

CHAPTER 5

MAJOR FINDINGS AND HYPOTHESES VERIFICATION

5.1 Major Findings

The employees for the five organizations were of course different in many significant aspects, but the research results all share the positive impact of the service first encounter. First and most important is humility, followed by hospitality, and finally genuineness, combined with the absence of hype, for achieving a harmonious outcome. Four out of five senior management teams who participated as subjects in the case study stated that human capital is represented by a form of Thainess, and that this was their top competitive key success factor. This finding was confirmed by the results of the individual in depth interviews with employees of these service companies. First impression management was rated consistent with the dissertation's theoretical orientation which ranked the success of first impressions on a customer as being the singularly most important predictor of the success of the service encounter. The importance of a favorable visual impression of the actor and the environment in which the service encounter took place was unanimously of the actor and the environment. Frontline service employees were often recruited and promoted for their skill in promoting a respectful and caring tone of voice in both face to face and telephone encounters.

5.2 Hypotheses Verification

Hypothesis 1 states there is a strong positive relationship between high intellectual capital and creative economy that contribute to market value creation. Thainess capital can be treated as the equivalent of intellectual capital for market value creation.

This hypothesis was strongly supported by the results of the research. First of all, the creative economy is based on intangible intellectual capital such as the unique cultural products and services described in the in-depth case study interviews of Chiva-som Spa, Blue Elephant restaurant, Mandarin Oriental Hotel, and Jim

Thompson Thai Silk. In addition, the Thai cultural product champions that are unique including Thai arts and festivals. Thai Arts includes performances such as Elephant show, Pantomime, Thai classical dance, Muay Thai, and Thai film industry. The unique festivals are Loy Kratong and Songkran. Moreover, Thai social capital is represented by Thai ways of life which includes Thai food, Thai cloth and silk, meditation and yoga. Thailand is a cultural center and has world heritage sites in Ayudhya and Sukothai as well as the many floating markets as shown in the Figure 23 below.

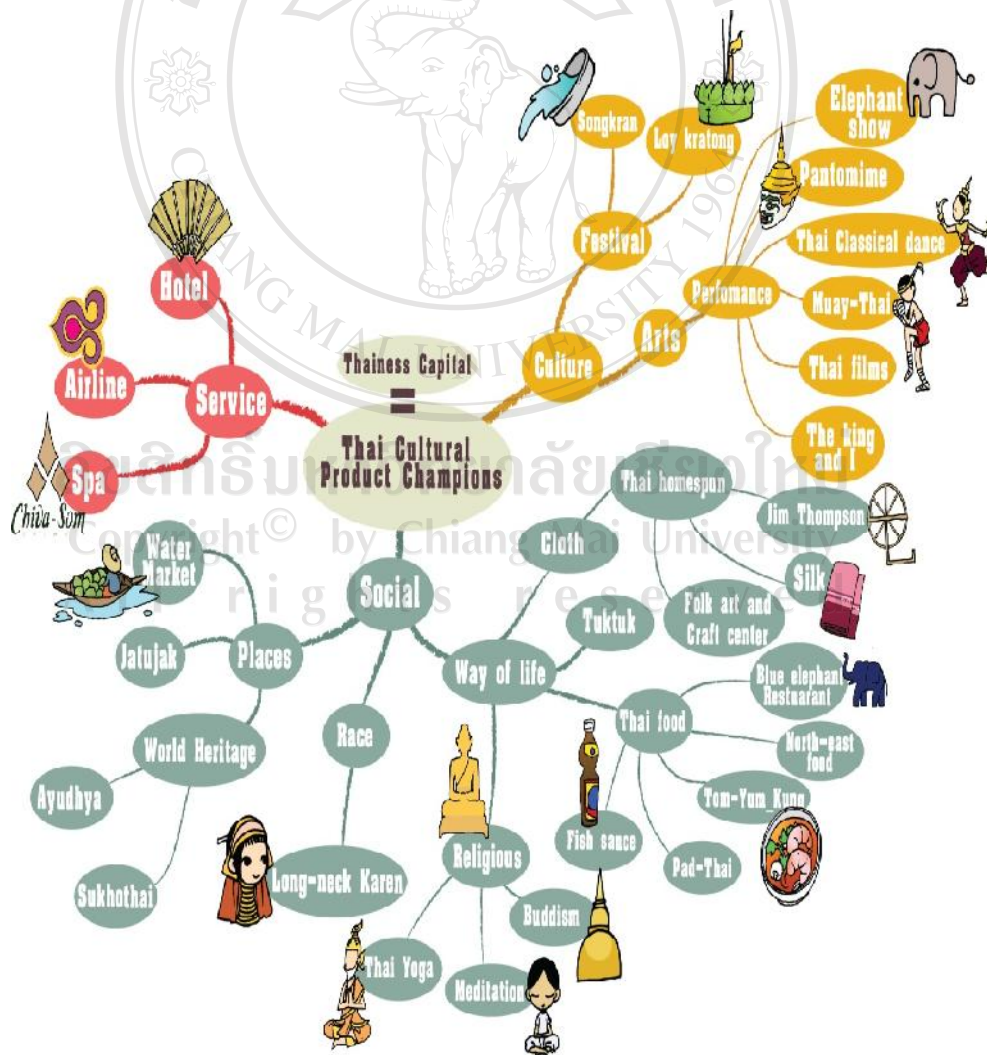


Figure 23 Thai Cultural Product Champions Mind Map

Hypothesis 2 states that “Knowledge Management has not made a significant impression and contribution to government policy in the development of development of intellectual capital for Thailand creative economy.”

This hypothesis was partially supported but not rejected because of there have been several government effort to drive the national competitiveness by using the creative economy framework. Currently, the Ministry of Culture is using Thainess as intellectual capital to generating value-added products and services for the potential benefit of a creative economy. The creative economy concept was basically defined as the combination of talent, creativity, knowledge, and innovation with cultural capital to generate GDP and to increase the country’s competitiveness. In addition, the importance of emerging creative industries has been that they generate value creation by converting human capital into customer capital, which transforms to increased competency and productivity.

However, the utilization of knowledge management for the value creation in Thailand by the government is still not enough. In addition, the knowledge-based economy needs stronger support from the government for the knowledge sharing and utilization in the development of intellectual capital. In this study, the Thainess intellectual capital represents intangible assets for value creation; they were investigated, analyzed and utilized to codify implicit knowledge into explicit knowledge, resulting in enhancement of market value.

The value creation for market value requires better knowledge management cognitive tools supplied by Mind Mapping and NLP. Besides, the results from the case-studies show that each service industry has developed world-class best-practices which through their training programs is passed on to their employees; thereby increasing intellectual capital. There is a particular focus on the first-impression management in all of these case-studies as shown in Figure 24 below.

