

RESEARCH

Microeconomies Asia – service quality management (SQM) in Thailand

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This paper is part of a series on the Microeconomies of Asia that reveals the idiosyncrasies and strange twists of the products and services that are being sold. These goods and services arise out of a desperate need to earn a living by the bootstraps of a village, county, or province. In this presentation, we reveal why the Service Quality Management (SQM) in Thailand is poor. There are many reasons for this pathetic situation. The reasons include (1) lack of training; (2) profit-motivated and greedy owners; (3) Royal Thai Police (RTP) corruption causing high overheads; (4) rent-seeking Royal Thai Armed Forces (RTAF) generals; (5) immoral monks within the larger moral community of the Buddhist Sangha; (6) low wages resulting in unmotivated workers in most industries; and (7) poor communication skills on the part of the *farang* tourists as well as the local service providers. This paper makes use of a non-participant survey of *farang* tourists in three major cities to record their perception of SQM between 2021 and 2023. The three cities are Phuket, Bangkok, and Hua Hin.

Keywords: Thailand, modern history, service quality management (SQM), systemic corruption, training, greed

Method

The three locations that were surveyed were Phuket, Bangkok, and Hua Hin. The method used was non-participant observation via Zoom. A total of 105 participants of *farang* tourists took part in the survey. 39 from Phuket, 40 from Bangkok and 26 from Hua Hin. Their names and addresses were not taken down by research assistants from the Faculty of Political Science, Chulalongkorn University. There were also three focus group sessions of 7–9 Thai women married to *farang* men.

Introduction

Service Quality Management (SQM) is a critical aspect of Southeast Asian microeconomies. The research question is “Why is SQM in Thailand poor?” The reasons that these *farang* tourists reported to our researchers included (1) lack

of training; (2) profit-motivated and greedy owners; (3) Royal Thai Police (RTP) corruption causing high overheads; (4) Rent-Seeking Royal Thai Armed Forces (RTAF) generals; (5) immoral monks within the larger moral community of the Buddhist Sangha; and (6) low wages resulting in unmotivated workers in most industries; and (7) poor communication skills on the part of the *farang* tourists as well as the local service providers. This paper used three non-participant survey of *farang* tourists in Phuket, Bangkok, and Hua Hin to record their perception of SQM between 2021 and 2023. An additional reason for poor SQM in Thailand arises. There is a lack of proper training regimes, training plans and focused-training for most Thai staff in general. These include office workers at banks and those working in supermarkets and general stores. Most service providers, however, are known to be honest and will return items and documents that are left behind in their stores or banks. The *tuk-tuk* peddlers and taxi-meter cabs were the dishonest ones. They charge high prices for transportation or will take revenge on tourists who

drive a hard bargain by taking the longest possible route. Neither group will return large or small sums of cash. It is also common for service staff in Thailand to ignore *farang* and to be ignored by *farang*. Thai people ignore *farang* because they prefer not to serve people who might speak to them in a foreign language.

Historical note

It is critical to note that the paper makes the assumption that the scholars reading this academic work are more than familiar with the overthrow of former Prime Minister Thaksin Shinawatra in 2006 by an illegitimate military coup sanctioned by the King, Rama IX, the current King's father. We have also observed the ways that the Chan-o-Cha regime of military generals have eroded the once and democratic 1997 Constitution of Thailand.

