree of emphasis even from the ancient wisdoms. The well-being and decent work are basics for people where any organization leaders shall focus on. Economic growth in a balanced and sustainable manner relies on the reduction of the inequalities on each corner of the planet. Only when people are treated fairly can long-term stability and sustainability be drawn.

Any responsible organizations should leave no stone unturned for sustainability in the new era. Striving for survival in a sustainable way is not for one organization, nor for one country, but for everyone alive today, and for future generations.

5.3 Limits and Future Research Directions

The research carried out for this DBA thesis involves an empirical study illustrating the cultural impact on the automotive industry in China and Thailand. We intend to contribute to the existing literature by filling the gap in the knowledge to a certain extent,

and by providing implications and recommendations to practitioners. However, there are also weaknesses and limits to this study, which in turn offers opportunities and directions for future research.

Firstly, the dynamics of organizational culture might have been overlooked, due to the fact that the organizational culture surveys were conducted only once during the research period. A longitudinal research design over 3-5 years would be recommended to provide more thorough insights into organizational culture related research topics. **It really takes longitudinal research to evaluate the effectiveness of empowerment leadership or change management implementation, which can allow enough time for the management to adapt proper way to implement the empowerment or organizational change according to the competency and development of the local staff team.** Although the automotive industry is one of the key industries in many countries, which widely represents the local industry capability of countries, the external validity may still have opportunity to be extended to other sectors in future studies.

Secondly, China and Thailand are not too different in terms of power distance, and are even at the same position with regard to individualism. The illustration of the cultural impact of these two dimensions is therefore limited. Empowered teams in high power distance cultures are less likely to have higher team performance than empowered teams in low power distance cultures (Jiang *et al.*, 2016). We could have explored the cultural influence of Empowerment within different nations with bigger gaps in Power Distance. Individualism vs collectivism largely influences people's task orientation, the way of handling conflicts, and learning practice. In further research, countries with bigger difference in this regard could add value.

Thirdly, there are only two countries from our global corporation included in this research due to resource availability, crisis management and short-time work arrangements in other countries during the COVID-19 pandemic. As a result, the sample size of different countries is not large enough to conduct moderation analysis. We could only use the existing literature as evidence to support our findings. Large

samples including more countries in different regions in this study would be an ideal direction for future study to generate further contributions to the literature. Adding Japan and Korea to compare against Chinese culture within eastern Asia, and adding other south Asian countries such as Malaysia and Indonesia to compare with Thailand would offer very interesting implications for future research within the Asian context. Furthermore, future research focus could also be shifted to African countries which are still largely in developing phase, and where practitioners can surely add more contributions by exploring the theory validity which may vary from the mainstream. As Narteh and Odoom (2015) found in their empirical research into the banking sector, internal marketing dimensions are significantly associated with employee loyalty with the exception of organizational culture.

Governmental influence on organizational performance is somewhat decisive in terms of local tax and revenue policies. Sustainability in the macro environment is also providing guidance to local companies as well as global MNC's. This piece of the puzzle is not considered in this empirical study, but could be filled by future research. Both the existing CIT and FTA are favorable policies in Thailand to attract foreign investment to establish business in the local context. As mentioned earlier in the Introduction section, the recently released RCEP is an even stronger dose of stimulus fueling the potential economic boom in the ASEAN region. All of these policy factors support organizational performance in this area. On the other hand, business uncertainties in China are increasing due to its strict control of the Covid pandemic and other potential policy differences. Some questionable impacts have been seen as post-pandemic effects in China's macroeconomic environment, which will certainly impact the organization's short or long-term performance. Thus, the polar factor should be considered and studied in the longitudinal research.

In the second part of this study, we used an experimental methodology to add the organizational performance construct into the conceptual model with weighted employee performance and organizational performance from the in-depth case study and key stakeholder interviews. This is one way to reduce common method bias from

the self-reported survey. On the other hand, this is a method that is not widely used and reported in the existing literature.

Another key stem in the field of cross-cultural studies is cross-cultural studies. The influence of cultural diversity within multinational corporations on organizational processes and outcomes has not been explored in this empirical study. Our main objects of study are manufacturing plants located in China and Thailand, where the main workforces are all from the same region, with the sole exception of myself as an expatriate from China working and managing the Thailand plant. While the focus of future study is on the R&D center of multinationals in different regions, certainly cross-cultural diversity must be of great interest for further study in emerging regions. Appropriate patterns of collective action can only be identified through interactions and are context dependent (Chevrier, 2003).

We use Hofstede's national culture dimensions and values in our study. Future research may use different national culture models such as GLOBE to enrich this stream of literature and offer more managerial implications for practitioners working in this field.

As widely disputed in cultural research, inconsistencies exist in the literature about the cultural impact on individual and organizational levels which may come from the different investigation methodologies and particular contexts being studied. More studies in the future on this area are necessary to enrich the understanding of this field.

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APPENDIX

APPENDIX 1: Organizational Culture Survey Scale adapted from the Denison Organizational Culture Survey (D. Denison et al., 2006)

Index	Item
Empowerment	1. Most employees are highly involved in their work.
	2. Decisions are usually made at the level where the best information is available.
	3. Information is widely shared so that everyone can get the information he or she needs when it's needed.
Capability Development	4. Authority is delegated so that people can act on their own.
	5. There is continuous investment in the skills of employees.
	6. The capabilities of people are viewed as an important source of competitive advantage.
Creating Change	7. We respond well to competitors and other changes in the business environment.
	8. New and improved ways to do work are continually adopted.
	9. Different parts of the organization often cooperate to create change.
Customer Focus	10. Customer comments and recommendations often lead to changes.
	11. All members have a deep understanding of customer wants and needs.
	12. We encourage direct contact with customers by our people.
Organizational Learning	13. We view failure as an opportunity for learning and improvement.
	14. Innovation and risk taking are encouraged and rewarded.
	15. Learning is an important objective in our day-to-day work.
Goals & Objectives	16. Leaders set goals that are ambitious, but realistic.
	17. We continuously track our progress against our stated goals.
	18. People understand what needs to be done for us to succeed in the long run.