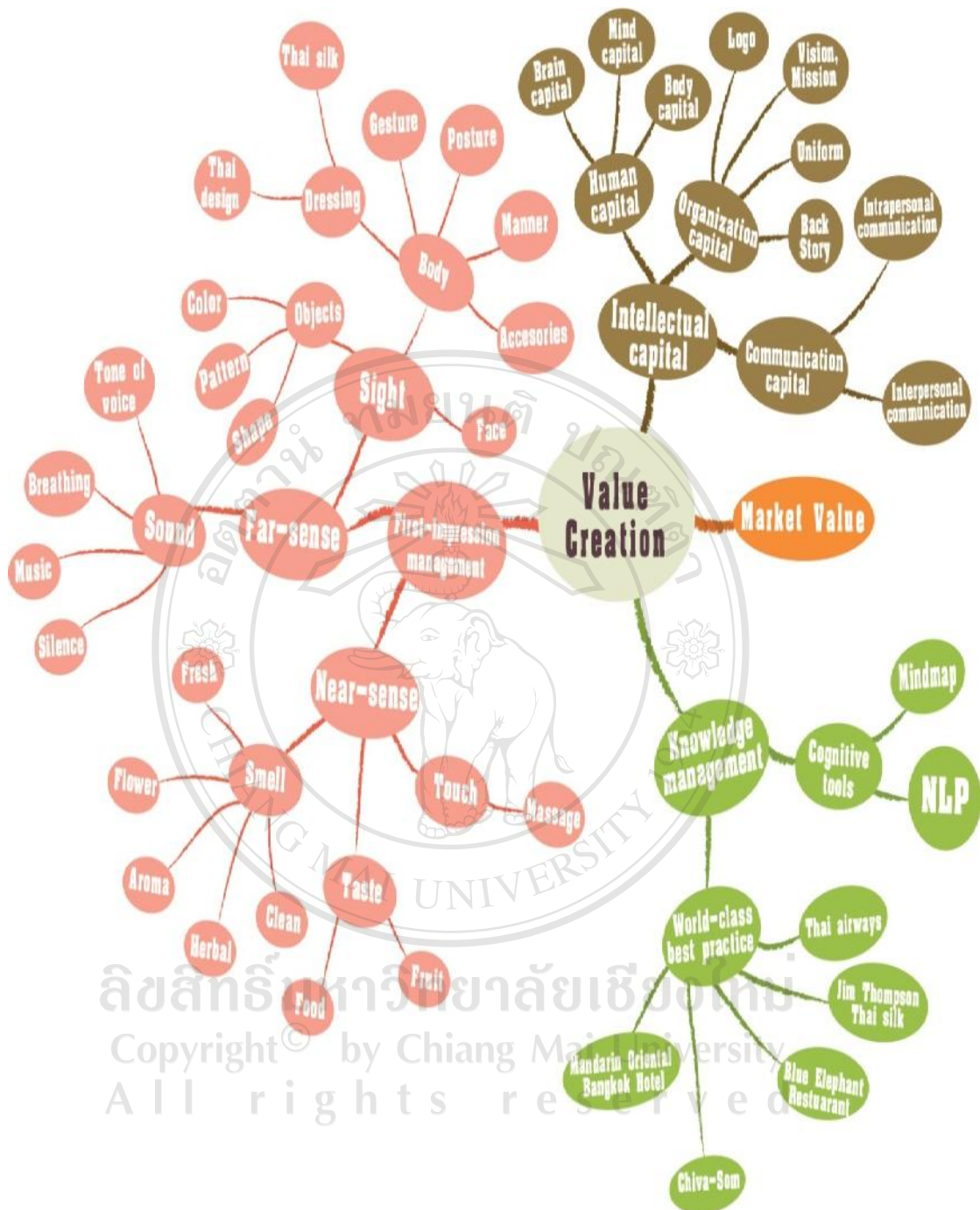


Figure 24 The Value Creation for Market Value: First Impression Management, Knowledge Capital and Intellectual Capital Mind Map

Hypothesis 3 states that the *“Thainess capital has a direct impact on the human capital capacity building as well as intellectual capital development, which positively contributes to the creative economy.”*

This hypothesis was strongly supported by both of historical analysis and in-depth case-studies interviews. We found from the historical analysis that Thai wisdom, beliefs and values contributed to the creation of intellectual capital.

Chivasom places importance on Thainess for service delivery. The unique blend of Thai Buddhist philosophy and Thainess manifested in eastern wisdom enhances customer satisfaction by balancing mind, body and soul. With this Thai intellectual capital knowledge, they are able to treat their customers with the deeper understanding of their needs.

Blue Elephant stresses its Thai heritage as its uncompromising quality. Image of Thailand as the culinary distinguished nation is crucial in branding its products and services worldwide. It managed to make the brand “Thailand” as part of its culinary experience by bringing the best of Thainess capital to the world.

Jim Thompson uses traditional Thai cottage industry production methods in an exact formula so that customers who reorder handmade materials can be assured that they get a consistent high quality product. From farm to factory, the Thai silk industry requires human creativity with Thai traditional wisdom to maintain the quality of the handmade products.

In summary, Thainess capital has shown a positive direct impact on the intellectual capital and human capital, which has positively contributed to market value creation as shown in Figure 25 below.