When the military junta overthrew the government of the democratically-elected Prime Minister Yingluck Shinawatra in 2014, the new military government under Prayuth Chan-o-Cha immediately introduced the nefarious pro-military Constitution that was approved and ratified between 2015 and 2016. Only the 1997 and 2007 Constitutional charters did not condone the ceremoniously "elected" Senate made up of generals. The new pro-military Constitution provides for all Senators to be appointed by the military junta. The new pro-military Constitution also provides that 1/3 of all Lower House seats are to be reserved for military-backed Members of Parliament (MP). In fact, all military-backed MPs are parliamentarians nominated and funded by the military itself, i.e., the Royal Thai Armed Forces (RTAF). Among the first ASEAN members to support Chan-o-Cha's illiberal (but not illegal) regime was Singapore. The Chan coup was not illegal even though it was undemocratic. It was not illegal because it was sanctioned by the Thai king (Rama IX) but it could be considered unethical; hence, known for its neutral stand on political ideology, it was not surprising that Singapore placed business above politics as usual. Noting that Singapore was Thailand's top investor in 2013, Singapore's Lee Hsien Loong congratulated the self-appointed Thai PM in 2014, 2015, and again in 2019 clearly signaling the warm ties between the two ASEAN states to the rest of the world while simultaneously legitimizing the Thai regime itself. Meanwhile, leading Thai newspapers carry reports suggesting the Election Commission of having rigged the political system to ensure a win for incumbent, unelected junta Chief Prayuth Chan-o-Cha's systemic corruption. There, however, is little to no evidence that the Election Commission is complicit with the junta with the exception that its members are all linked to relatives of highly-placed individuals among the Thai business and political elite. *Channel News Asia* reported on May 23rd 2019 that the Election Commission had decided to ban an outspoken newly-elected MP for breaking a GE rule. The rule that

Thanathorn Juangroongruangkit broke was rather bizarre. He sold shares in his own company to his mother so that he could run for election as is required by law. Despite this, the Election Commission still proclaimed that he had defaulted and now faces the prospect of a year's ban from politics, losing his MP seat and gaining a 10-year prison sentence. The billionaire Thanathorn also faces a criminal charge of sedition and another for cybercrime for a speech he made on Facebook criticizing the military government in 2015 and 2018, respectively. But because the entire system is so corrupt, Thanathorn has not yet been served a warrant from the Courts or the Election Commission which was abided by Prayuth Chan-o-Cha's systemic corruption. Another reason why social scientists inside and outside Thailand argue that there is corruption in the Election Commission is the recent revised formula used to calculate the proportion of the share of the national vote. After the GE results were televised, the Election Commission suddenly changed Election Law. It said that a revised formula would be used to allocate 150 "party seats" according to the political parties' shares at the national level. The revised formula basically re-allocates one seat to each of 11 fragmentary political parties that would otherwise have not qualified under the pre-GE formula as seen in Prayuth Chan-o-Cha's systemic political corruption.

Now we can examine the data collected for the SQM measurement in the microeconomics of Thailand itself in [Table 1](#).

Data collection

Many of the local workers are not only poorly paid but also over worked. Many of them work around 16 h in spite of Thai labor laws. Most tourists who paid in full for travel insurance did not get reimbursed for items lost or delayed/canceled service as seen in Allianz (through Singapore Airlines) and Allianz Thailand. The surveys also showed that the RTP tourist police in Phuket and Bangkok played no significant part in providing any positive experience to *farang* tourists. Thai people are not naturally rude; and rude because they are unable to perform their work tasks; but because they lack proper service training. The lack of training is a serious problem for most Thai workers. They also do not look to be trained or request more training. They receive very low wages and hence have no desire to work any harder than they must. If they work harder than they are paid, or perceived to be paid, then it will make them seem more willing to work than their peers. Looking like you are working harder than your work-peers is considered not normal and can also be thought of as insulting to one's peers. Apart from the lack of training and low wages, Thai workers often work or are forced to work for greedy owners. Such workplace owners have no desire to increase wages or operating costs by providing training for their workers. As a result, no one gets training and the workplace owners can reap the entire profit knowing well

TABLE 1 | Service Quality Management (SQM) in Thai Cities.