Note: 5-point Likert scale

APPENDIX 2: Company internal scale for Organizational Commitment

No	Items: (6-point Likert scale from very disagree to very agree)
1.	I understand and support the goals and objectives of my organization. - ECI
2.	In the past 6 months, I have NOT applied for a job with another company. - ECI
3.	I would, without hesitation, recommend this organization to a friend seeking employment. - ECI
4.	I am proud to work for TRW Automotive. - ECI
5.	This organization provides a work environment that encourages me to do my best. - ECI
6.	My day-to-day tasks and assignments mean a lot to me. - ECI
7.	My supervisor respects employees as individuals. - Respect
8.	In my department we routinely seek ways to improve. - Result Orientation
9.	This past year, I have had opportunities at work to learn and grow. - Learning
10.	I receive recognition or praise (beyond pay and benefits) for doing good work. - Respect
11.	My manager/supervisor provides the support I need to succeed at my job. - Learning
12.	I am confident that my organization's management is leading well (such as plant manager or, if you are part of a Corporate Staff function, your functional director). - Result Orientation
13.	I am comfortable voicing questions and concerns to management. - Integrity
14.	I feel an appropriate level of training on how to perform our jobs safely is provided to every employee. - Learning
15.	Overall I feel my compensation is competitive with other companies for the type of work I do. - Respect
16.	I am able to comfortably balance work and my personal life. - Integrity
17.	I feel that I am informed about my organization's business results, company goals and important events. - Result Orientation
18.	Employees in my department treat each other with respect. - Respect
19.	When speaking to others, I speak highly of my supervisor. - Integrity
20.	In my department, employees are committed to having the best quality. - GPI
21.	In my department, employees are committed to reducing costs. - GPI
22.	In my department employees understand the value of being part of a global company. - GPI
23.	In my department, employees develop new ideas to help make my organization more successful. - GPI
24.	I am in the following function:

APPENDIX 3: Company ECI Survey summary (2017 - 2018)

Questionnaire	Year End Summary								
	Location Rating (Strongly Agree/Agree & Slightly Agree)								
	Wuhan - CN		ZJG - CN		Changchun - CN		Rayong - TH		
	2017	2018	2017	2018	2017	2018	2017	2018	
Invitation Rate	95%	93%	99%	100%	96%	94%	100%	100%	
Number of Employees Surveyed	592	478	606	435	1547	1135	267	264	
Total active employees December	626	516	613	435	1618	1212	267	264	
Commitment/ECI score	81%	85%	68%	86%	81%	82%	85%	85%	
Respect Index	81%	84%	69%	87%	80%	81%	72%	71%	
Learning Index	83%	90%	61%	92%	85%	89%	73%	77%	
Integrity Index	79%	85%	71%	86%	83%	84%	72%	75%	
Result orientation Index	83%	90%	72%	90%	84%	87%	76%	85%	
Guiding Principles Index Score	82%	93%	74%	93%	85%	87%	82%	88%	
Quality Index	86%	91%	81%	98%	85%	97%	NA	71%	
% of closed Actions		94%		100%		56%		100%	
Commitment ECI	1. I understand and support the goals and objectives of my organization.		86%		94%		96%	80%	89%
	2. In the past 6 months, I have NOT applied for a job with another company.	86%	86%	54%	88%	86%	94%	86%	87%
	3. I would, without hesitation, recommend this organization to a friend seeking employment.	79%	80%	60%	82%	76%	84%	81%	82%
	4. I am proud to work for ZF.	77%	81%	60%	85%	77%	91%	93%	93%
	5. This organization provides a work environment that encourages me to do my best.	78%	83%	65%	83%	77%	88%	76%	76%
	6. My day-to-day tasks and assignments mean a lot to me.	80%	84%	74%	85%	78%	91%	94%	86%
Respect	7. My supervisor respects employees as individuals.	88%	93%	79%	89%	84%	94%	77%	78%
	10. I receive recognition or praise (beyond pay and benefits) for doing good work.	79%	83%	68%	81%	80%	87%	62%	64%
	15. Overall I feel my compensation is competitive with other companies for the type of work I do.	68%	69%	61%	72%	72%	78%	72%	66%
Learning	18. Employees in my department treat each other with respect.	87%	91%	68%	89%	84%	94%	76%	75%
	9. This past year, I have had opportunities at work to learn and grow.	83%	90%	53%	87%	83%	94%	78%	82%
	11. My manager/supervisor provides the support I need to succeed at my job.	88%	92%	65%	89%	83%	95%	65%	72%
	14. I feel an appropriate level of training on how to perform our jobs safely is provided to every employee.	81%	86%	52%	90%	82%	94%	77%	78%
Integrity	24. New: In my department we learn from our mistakes and share best practices	80%	90%	75%	87%	90%	96%		
	13. I am comfortable voicing questions and concerns to management.	76%	86%	73%	81%	80%	90%	75%	71%
	16. I am able to comfortably balance work and my personal life.	76%	83%	63%	81%	77%	88%	72%	70%
	19. When speaking to others, I speak highly of my supervisor.	79%	87%	80%	84%	85%	93%	69%	62%
Results-Orientation	26. New: My Department complies with standards and requirements	83%	85%	66%	92%	90%	95%		
	8. In my department we routinely seek ways to improve.	89%	93%	73%	93%	85%	96%	72%	83%
	12. I am confident that my organization's management is leading well (such as plant manager or, if you are part of a Corporate Staff function, your functional director).	85%	91%	62%	86%	82%	92%	79%	77%
	17. I feel that I am informed about my organization's business results, company goals and important events.	79%	83%	76%	82%	80%	91%	77%	74%
Guiding Principles GPI	25. New: My personal targets are clearly defined by my supervisor	78%	93%	75%	87%	88%	95%		74%
	20. In my department, employees develop new ideas to help make my organization more successful.	86%	93%		91%	99%	94%		81%
	21. In my department, employees are committed to meeting our internal/external customer commitments.	83%	92%		93%		95%		82%
	22. In my department, employees are supported and encouraged to work together with the commitment to achieve top performance.	76%	93%		93%		93%		83%
	23. In my department, employees are committed to achieving the best results.	83%	91%		91%		93%		82%
Quality	27. In my department, employees are committed to having the best quality.	86%	91%		95%	85%	97%		87%

APPENDIX 4: Company internal Indicators and Scale of Employee Performance Evaluation

Result Orientation	Description: Uses resources purposefully; pursues balance between speed and delivery; measures results.	Employee's Comments:	<input type="text"/>	Manager's Rating of Employee	0	Manager's Comments:	<input type="text"/>
Innovation Approach	Description: Thinks beyond boundaries; takes risks; learns from successes and failures	Employee's Comments:	<input type="text"/>	Manager's Rating of Employee	0	Manager's Comments:	<input type="text"/>
Customer Focus	Description: Thinks like an entrepreneur, unfolds high engagement; keeps profit in mind	Employee's Comments:	<input type="text"/>	Manager's Rating of Employee	0	Manager's Comments:	<input type="text"/>
Commitment to People	Description: Supports and empowers people; gives constructive feedback; trusts in colleagues	Employee's Comments:	<input type="text"/>	Manager's Rating of Employee	0	Manager's Comments:	<input type="text"/>