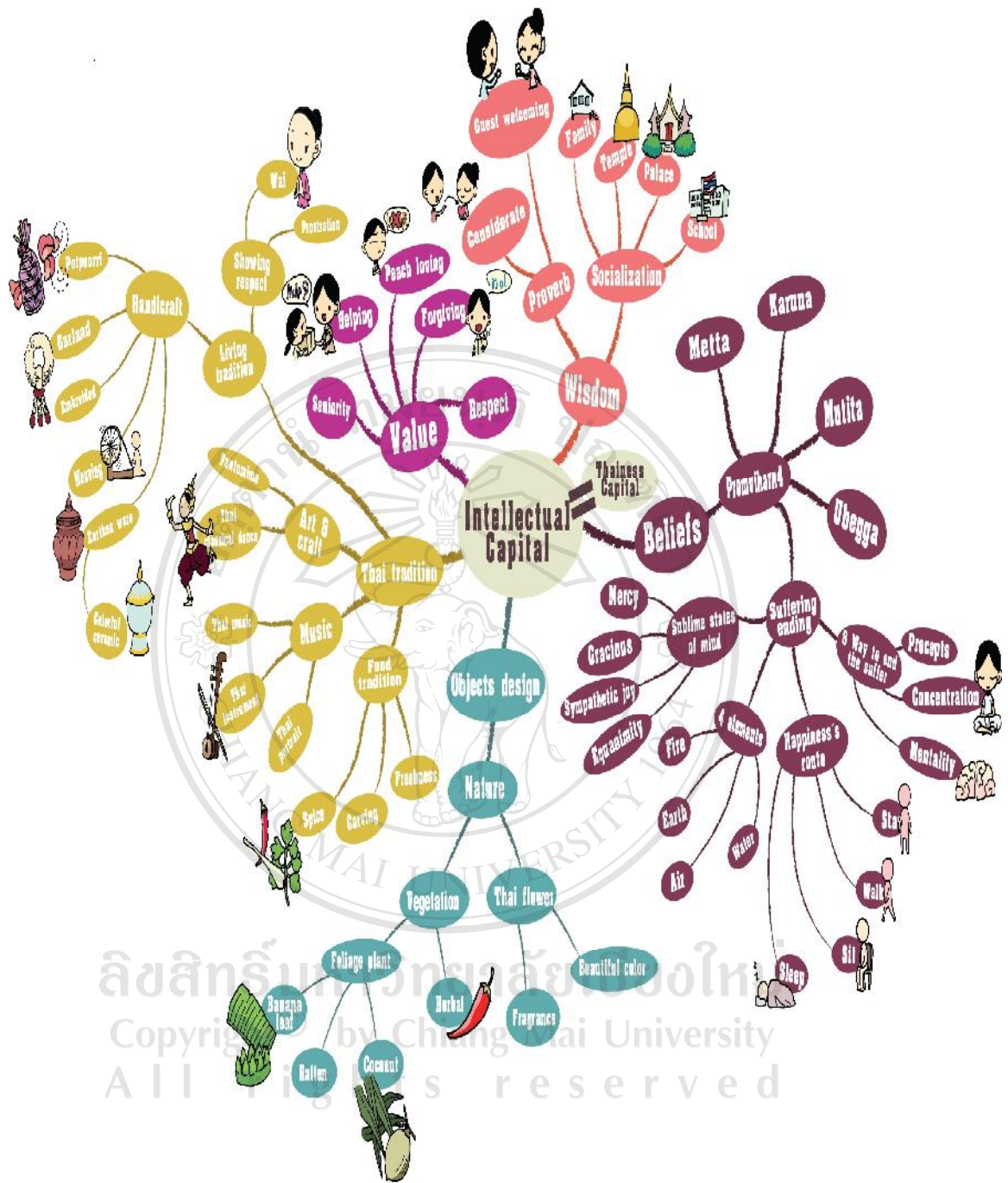
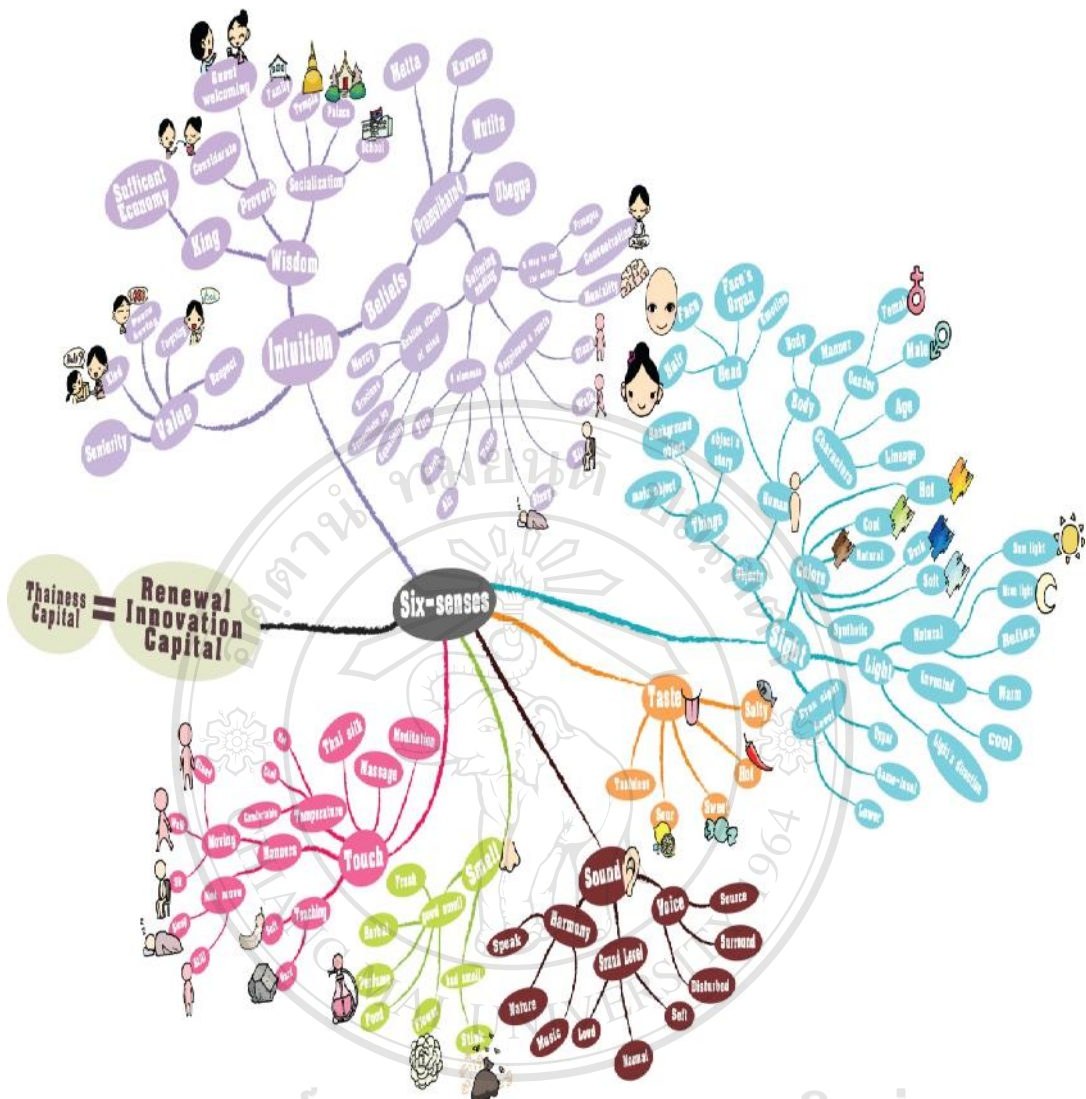


Figure 25 Thainess Capital as Intellectual Capital Mind Map

Hypothesis 4 states that organizational capital (intangible) assets can be created by the proxy use of Thainess capital through training for the development of customer capital by using the six senses as a proxy for Renewal Innovation Capital.

This hypothesis was partially supported by the result of the study. In the case-study in-depth interviews, every case study agreed that sight was the most important of the six senses. There were some disagreement about the importance of sound and hearing. Particularly, in the restaurant some forms of music might distract the customers from the enjoyment of the meal. Some have emphasized the importance of smell, whereas others stated that there were times that the aroma or odors could be overpowering. Furthermore, there was a mixed opinion about taste. In term of touch, there was across abroad of universal acceptance that the touch associated with Thai products and services is important. That includes spa, massage, and touching of Thai fabrics and silk. Perhaps the most important of the senses, intuition was highly rated, which is represented through Thai service-mindedness. It seems to be the strongest asset in renewal innovation capital. The following Mind Map represents the contribution of the six-senses to renewal innovation capital (Figure 26).



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Figure 26 The contribution of the six-senses to renewal innovation capital.

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Hypothesis 5 states that Mind Mapping can be used as a Knowledge Management (KM) cognitive tool for codifying knowledge from tacit knowledge's transformation to explicit knowledge creating best-practices modeling from key case-studies for lesson learned .

This hypothesis was supported; Mind Mapping can be used for knowledge creation, knowledge sharing, knowledge dissemination, knowledge utilization and application.

Protocol analysis was used in the interviews of HR experts from key case-studies. Task observations of people, such as their body language, dressing and grooming are captured and body decorative objects, namely fashion accessories and cultural costumes were captured. In addition, organization brand image such as interior designs, logo and artifacts were codified as shown in the Mind Map in Figure 27 below.