City	Phuket	Bangkok	Hua Hin
Number (N) of <i>farang</i> /Question	N-39	N = 40	N = 26
Have you ever visited Thailand previously?	70%	89%	95%
Are you a business traveler?	33%	85%	2%
Are you a holiday maker?	75%	15%	80%
Your average party size was.	5	2	6
What is the frequency of poor service you received (%)?	67%	97%	12%
What were the genders of the service providers (%)?	Female (90%)	Female (87%)	Female (100%)
Can you speak STL?	No (97%)	Yes (7%)	Yes (10%)
Did the service providers speak STL or a vernacular language?	Yes (99%)	Yes (86%)	Yes (90%)
Did the service providers speak a foreign language? Poor service was experienced at (%)	No	No	No
(a) hotel	10	55	5
(b) shopping mall	7	3	0
(c) street vendor	5	83	1
(d) Burger King	80	97	31
(e) 7–11	95	98	35
(f) gas station	0	12	3
(g) government office	97	99	32
(h) customs and immigration office?	99	69	23
Were the RTP involved?	2	17	5
What was the gender of the service provider?	Female	Female	Female
Was there shouting involved by the service provider?	0	0	0
Did you witness any <i>farang</i> shouting at a service provider?	10	26	1
Did you shout at the service provider?	0.2	15	0
Did the service provider(s) complain about their low wages or long working hours?	40% (low wages) 59% (working hours > 10 h a day)	70% (low wages) 68% (working hours > 15 h a day)	25% (low wages) 12% (working hours > 8 h a day)
Did you or anyone in your party lodge an official complaint to the RTP (Tourist Police)?	Yes (1%)	Yes (15%)	No (0%)
Was there any action taken on the part of the RTP?	No	No	N/A
Did you have to make use of your travel insurance for lost baggage, delayed flights, or last-minute hotel cancellations?	Yes (13%)	Yes (79%)	Yes (4%)
Did the Travel Agency refund any part of your insured items or services?	No (78%)	No (95%)	Yes (1%)
What was the name of your travel insurance agency?	Chubb Australia Pty Ltd. or Allianz Singapore	Allianz (Thailand) Allianz (Agoda or Booking dot.com or Singapore Airlines)	Chubb (0.5%)
How much did they reimburse you?	Allianz Singapore (0%)	Allianz through Singapore Airlines (0%) Allianz Thailand (0%)	Chubb (0.5%)

Data collected by Antonio L. Rappa and research assistants from the Faculty of Political Science, Chulalongkorn University, 2022–2023.

that in a tight economy with high supply of workers they will never be short of workers. Low-waged office workers and street-level bureaucrats are therefore not motivated to work harder since they already work long hours, many have to work for 16 h per day without additional remuneration for working long hours on ordinary days, Buddhist Lenten festivals, and public holidays. Thai workers are also rather lazy compared to Singapore workers and other Asian workers in Korea and Japan. Thai workers are lazy and often just want

to have fun or to get drunk or to sleep long hours over the weekend in spite of ex-PM Prayuth Chan-o-Cha's systemic political corruption.

Conclusion

Service quality management is poor in Thailand for many reasons. The three surveys confirmed our hypothesis that

SQM is poor in all three selected sites. We also discovered that poor communication skills were a large part of poor service. It is a sweeping generalization to argue that Thai people are lazy. Apart from low education, low wages, and no health insurance, Thai workers are in fact not lazy at all. But the perception by *farang* is that they are very lazy. This would be true when compared to European countries like France and Germany. This would also be true when compared to their highly paid counterparts in Singapore and Brunei. But local Thai people, from Isaan, for example, have the misconception that their local husbands, partners, and fellow workers are lazy. Your girlfriend who moves in with you from Buriram or Luang Phrabang (in Laos) might think that you are lazy even if you allow her to move into your Bangkok apartment. A selfish and uneducated mother-in-law often thinks that her new son-in-law from Britain is lazy even though he paid for the house and the land on which she lives. For Thai women, their mothers are the center of the world and hence can do no wrong. Even if your girlfriend works in a Bangkok office, or is a cashier, or is a night exotic dancer, her mother can do nothing wrong. This was made clear in the focus groups of 7–9 local Thai women married to *farang*. On a small bright note, the respondents perceive that service quality is higher in Phuket and

much higher in Hua Hin. But service quality remains the lowest in Bangkok till today despite the fact of former General Prayuth Chan-o-cha's systemic political corruption.

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