APPENDIX 5: Indicators for Internal Organizational Performance Measurement (2018, 2019)

Location	Turn over % 18'	Turn over % 19'	Turn over % 20'	Failure cost % 18'	Failure cost % 19'	Failure cost % 20'	Productivity % 18'	Productivity % 19'	Productivity % 20'
Changchun	14.05	9.01	9.14	0.26	0.12	0.12	86.00	90.00	90.00
Wuhan	39.43	22.12	21.76	0.39	0.20	0.26	75.00	83.00	76.50
Zhangjiagang	37.00	23.90	18.47	0.41	0.29	0.57	80.00	82.00	79.90
Rayong	0.18	0.56	0.50	0.58	0.49	0.19	90.00	90.88	89.00

APPENDIX 6: Online survey

General Information		
Which plant are you working for now?		
<input type="radio"/> TFASS (Changchun - Div.R)	<input type="radio"/> Wuhan (Div.R)	<input type="radio"/> ZJG (Div.R)
<input type="radio"/> STASS	<input type="radio"/> ASST (Div.R)	<input type="radio"/> Others
Which department/function are you working in now?		
<input type="radio"/> Finance/IT	<input type="radio"/> HSE/Facility	<input type="radio"/> Plant Management/Operation
<input type="radio"/> Purchasing	<input type="radio"/> Logistics	<input type="radio"/> Sales
<input type="radio"/> Production	<input type="radio"/> Quality	<input type="radio"/> Manufacturing Engineering
<input type="radio"/> Maintenance	<input type="radio"/> Launch Management	<input type="radio"/> Others
How long have you been working in this company?		
<input type="text"/>		
<i>Example: If <1 year, pls input 0. If 2.6 years, pls input 2.</i>		
Employee education level		
<input type="radio"/> Doctorate	<input type="radio"/> Master	<input type="radio"/> Bachelor
<input type="radio"/> Technical School	<input type="radio"/> High School	<input type="radio"/> Others
Employee age		
<input type="text"/>		
Employee gender		
<input type="radio"/> Male		
<input type="radio"/> Female		

Employee Commitment Survey

1. This survey asks for your perceptions and opinions on a variety of topics regarding your work environment. Please respond to each statement from your own individual perspective, not how you think others feel. There are no right or wrong answers.

2. For each statement, select the one answer that best represents your opinion.

3. If you don't have an opinion or knowledge about a specific statement, or if it doesn't apply to you, pls select "Neither Agree nor Disagree".

4. The survey below may include an attention check question to ensure that you read the questions before answering. Please read the question carefully and follow the instruction.

1. I understand and support the goals and objectives of my organization.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. In the past 6 months, I have NOT applied for a job with another company.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. I would, without hesitation, recommend this organization to a friend seeking employment.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4. I am proud to work for my company.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5. This organization provides a work environment that encourages me to do my best.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. My day-to-day tasks and assignments mean a lot to me.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7. My supervisor respects employees as individuals.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

8. In my department we routinely seek ways to improve.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

9. This past year, I have had opportunities at work to learn and grow.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

10. I receive recognition or praise (beyond pay and benefits) for doing good work.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

11. My manager/supervisor provides the support I need to succeed at my job.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

12. I am confident that my organization's management is leading well (such as plant manager or, if you are part of a Corporate Staff function, your functional director).

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

13. I am comfortable voicing questions and concerns to management.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

14. I feel an appropriate level of training on how to perform our jobs safely is provided to every employee.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

15. Overall I feel my compensation is competitive with other companies for the type of work I do.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

16. I am able to comfortably balance work and my personal life.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

17. I feel that I am informed about my organization's business results, company goals and important events.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

18. Employees in my department treat each other with respect.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

19. When speaking to others, I speak highly of my supervisor.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

20. In my department, employees are committed to having the best quality.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

21. In my department, employees are committed to reducing costs.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

22. In my department, employees understand the value of being part of a global company.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

23. In my department, employees develop new ideas to help make my organization more successful.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Organizational Culture Survey

1. This survey asks for your perceptions and opinions on a variety of topics regarding your organizational culture. Please respond to each statement from your own individual perspective, not how you think others feel. There are no right or wrong answers.

2. For each statement, select the one answer that best represents your opinion.

3. If you don't have an opinion or knowledge about a specific statement, or if it doesn't apply to you, pls select "Neither Agree nor Disagree".

4. The survey below may include an attention check question to ensure that you read the questions before answering. Please read the question carefully and follow the instruction.

1. I feel that most employees are highly involved in their work.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. I feel that decisions are usually made at the level where the best information is available.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. I feel that Information is widely shared so that everyone can get the information he or she needs when it's needed.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4. I feel that authority is delegated so that people can act on their own.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5. I feel that there is continuous investment in the skills of employees.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6. I feel that the capabilities of people are viewed as an important source of competitive advantage.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7. We respond well to competitors and other changes in the business environment.

Strongly Disagree Disagree Neither Agree nor Disagree Agree Strongly Agree
Pls select

8. I feel that new and improved ways to do work are continually adopted.

Strongly Disagree Disagree Neither Agree nor Disagree Agree Strongly Agree
Pls select

9. I feel that different parts of the organization often cooperate to create change.

Strongly Disagree Disagree Neither Agree nor Disagree Agree Strongly Agree
Pls select

10. I feel that customer comments and recommendations often lead to changes.

Strongly Disagree Disagree Neither Agree nor Disagree Agree Strongly Agree
Pls select

***. Attention check, pls rate this item "Strong Disagree".**

Strongly Agree Agree Neither Agree nor Disagree Disagree Strongly Disagree
Pls select

11. I feel that all members have a deep understanding of customer wants and needs.

Strongly Disagree Disagree Neither Agree nor Disagree Agree Strongly Agree
Pls select

12. We encourage direct contact with customers by our people.

Strongly Disagree Disagree Neither Agree nor Disagree Agree Strongly Agree
Pls select

13. We view failure as an opportunity for learning and improvement.

Strongly Disagree Disagree Neither Agree nor Disagree Agree Strongly Agree
Pls select

14. I feel that innovation and risk taking are encouraged and rewarded.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

15. I feel that learning is an important objective in our day-to-day work.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

16. I feel that leaders set goals that are ambitious, but realistic.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

17. We continuously track our progress against our stated goals.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

18. I feel that people understand what needs to be done for us to succeed in the long run.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Pls select	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Employee Performance Survey

This section is to make self assessment in below 4 dimensions.
In each dimension, you will see the overall company expectations.
Then please evaluate yourself at each questions.
If not applied, pls select "never".