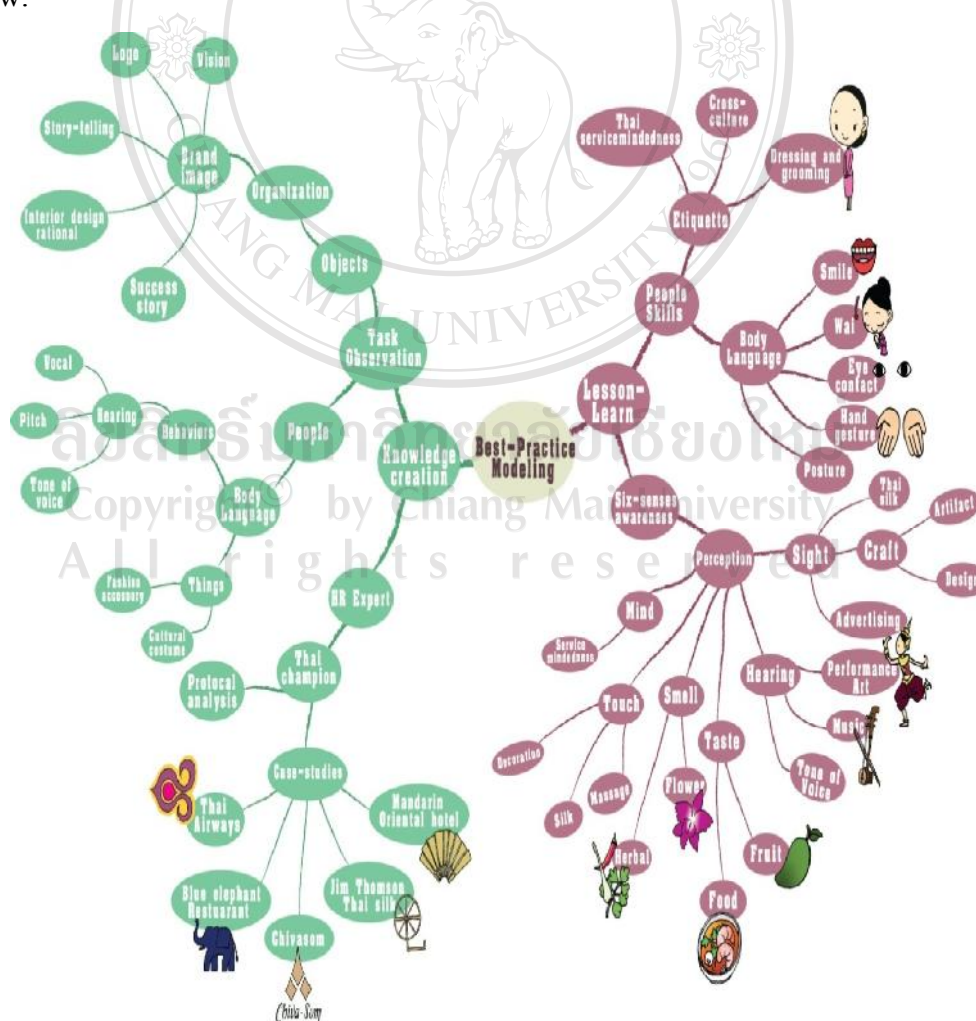


Figure 27 The Best-Practice Modeling Mind Map

Hypothesis 6 states that Neuro-Linguistic Programming (NLP) can be utilized as knowledge management cognitive tool for modeling best-practices.

This hypothesis was supported by its contribution to our understanding of best practice excellence in service encounters. Bandler’s Neuro-Linguistic Programming (NLP) offers a cognitive tool as utilization for protocol analysis when studying tacit knowledge from human interviews and observation. This NLP method was utilized in this study to create a human mental inventory by using human submodalities mainly on visual, auditory, kinesthetic modes. Body language was observed and the quality of the images, sounds and feelings were explored, captured and codified to create the best-practice modeling.

NLP was used for neuro cognitive task observation in protocol analysis. By observing body language, body posture, voice, tone, movement and tempo of service personnel in the Mandarin Oriental Hotel, Thai Airways, Chivasom, Blue Elephant, and Jim Thompson. This is illustrated in the Mind Map in Figure 28.

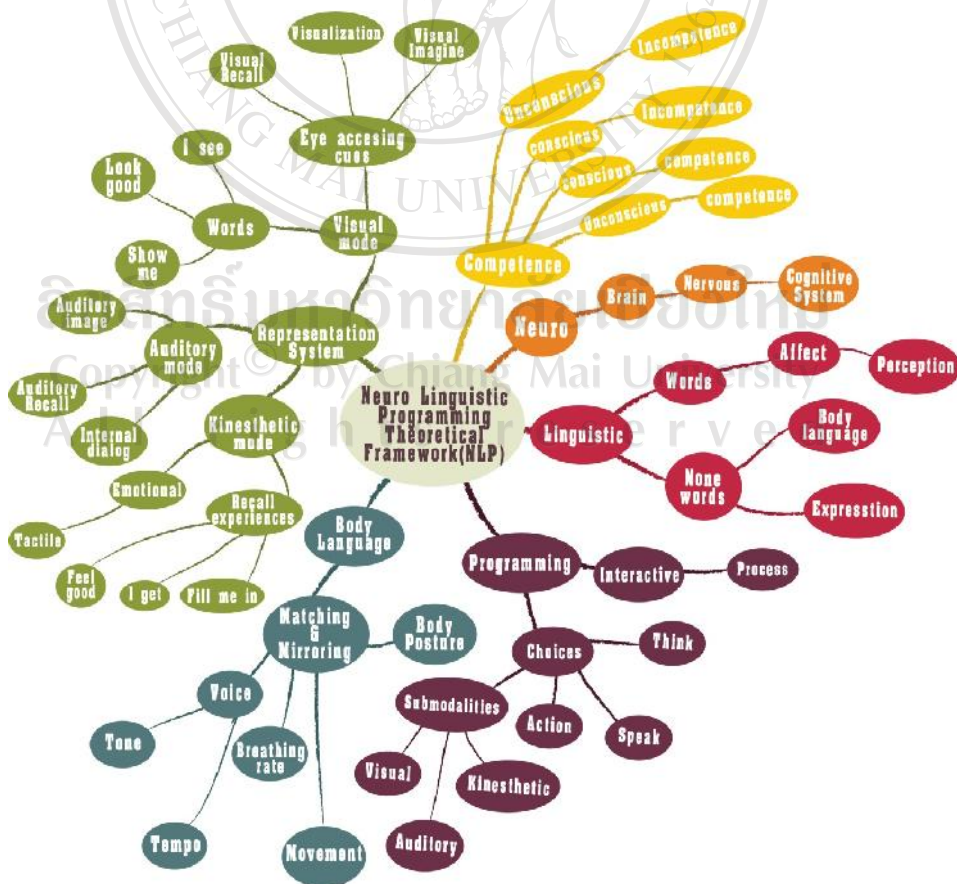


Figure 28 Bandler’s Neuro Linguistic Programming (NLP) Framework Mind Map

Hypothesis 7 states that body language (face and body parts) play an important role in human capital capacity building.

This hypothesis is supported by the body of the research findings. In this study, human body language, both face and body parts, were shown to be contributors to service process capital. First of all, Mandarin Oriental Hotel emphasizes the psychological aspects including first-impression management. The training in manner and body language helps improve the personalities of service employees. In other words, it develops human capital. They accomplish this through mentoring and observing how the senior advisor creates the positive first-impression with the customers. They have modified their manners and posture training to include body language development especially in how to wai, stand, sit, walk and talk properly, including power distance. They also focus on facial expressions especially developing a welcoming smile, one that is not cheeky, but genuine. The facial expression training includes developing the right expression of eye contact. The training involves cultural training to the extent that staffs learn how to properly ways to behave cross-culturally when greeting both local and international customers.

Thai Airways case-study finding represents that the body language is more than the wai and the Thai smile. When service person stand, sit or walk, all of their gestures must be welcoming and honoring the customers. In addition, Thai Airways stresses the quality of the voice, the timing of the language, the communication with the eye, and the body language of hair styles, make up and dressing as shown in the Mind Map in Figure 29.

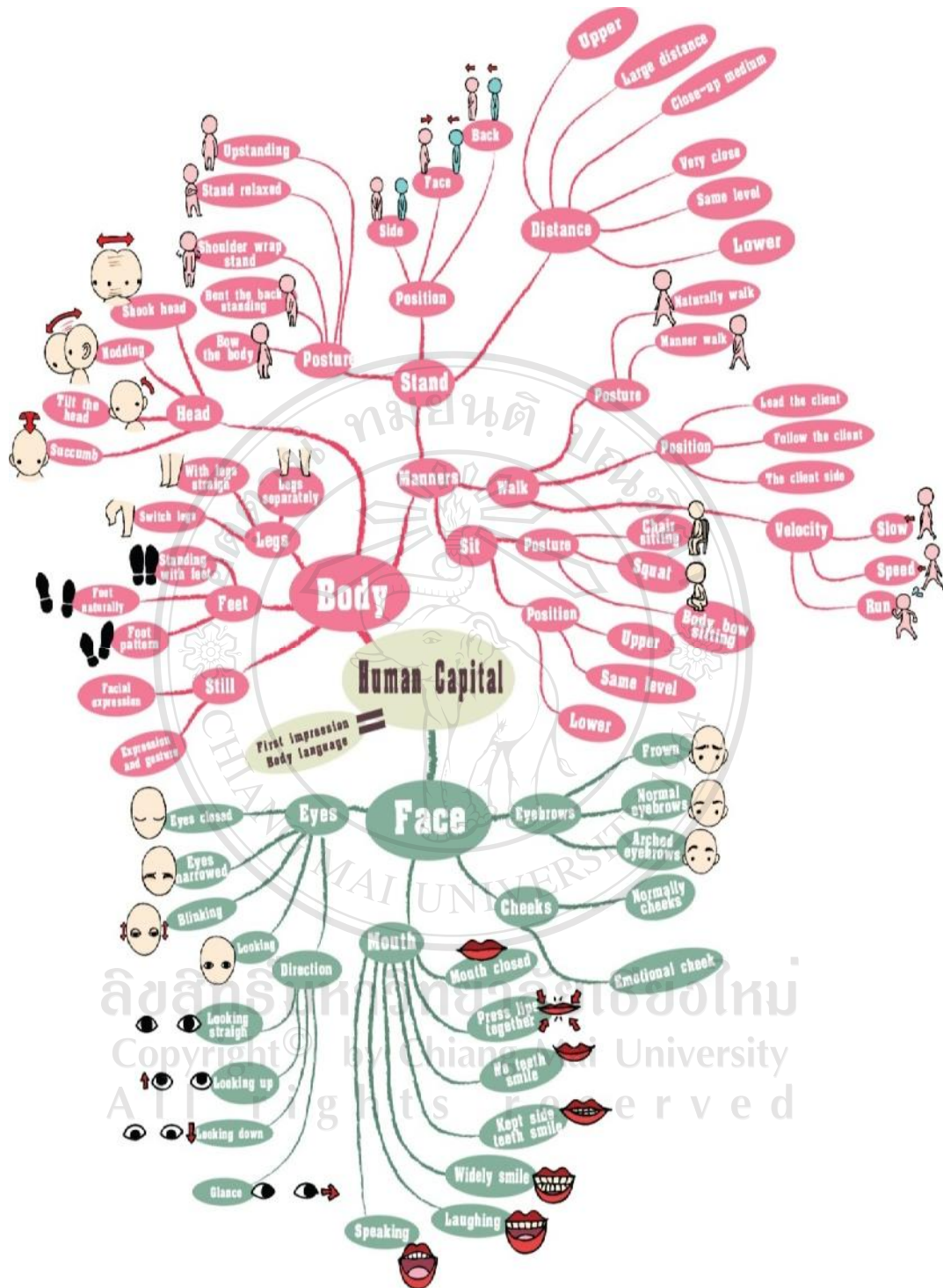


Figure 29 First Impression Human Body Language Mind Map

Hypothesis 8 states First-impression management is utilized in the formation of service process capital, which influences the further creation of customer capital.

This hypothesis was partially supported. There is evidence that favors this interpretation. In every case, they rated first-impression management at the highest score. And, there is nothing found that contradict this hypothesis. However, there was a flaw in the methodology because there was no follow up to show the linkage between the important of first-impression management and how first-impression contribute to service process capital. There was tacit agreement with this assumption, but it was not spelled out explicitly by the respondents in the interviews as shown in the Mind Map in Figure 30.

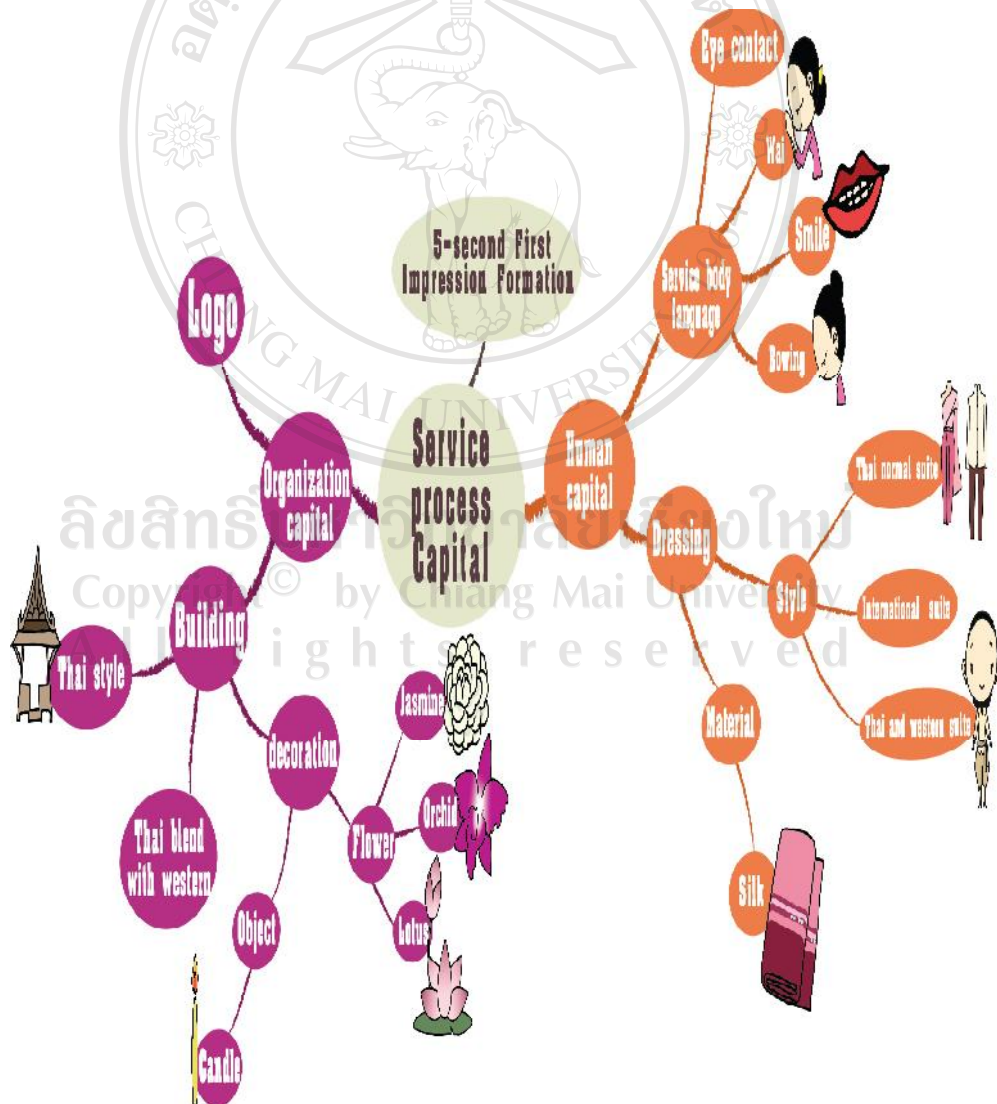


Figure 30 First Impression as Service Process Capital Mind Map.