1. We develop pioneer products and technologies. We strive for innovative and creative solutions across all functions.

	Never	Rarely	Sometimes	Often	Very often
1) I accept setbacks and takes them as valuable experience.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2) I use insights and lessons learned from past experiences to drive innovations.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3) I continuously look for new and applicable solutions for own area of responsibility.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4) I strive to increase team and individual effectiveness and efficiency in a sustainable way.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5) I strive to creates and maintains an environment where innovation is possible and accepted.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6) I act as a promoter for applicable innovative ideas.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. We add value to our internal and external customers. We provide a competitive combination of quality and pricing.

	Never	Rarely	Sometimes	Often	Very often
1) I achieve external / internal customer satisfaction with a competitive combination of product quality, service and price.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2) I involve the customer at an early stage to gather feedback / adjust goals to needs.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3) I am acquainted with customer needs / requirements and counsels accordingly.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4) I motivate and drive to fulfill customer requirements.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5) I make sustainable business decisions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. We set challenging goals. We evaluate our performance. We ensure achievement.

	Never	Rarely	Sometimes	Often	Very often
1) I have a vision where the responsible area is heading towards and communicates accordingly.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2) I set challenging goals, use all resources purposefully for achievement.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3) I tolerate acceptable (hands-on) solutions if benefit of speed outweighs perfection.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4) I am open for agile collaboration to ensure delivery and speed.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5) I set milestones, measure / communicate results	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4. We act responsibly. We expect performance. We attract talent all over the world.

	Never	Rarely	Sometimes	Often	Very often
1) I support and empower team members according to their tasks and accountability.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2) I delegate tasks and decision-making authority where reasonable. (if applicable)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3) I provide constructive feedback to employees and peers regularly.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4) I show a positive attitude towards people.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5) I actively share appropriate information.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6) I communicate openly inside and outside the team.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Great thanks for participating this survey and answering all the questions. Here goes to the final step.

If you are willing to share any comments or suggestion on this survey (Section-1 Employee Commitment, Section-2 Organizational Culture, Section-3 Employee Performance) in the below text box, it will be highly appreciated, and will be kept fully anonymously. (not mandatory)

Any words, highlights, comments, or suggestions are welcome. Once you finish or choose to skip the comments, pls press the "Save" button.

APPENDIX 7: Online survey Reliability Statistics

Case Processing Summary			
		N	%
Cases	Valid	881	100.0
	Excluded ^a	0	0.0
	Total	881	100.0
a. Listwise deletion based on all variables in the procedure.			
Reliability Statistics			
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items	
0.975	0.976	24	

APPENDIX 8: Descriptive Statistics

Descriptive Statistics									
	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Mean EC-Commit	881	1.670	5.000	3.78279	0.632913	-0.831	0.082	0.902	0.165
Mean EC-Respect	881	1.000	5.000	3.69460	0.633071	-0.899	0.082	1.094	0.165
Mean EC-Learn	881	1.000	5.000	3.84277	0.608671	-0.890	0.082	2.046	0.165
Mean EC-Integrity	881	1.000	5.000	3.65969	0.679380	-0.964	0.082	1.136	0.165
Mean EC-Result	881	1.000	5.000	3.74796	0.659408	-1.069	0.082	1.873	0.165
Mean EC-Principle	881	1.000	5.000	3.88554	0.563139	-0.950	0.082	2.661	0.165
Mean OC-Empower	881	1.000	5.000	3.82605	0.587514	-1.005	0.082	2.709	0.165
Mean OC-Capability	881	1.000	5.000	3.63311	0.741186	-1.148	0.082	1.994	0.165
Mean OC-Change	881	1.000	5.000	3.66818	0.672343	-0.979	0.082	1.564	0.165
Mean OC-Customer	881	1.000	5.000	3.49823	0.575550	-0.655	0.082	1.419	0.165
Mean OC-Learn	881	1.000	5.000	3.76024	0.615311	-1.104	0.082	2.147	0.165
Mean OC-Goal	881	1.000	5.000	3.71595	0.623321	-1.016	0.082	1.771	0.165
Mean EP-Innovation	881	1.000	5.000	3.76383	0.677684	-0.737	0.082	0.899	0.165
WeightedEPInnovation	881	0.90	5.75	3.7324	0.73514	-0.591	0.082	0.747	0.165
Mean EP-Customer	881	1.000	5.000	3.64556	0.791545	-0.842	0.082	0.762	0.165
WeightedEPCustomer	881	0.90	5.52	3.6096	0.81774	-0.714	0.082	0.677	0.165
Mean EP-Result	881	1.000	5.000	3.73683	0.683957	-0.693	0.082	0.776	0.165
WeightedEPRResult	881	0.90	5.75	3.7035	0.73627	-0.546	0.082	0.600	0.165
Mean EP-Commit	881	1.000	5.000	3.73243	0.675645	-0.665	0.082	0.297	0.165
WeightedEPCCommit	881	0.90	5.56	3.7050	0.75131	-0.481	0.082	0.020	0.165
Valid N (listwise)	881								

APPENDIX 9: Correlation Matrix

Correlations												
	Mean EC-Commit	Mean EC-Respect	Mean EC-Learn	Mean EC-Integrity	Mean EC-Result	Mean EC-Principle	Mean OC-Empower	Mean OC-Capability	Mean OC-Change	Mean OC-Customer	Mean OC-Learn	Mean OC-Goal
Mean EC-Commit	1	.785**	.777**	.752**	.783**	.662**	.602**	.693**	.709**	.541**	.602**	.630**
Mean EC-Respect		1	.807**	.807**	.815**	.672**	.594**	.704**	.705**	.539**	.594**	.632**
Mean EC-Learn			1	.753**	.823**	.711**	.652**	.694**	.716**	.564**	.637**	.658**
Mean EC-Integrity				1	.782**	.658**	.582**	.684**	.696**	.548**	.577**	.616**
Mean EC-Result					1	.690**	.643**	.726**	.755**	.556**	.624**	.698**
Mean EC-Principle						1	.682**	.640**	.662**	.540**	.620**	.658**
Mean OC-Empower							1	.686**	.723**	.583**	.614**	.679**
Mean OC-Capability								1	.804**	.584**	.659**	.675**
Mean OC-Change									1	.653**	.665**	.748**
Mean OC-Customer										1	.620**	.671**
Mean OC-Learn											1	.724**
Mean OC-Goal												1

** . Correlation is significant at the 0.01 level (2-tailed).

APPENDIX 10: Descriptive Statistics for Organizational Culture

Org Trait	Org-culture dim.	Descriptive Statistics			Descriptive Statistics			Descriptive Statistics			Descriptive Statistics		
		CC	Mean	Std. Deviation	WH	Mean	Std. Deviation	ZJG	Mean	Std. Deviation	RYN	Mean	Std. Deviation
Involvement	Mean OC-Empower	236	3.705	0.714	208	3.883	0.541	251	3.914	0.531	186	3.798	0.504
Involvement	Mean OC-Capability	236	3.283	0.933	208	3.714	0.669	251	3.813	0.603	186	3.745	0.544
Adaptability	Mean OC-Change	236	3.407	0.806	208	3.761	0.623	251	3.821	0.551	186	3.690	0.592
Adaptability	Mean OC-Customer	236	3.419	0.686	208	3.480	0.532	251	3.513	0.525	186	3.600	0.519
Adaptability	Mean OC-Learn	236	3.518	0.792	208	3.847	0.522	251	3.873	0.507	186	3.819	0.499
Mission	Mean OC-Goal	236	3.547	0.779	208	3.819	0.534	251	3.790	0.513	186	3.715	0.589
	Sum up		20.879			22.503			22.723			22.368	

Note:
 CC – Changchun plant; WH – Wuhan plant; ZJG: Zhangjiagang plant; RYN – Rayong plant.
 OC – Organizational culture.

APPENDIX 11: Model Fit Summary

Model Fit Summary

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	138	316.667	192	0.000	1.649
Saturated model	330	0	0		
Independence model	60	17262.329	270	0.000	63.935

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	0.01	0.975	0.957	0.567
Saturated model	0	1		
Independence model	0.232	0.251	0.085	0.205

Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	0.982	0.974	0.993	0.990	0.993
Saturated model	1		1		1
Independence model	0	0	0	0	0

Parsimony-Adjusted Measures

Model	PRATIO	PNFI	PCFI
Default model	0.711	0.698	0.706
Saturated model	0	0	0
Independence model	1	0	0

NCP

Model	NCP	LO 90	HI 90
Default model	124.667	79.706	177.528
Saturated model	0	0	0
Independence model	16992.329	16564.962	17426.006

FMIN

Model	FMIN	F0	LO 90	HI 90
Default model	0.129	0.051	0.033	0.072
Saturated model	0	0	0	0
Independence model	7.043	6.933	6.758	7.11

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	0.016	0.013	0.019	1
Independence model	0.16	0.158	0.162	0

AIC

Model	AIC	BCC	BIC	CAIC
Default model	592.667	604.169		
Saturated model	660	687.505		
Independence model	17382.329	17387.33		

ECVI

Model	ECVI	LO 90	HI 90	MECVI
Default model	0.242	0.223	0.263	0.246
Saturated model	0.269	0.269	0.269	0.28
Independence model	7.092	6.918	7.269	7.094

HOELTER

Model	HOELTER	HOELTER
	0.05	0.01
Default model	1750	1867
Independence model	49	52

APPENDIX 12: Correlation Matrix – Org Culture dimensions vs Org Performance dimensions (Weighted Organizational Performance according to plant performance record)

		Correlations								
		Mean OC-Empower	Mean OC-Capability	Mean OC-Change	Mean OC-Customer	Mean OC-Learn	Mean OC-Goal	WeightedMeanOPTurnover	WeightedMeanOPFailurecostR	WeightedMeanOPProductivity
Mean OC-Empower	Pearson Correlation	1	.686**	.723**	.583**	.614**	.679**	-.038	-.054	.006
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.260	.107	.859
	N	881	881	881	881	881	881	881	881	881
Mean OC-Capability	Pearson Correlation	.686**	1	.804**	.584**	.659**	.675**	.024	-.181**	.081
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.475	.000	.016
	N	881	881	881	881	881	881	881	881	881
Mean OC-Change	Pearson Correlation	.723**	.804**	1	.653**	.665**	.748**	-.009	-.112**	.057
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.799	.001	.090
	N	881	881	881	881	881	881	881	881	881
Mean OC-Customer	Pearson Correlation	.583**	.584**	.653**	1	.620**	.671**	.099**	-.031	.126**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.003	.362	.000
	N	881	881	881	881	881	881	881	881	881
Mean OC-Learn	Pearson Correlation	.614**	.659**	.665**	.620**	1	.724**	.006	-.128**	.057
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.869	.000	.092
	N	881	881	881	881	881	881	881	881	881
Mean OC-Goal	Pearson Correlation	.679**	.675**	.748**	.671**	.724**	1	-.014	-.046	.039
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.669	.171	.252
	N	881	881	881	881	881	881	881	881	881
WeightedMeanOPTurnover	Pearson Correlation	-.038	.024	-.009	.099**	.006	-.014	1	.025	.960**
	Sig. (2-tailed)	.260	.475	.799	.003	.869	.669		.459	.000
	N	881	881	881	881	881	881	881	881	881
WeightedMeanOPFailurecostR	Pearson Correlation	-.054	-.181**	-.112**	-.031	-.128**	-.046	.025	1	.031
	Sig. (2-tailed)	.107	.000	.001	.362	.000	.171	.459		.358
	N	881	881	881	881	881	881	881	881	881
WeightedMeanOPProductivity	Pearson Correlation	.006	.081	.057	.126**	.057	.039	.960**	.031	1
	Sig. (2-tailed)	.859	.016	.090	.000	.092	.252	.000	.358	
	N	881	881	881	881	881	881	881	881	881

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

APPENDIX 13: Correlation Matrix – Org Culture dimensions vs Org Performance dimensions (Weighted Stakeholder Rated Organizational Performance)