5.3 Mind Maps for Findings of the Case Studies

Mind-Mappings were used as renewal innovation capital for knowledge creation. World- class best-practices tacit knowledge is captured codified to explicit knowledge derived from task observation, both human capital and objects using protocol analysis study. Lesson-learned from people skills and six senses awareness as cognitive knowledge creation are based on Human Resources (HR) experts using exploratory and observation interviews from key case-studies, Mandarin Oriental Hotel (Figure 32), Chiva Som Spa (Figure 33), Blue Elephant Restaurant (Figure 31), Jim Thompson Thai Silk (Figure 34), and Thai Airways (Figure 35).

A number of Thainess elements as organizational capital were explored, captured, and utilized for service best-practice in the Blue Elephant restaurant. Thai human capital, object decorative items, Thai artifacts and customer service manners are key contributions to the Thai intellectual capital which has been crucial for the success of this company.

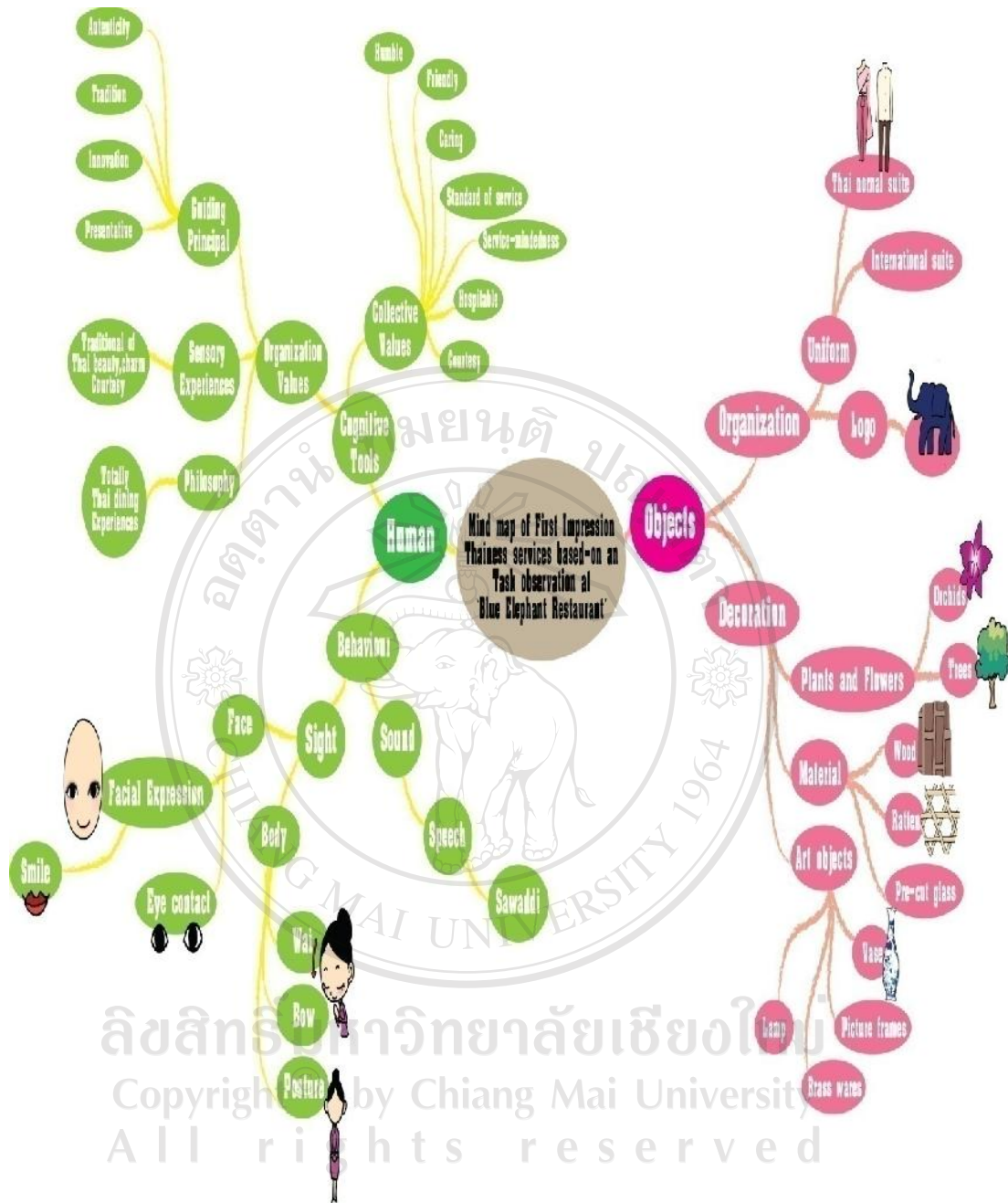


Figure 31 Blue Elephant Case-study Mind Map

There were a number of Thainess Intellectual Capital findings utilized for the formation of first impressions in service delivery at the Mandarin Oriental Hotel. The first- impression service process can be seen from both human and object decorations in the hotel during the first 5-second service encounter, resulting not only in customer satisfaction but also customer delight. Thainess intellectual capital is one of the most important assets contributing to the success of the Mandarin Oriental Bangkok Hotel.