		Correlations								
		Mean OC-Empower	Mean OC-Capability	Mean OC-Change	Mean OC-Customer	Mean OC-Learn	Mean OC-Goal	SHR_HR_weighted	SHR_QA_weighted	SHR_FIN_weighted
Mean OC-Empower	Pearson Correlation	1	.686**	.723**	.583**	.614**	.679**	.121**	.107**	-.042
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000	.001	.212
	N	881	881	881	881	881	881	881	881	881
Mean OC-Capability	Pearson Correlation	.686**	1	.804**	.584**	.659**	.675**	.194**	.233**	-.085**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000	.000	.012
	N	881	881	881	881	881	881	881	881	881
Mean OC-Change	Pearson Correlation	.723**	.804**	1	.653**	.665**	.748**	.203**	.202**	-.062
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000	.000	.066
	N	881	881	881	881	881	881	881	881	881
Mean OC-Customer	Pearson Correlation	.583**	.584**	.653**	1	.620**	.671**	.110**	.132**	.073*
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.001	.000	.031
	N	881	881	881	881	881	881	881	881	881
Mean OC-Learn	Pearson Correlation	.614**	.659**	.665**	.620**	1	.724**	.175**	.178**	-.070*
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000	.000	.038
	N	881	881	881	881	881	881	881	881	881
Mean OC-Goal	Pearson Correlation	.679**	.675**	.748**	.671**	.724**	1	.169**	.123**	-.033
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000	.000	.326
	N	881	881	881	881	881	881	881	881	881
SHR_HR_weighted	Pearson Correlation	.121**	.194**	.203**	.110**	.175**	.169**	1	.440**	.310**
	Sig. (2-tailed)	.000	.000	.000	.001	.000	.000		.000	.000
	N	881	881	881	881	881	881	881	881	881
SHR_QA_weighted	Pearson Correlation	.107**	.233**	.202**	.132**	.178**	.123**	.440**	1	.095**
	Sig. (2-tailed)	.001	.000	.000	.000	.000	.000	.000		.005
	N	881	881	881	881	881	881	881	881	881
SHR_FIN_weighted	Pearson Correlation	-.042	-.085**	-.062	.073*	-.070*	-.033	.310**	.095**	1
	Sig. (2-tailed)	.212	.012	.066	.031	.038	.326	.000	.005	
	N	881	881	881	881	881	881	881	881	881

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

APPENDIX 14: Correlation summary of each Organizational Culture, Employee Commitment, and Employee Performance dimension of the Chinese plants

Correlations																
CN group	Mean OC-Empower	Mean OC-Capability	Mean OC-Change	Mean OC-Customer	Mean OC-Learn	Mean OC-Goal	Mean EC-Commit	Mean EC-Respect	Mean EC-Learn	Mean EC-Integrity	Mean EC-Result	Mean EC-Principle	Weighted EP-Innovation	Weighted EP-Customer	Weighted EP-Result	Weighted EP-Commit
Mean OC-Empower	1	.718 ^{**}	.728 ^{**}	.602 ^{**}	.638 ^{**}	.687 ^{**}	.634 ^{**}	.622 ^{**}	.676 ^{**}	.606 ^{**}	.675 ^{**}	.718 ^{**}	.544 ^{**}	.552 ^{**}	.538 ^{**}	.470 ^{**}
Mean OC-Capability	.718 ^{**}	1	.825 ^{**}	.578 ^{**}	.675 ^{**}	.687 ^{**}	.710 ^{**}	.709 ^{**}	.716 ^{**}	.695 ^{**}	.733 ^{**}	.652 ^{**}	.566 ^{**}	.589 ^{**}	.561 ^{**}	.511 ^{**}
Mean OC-Change	.728 ^{**}	.825 ^{**}	1	.656 ^{**}	.686 ^{**}	.755 ^{**}	.735 ^{**}	.725 ^{**}	.731 ^{**}	.720 ^{**}	.776 ^{**}	.680 ^{**}	.573 ^{**}	.594 ^{**}	.598 ^{**}	.521 ^{**}
Mean OC-Customer	.602 ^{**}	.578 ^{**}	.656 ^{**}	1	.624 ^{**}	.678 ^{**}	.539 ^{**}	.538 ^{**}	.572 ^{**}	.556 ^{**}	.562 ^{**}	.558 ^{**}	.448 ^{**}	.492 ^{**}	.450 ^{**}	.398 ^{**}
Mean OC-Learn	.638 ^{**}	.675 ^{**}	.686 ^{**}	.624 ^{**}	1	.758 ^{**}	.614 ^{**}	.610 ^{**}	.658 ^{**}	.596 ^{**}	.650 ^{**}	.649 ^{**}	.560 ^{**}	.577 ^{**}	.538 ^{**}	.528 ^{**}
Mean OC-Goal	.687 ^{**}	.687 ^{**}	.755 ^{**}	.678 ^{**}	.758 ^{**}	1	.643 ^{**}	.649 ^{**}	.681 ^{**}	.639 ^{**}	.723 ^{**}	.682 ^{**}	.589 ^{**}	.596 ^{**}	.581 ^{**}	.527 ^{**}
Mean EC-Commit	.634 ^{**}	.710 ^{**}	.735 ^{**}	.539 ^{**}	.614 ^{**}	.643 ^{**}	1	.795 ^{**}	.802 ^{**}	.765 ^{**}	.809 ^{**}	.669 ^{**}	.599 ^{**}	.604 ^{**}	.588 ^{**}	.555 ^{**}
Mean EC-Respect	.622 ^{**}	.709 ^{**}	.725 ^{**}	.538 ^{**}	.610 ^{**}	.649 ^{**}	.795 ^{**}	1	.835 ^{**}	.819 ^{**}	.829 ^{**}	.675 ^{**}	.599 ^{**}	.576 ^{**}	.608 ^{**}	.538 ^{**}
Mean EC-Learn	.676 ^{**}	.716 ^{**}	.731 ^{**}	.572 ^{**}	.658 ^{**}	.681 ^{**}	.802 ^{**}	.835 ^{**}	1	.771 ^{**}	.836 ^{**}	.725 ^{**}	.638 ^{**}	.610 ^{**}	.614 ^{**}	.535 ^{**}
Mean EC-Integrity	.606 ^{**}	.695 ^{**}	.720 ^{**}	.556 ^{**}	.596 ^{**}	.639 ^{**}	.765 ^{**}	.819 ^{**}	.771 ^{**}	1	.797 ^{**}	.658 ^{**}	.576 ^{**}	.572 ^{**}	.589 ^{**}	.522 ^{**}
Mean EC-Result	.675 ^{**}	.733 ^{**}	.776 ^{**}	.562 ^{**}	.650 ^{**}	.723 ^{**}	.809 ^{**}	.829 ^{**}	.836 ^{**}	.797 ^{**}	1	.702 ^{**}	.622 ^{**}	.627 ^{**}	.645 ^{**}	.574 ^{**}
Mean EC-Principle	.718 ^{**}	.652 ^{**}	.680 ^{**}	.558 ^{**}	.649 ^{**}	.682 ^{**}	.669 ^{**}	.675 ^{**}	.725 ^{**}	.658 ^{**}	.702 ^{**}	1	.575 ^{**}	.584 ^{**}	.571 ^{**}	.506 ^{**}
WeightedEPInnovation	.544 ^{**}	.566 ^{**}	.573 ^{**}	.448 ^{**}	.560 ^{**}	.589 ^{**}	.599 ^{**}	.599 ^{**}	.638 ^{**}	.576 ^{**}	.622 ^{**}	.575 ^{**}	1	.688 ^{**}	.711 ^{**}	.686 ^{**}
WeightedEPCustomer	.552 ^{**}	.569 ^{**}	.594 ^{**}	.492 ^{**}	.577 ^{**}	.596 ^{**}	.604 ^{**}	.576 ^{**}	.610 ^{**}	.572 ^{**}	.627 ^{**}	.584 ^{**}	.688 ^{**}	1	.707 ^{**}	.683 ^{**}
WeightedEPResult	.538 ^{**}	.561 ^{**}	.598 ^{**}	.450 ^{**}	.538 ^{**}	.581 ^{**}	.588 ^{**}	.608 ^{**}	.614 ^{**}	.589 ^{**}	.645 ^{**}	.571 ^{**}	.711 ^{**}	.707 ^{**}	1	.699 ^{**}
WeightedEPCCommit	.470 ^{**}	.511 ^{**}	.521 ^{**}	.398 ^{**}	.528 ^{**}	.527 ^{**}	.555 ^{**}	.538 ^{**}	.535 ^{**}	.522 ^{**}	.574 ^{**}	.506 ^{**}	.686 ^{**}	.683 ^{**}	.699 ^{**}	1