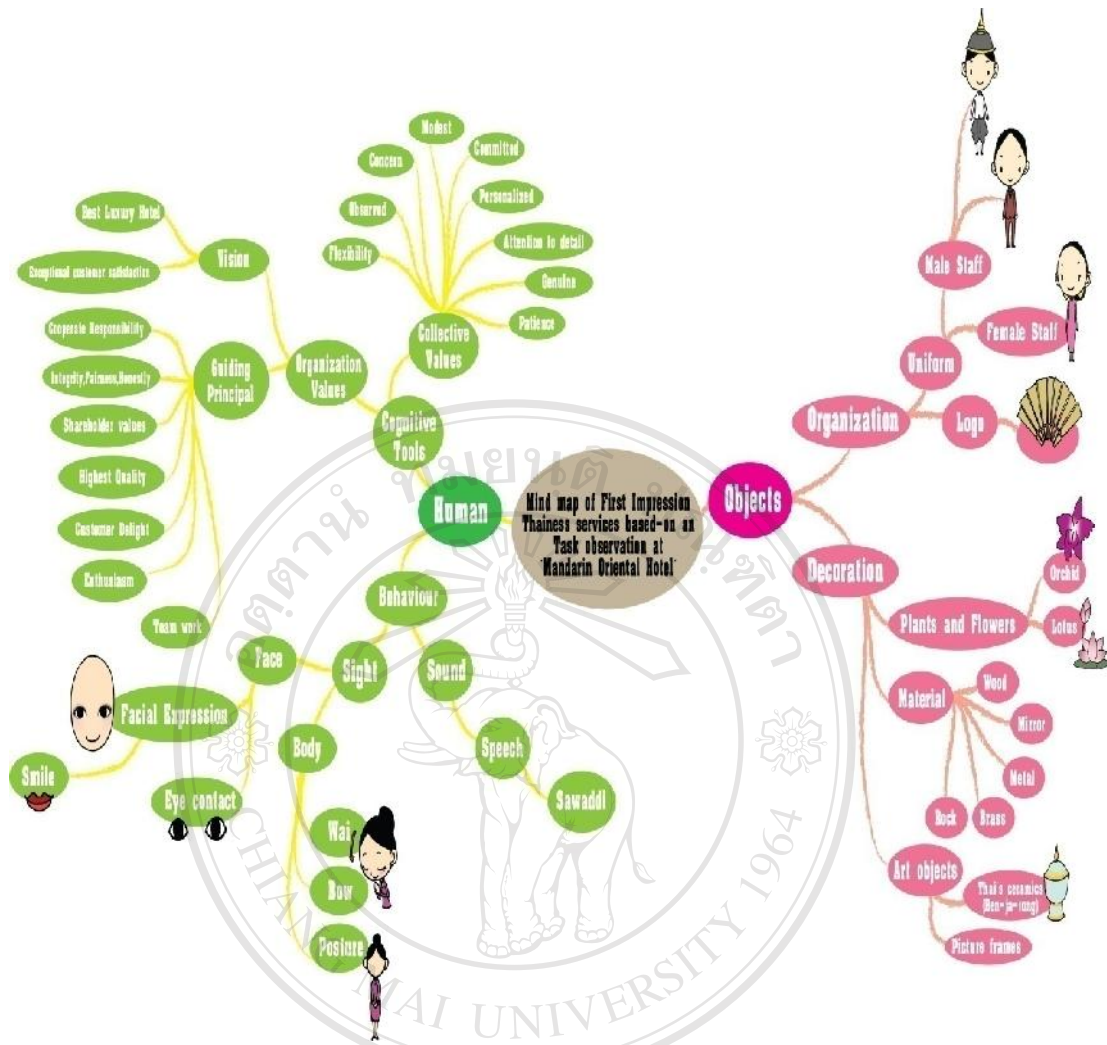


Figure 32 Mandarin Oriental Bangkok Hotel Case-study Mind Map

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Thainess capital is one of the most important key success factors of Chivasom. Thainess is viewed as a manifestation of eastern wisdom in terms of value creation, together with the world-class innovation and standards of practice that are co-creators of market value creation.

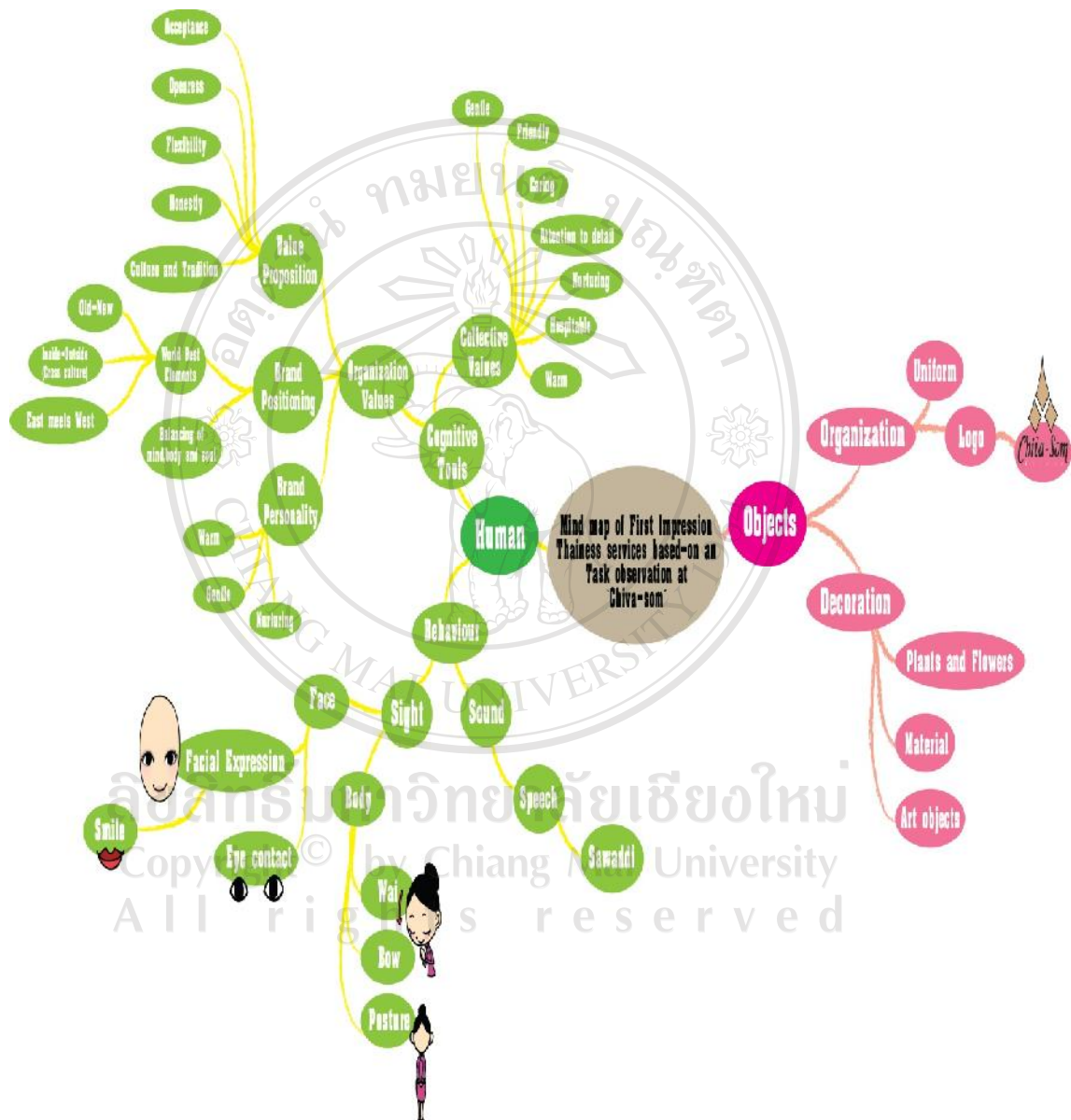


Figure 33 Chiva-Som Case-study Mind Map

Thainess capital and first impressions for service process capital employ human capital as one of the most the key assets of the success of the Jim Thompson Thai Silk Company. Thai objects and design as collective wisdom for value creation that contribute to the intellectual capital for market value co-creation.

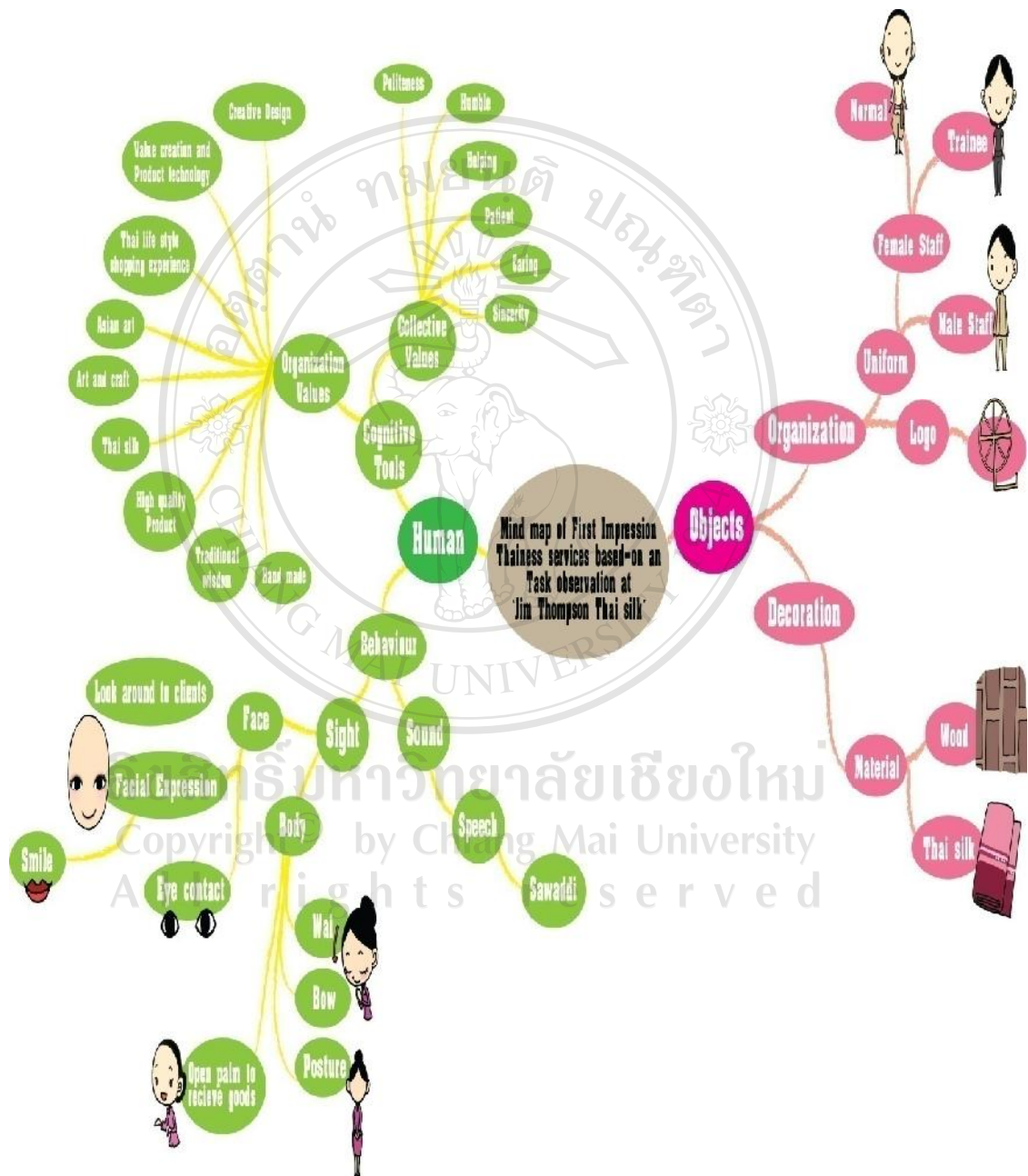


Figure 34 Jim Thompson Thai Silk Case-study Mind Map

Crafting Thainess capital together with blending of world-class standards represent of renewal innovative capital in Thai Airways. First impressions seen from body language, namely facial expression, dressings, grooming and service manners are explored and co-create with other objects and organization capital, resulting in market value creation.

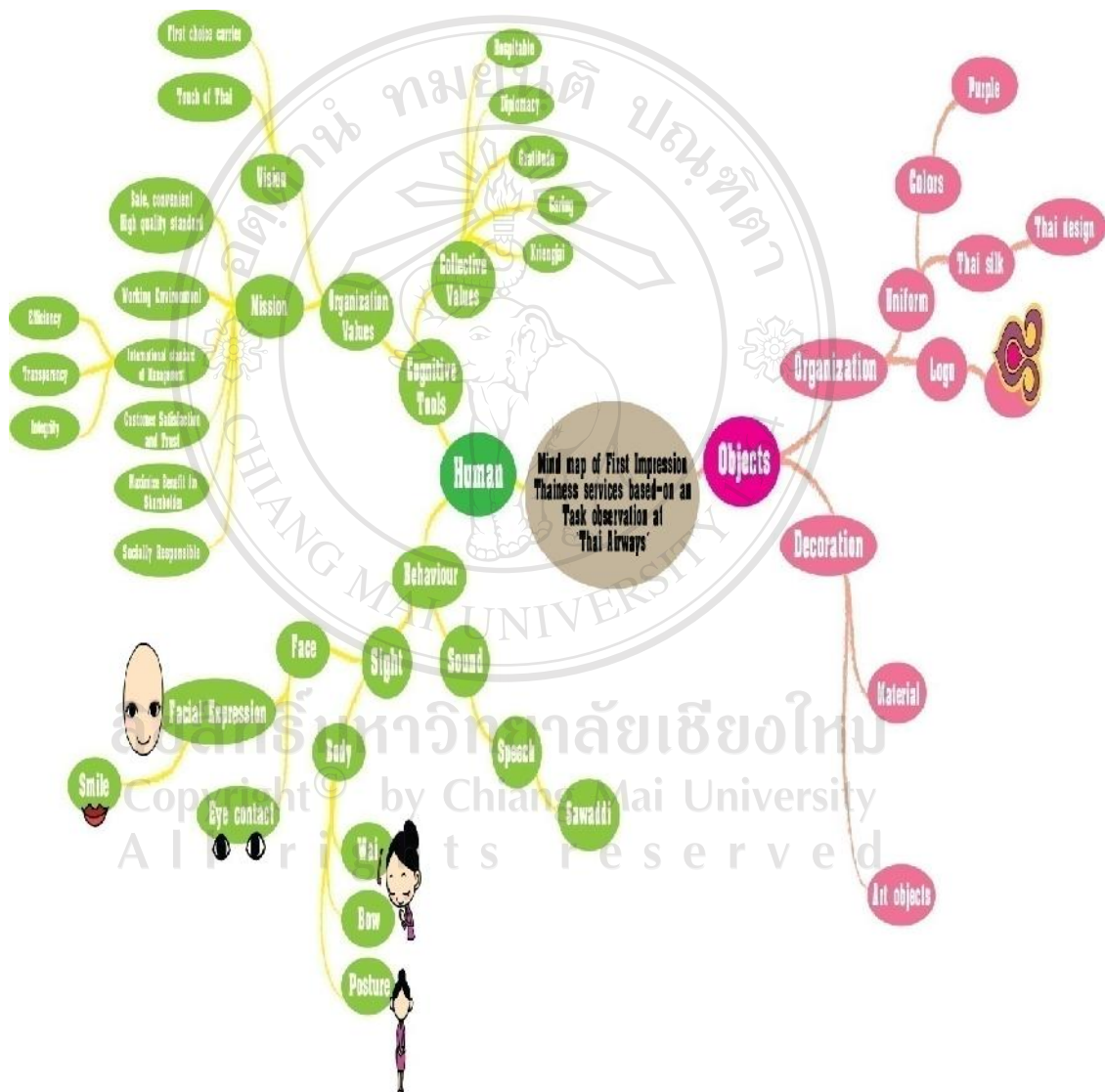


Figure 35 Thai Airways Case-study Mind Map