** Correlation is significant at the 0.01 level (2-tailed).

APPENDIX 15: Correlation summary of each Organizational Culture, Employee Commitment, and Employee Performance dimension of the Thai plant

Correlations																
TH group	Mean OC-Empower	Mean OC-Capability	Mean OC-Change	Mean OC-Customer	Mean OC-Learn	Mean OC-Goal	Mean EC-Commit	Mean EC-Respect	Mean EC-Learn	Mean EC-Integrity	Mean EC-Result	Mean EC-Principle	Weighted EP-Innovation	Weighted EP-Customer	Weighted EP-Result	Weighted EP-Commit
Mean OC-Empower	1	.521 ^{**}	.707 ^{**}	.514 ^{**}	.491 ^{**}	.646 ^{**}	.509 ^{**}	.470 ^{**}	.522 ^{**}	.540 ^{**}	.472 ^{**}	.494 ^{**}	.347 ^{**}	.404 ^{**}	.343 ^{**}	.296 ^{**}
Mean OC-Capability	.521 ^{**}	1	.691 ^{**}	.616 ^{**}	.544 ^{**}	.649 ^{**}	.565 ^{**}	.643 ^{**}	.528 ^{**}	.585 ^{**}	.658 ^{**}	.524 ^{**}	.365 ^{**}	.372 ^{**}	.400 ^{**}	.398 ^{**}
Mean OC-Change	.707 ^{**}	.691 ^{**}	1	.644 ^{**}	.549 ^{**}	.719 ^{**}	.619 ^{**}	.618 ^{**}	.629 ^{**}	.622 ^{**}	.646 ^{**}	.575 ^{**}	.421 ^{**}	.471 ^{**}	.414 ^{**}	.362 ^{**}
Mean OC-Customer	.514 ^{**}	.616 ^{**}	.644 ^{**}	1	.591 ^{**}	.655 ^{**}	.518 ^{**}	.520 ^{**}	.518 ^{**}	.486 ^{**}	.509 ^{**}	.415 ^{**}	.380 ^{**}	.430 ^{**}	.405 ^{**}	.267 ^{**}
Mean OC-Learn	.491 ^{**}	.544 ^{**}	.549 ^{**}	.591 ^{**}	1	.565 ^{**}	.531 ^{**}	.478 ^{**}	.492 ^{**}	.453 ^{**}	.439 ^{**}	.410 ^{**}	.390 ^{**}	.351 ^{**}	.416 ^{**}	.428 ^{**}
Mean OC-Goal	.646 ^{**}	.649 ^{**}	.719 ^{**}	.655 ^{**}	.565 ^{**}	1	.629 ^{**}	.588 ^{**}	.553 ^{**}	.582 ^{**}	.592 ^{**}	.565 ^{**}	.360 ^{**}	.427 ^{**}	.429 ^{**}	.321 ^{**}
Mean EC-Commit	.509 ^{**}	.565 ^{**}	.619 ^{**}	.518 ^{**}	.531 ^{**}	.629 ^{**}	1	.692 ^{**}	.646 ^{**}	.604 ^{**}	.612 ^{**}	.586 ^{**}	.379 ^{**}	.400 ^{**}	.455 ^{**}	.474 ^{**}
Mean EC-Respect	.470 ^{**}	.643 ^{**}	.616 ^{**}	.520 ^{**}	.478 ^{**}	.588 ^{**}	.692 ^{**}	1	.608 ^{**}	.673 ^{**}	.688 ^{**}	.617 ^{**}	.460 ^{**}	.467 ^{**}	.473 ^{**}	.497 ^{**}
Mean EC-Learn	.522 ^{**}	.528 ^{**}	.629 ^{**}	.518 ^{**}	.492 ^{**}	.553 ^{**}	.646 ^{**}	.608 ^{**}	1	.651 ^{**}	.724 ^{**}	.600 ^{**}	.364 ^{**}	.331 ^{**}	.311 ^{**}	.322 ^{**}
Mean EC-Integrity	.540 ^{**}	.585 ^{**}	.622 ^{**}	.486 ^{**}	.453 ^{**}	.582 ^{**}	.604 ^{**}	.673 ^{**}	.651 ^{**}	1	.647 ^{**}	.629 ^{**}	.359 ^{**}	.377 ^{**}	.280 ^{**}	.373 ^{**}
Mean EC-Result	.472 ^{**}	.658 ^{**}	.646 ^{**}	.509 ^{**}	.439 ^{**}	.592 ^{**}	.612 ^{**}	.688 ^{**}	.724 ^{**}	.647 ^{**}	1	.577 ^{**}	.273 ^{**}	.335 ^{**}	.268 ^{**}	.302 ^{**}
Mean EC-Principle	.494 ^{**}	.524 ^{**}	.575 ^{**}	.415 ^{**}	.410 ^{**}	.565 ^{**}	.586 ^{**}	.617 ^{**}	.600 ^{**}	.629 ^{**}	.577 ^{**}	1	.410 ^{**}	.360 ^{**}	.346 ^{**}	.455 ^{**}
WeightedEPInnovation	.347 ^{**}	.365 ^{**}	.421 ^{**}	.380 ^{**}	.390 ^{**}	.360 ^{**}	.379 ^{**}	.460 ^{**}	.354 ^{**}	.359 ^{**}	.273 ^{**}	.410 ^{**}	1	.570 ^{**}	.725 ^{**}	.684 ^{**}
WeightedEPCustomer	.404 ^{**}	.372 ^{**}	.471 ^{**}	.430 ^{**}	.351 ^{**}	.427 ^{**}	.400 ^{**}	.467 ^{**}	.331 ^{**}	.377 ^{**}	.335 ^{**}	.360 ^{**}	.570 ^{**}	1	.692 ^{**}	.568 ^{**}
WeightedEPResult	.343 ^{**}	.400 ^{**}	.414 ^{**}	.405 ^{**}	.416 ^{**}	.429 ^{**}	.455 ^{**}	.473 ^{**}	.311 ^{**}	.280 ^{**}	.268 ^{**}	.346 ^{**}	.725 ^{**}	.692 ^{**}	1	.693 ^{**}
WeightedEPCCommit	.296 ^{**}	.398 ^{**}	.362 ^{**}	.267 ^{**}	.428 ^{**}	.321 ^{**}	.474 ^{**}	.497 ^{**}	.322 ^{**}	.373 ^{**}	.302 ^{**}	.455 ^{**}	.684 ^{**}	.568 ^{**}	.693 ^{**}	1

** Correlation is significant at the 0.01 level (2-tailed).

APPENDIX 16: Correlation comparison – Chinese plants vs Thai plant

CN vs TH (Pearson Correlation)	Correlations															National Culture difference													
	Mean OC- Empower	Mean OC- Capability	Mean OC- Change	Mean OC- Customer	Mean OC- Learn	Mean OC- Goal	Mean EC- Commit	Mean EC- Respect	Mean EC- Learn	Mean EC- Integrity	Mean EC- Result	Mean EC- Principle	Weighted EP- Innovation	Weighted EP- Customer	Weighted EP- Result		Weighted EP- Commit												
Mean OC-Empower	CN	1	.718	.728	.602	.638	.687	.634	.622	.676	.606	.675	.718	.544	.552	.538	.470	UA											
	TH		1	.521	.707	.514	.491	.646	.509	.470	.522	.540	.472	.494	.347	.404	.343	.296											
Mean OC-Capability	CN			1	.825	.578	.675	.687	.710	.709	.716	.695	.733	.652	.566	.569	.561	.511	UA										
	TH				1	.691	.616	.544	.649	.565	.643	.528	.585	.658	.524	.365	.372	.400	.398										
Mean OC-Change	CN				1	.656	.686	.755	.735	.725	.731	.720	.776	.680	.573	.594	.598	.521	UA										
	TH					1	.644	.549	.719	.619	.618	.629	.646	.575	.421	.471	.414	.362	LTO UA										
Mean OC-Customer	CN					1	.624	.678	.539	.538	.572	.556	.562	.558	.448	.492	.450	.398	LTO UA										
	TH						1	.591	.655	.518	.520	.518	.486	.509	.415	.380	.430	.405	.267										
Mean OC-Learn	CN						1	.758	.614	.610	.658	.596	.650	.649	.560	.577	.538	.528	LTO UA										
	TH							1	.565	.531	.478	.492	.453	.439	.410	.390	.351	.416	.428										
Mean OC-Goal	CN								1	.643	.649	.681	.639	.723	.682	.589	.596	.581	.527	LTO UA									
	TH									1	.629	.588	.553	.582	.592	.565	.360	.427	.429	.321									
Mean EC-Commit	CN										1	.795	.802	.765	.809	.669	.604	.588	.555	UA									
	TH											1	.692	.646	.604	.612	.596	.379	.400	.455	.474								
Mean EC-Respect	CN												1	.835	.819	.829	.675	.599	.576	.605	.538	PD							
	TH													1	.608	.673	.688	.617	.460	.467	.473	.497							
Mean EC-Learn	CN														1	.771	.836	.725	.638	.610	.614	.535	LTO UA						
	TH															1	.651	.724	.600	.354	.331	.311	.322						
Mean EC-Integrity	CN																1	.797	.658	.576	.572	.589	.522	LTO					
	TH																	1	.647	.629	.359	.377	.280	.373					
Mean EC-Result	CN																		1	.702	.622	.627	.645	.574					
	TH																			1	.577	.273	.335	.268	.302				
Mean EC-Principle	CN																				1	.575	.584	.571	.506				
	TH																					1	.410	.360	.346	.455			
WeightedEPInnovation	CN																						1	.688	.711	.686	LTO UA		
	TH																							1	.570	.725	.684		
WeightedEPCustomer	CN																								1	.707	.683	LTO	
	TH																									1	.692	.568	
WeightedEPResult	CN																									1	.699	LTO	
	TH																										1	.693	
WeightedEPCCommit	CN																										1		
	TH																											1	

APPENDIX 17: Regression comparison – China group vs Thailand group

OC -> EC between CN group and TH group

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.356	.184		7.389	.000
	National	-.915	.198	-.665	-4.626	.000
	Mean OC-group	.685	.049	.663	14.005	.000
	NatXOC	.211	.053	.595	4.006	.000

a. Dependent Variable: Mean EC-group

OC -> EP between CN group and TH group

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.579	.262		6.026	.000
	National	-.801	.282	-.543	-2.835	.005
	Mean OC-group	.533	.070	.481	7.643	.000
	NatXOC	.279	.075	.732	3.701	.000

a. Dependent Variable: Mean EP-group

EC -> EP between CN group and TH group

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.185	.313		3.790	.000
	National	-.365	.328	-.247	-1.112	.266
	Mean EC-group	.610	.080	.568	7.659	.000
	NatXEC	.179	.084	.478	2.128	.034

a. Dependent Variable: Mean EP-group

APPENDIX 18: Regression comparison – Male group vs Female group

OC -> EC between Male group and Female group Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.653	.091		7.190	.000
	Gender	-.221	.143	-.197	-1.551	.121
	Mean OC-group	.846	.024	.819	34.695	.000
	GenderXOC	.059	.038	.198	1.546	.123

a. Dependent Variable: Mean EC-group

OC -> EP between Male group and Female group Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.064	.131		8.153	.000
	Gender	-.398	.205	-.330	-1.942	.052
	Mean OC-group	.727	.035	.656	20.733	.000
	GenderXOC	.096	.055	.300	1.748	.081

a. Dependent Variable: Mean EP-group

EC -> EP between Male group and Female group Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.038	.133		7.784	.000
	Gender	-.236	.201	-.196	-1.172	.241
	Mean EC-group	.717	.035	.668	20.489	.000
	GenderXEC	.052	.053	.167	.990	.322

a. Dependent Variable: Mean EP-group



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