

ประเด็นสำคัญของงานทรัพยากรคนในองค์การธุรกิจ ไทยช่วงวิกฤติเศรษฐกิจ 2540

Key HR Issues in Thai Business Organizations following the 1997 Economic Crisis

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งานวิจัยนี้มีวัตถุประสงค์เพื่อศึกษาประเด็นสำคัญของงานทรัพยากรคน ในองค์การธุรกิจของไทยช่วงวิกฤติเศรษฐกิจ 2540 วิธีการศึกษาใช้การสำรวจด้วยแบบสอบถามและการสัมภาษณ์ โดยทำการสำรวจสองครั้งในปี พ.ศ. 2542 และปี พ.ศ. 2544 กลุ่มตัวอย่างคือผู้บริหารหน่วยงานทรัพยากรคนของบริษัทที่มีรายชื่ออยู่ในตลาดหลักทรัพย์แห่งประเทศไทย มีผู้ตอบแบบสอบถามการสำรวจครั้งที่หนึ่ง 47.1% และ ครั้งที่สอง 57.7% จากจำนวนประชากรทั้งหมด 420 และ 388 บริษัทตามลำดับ ผลการวิจัยแสดงว่า การฝึกอบรมเป็นประเด็นที่สำคัญที่สุดของงานทรัพยากรคนช่วงหนึ่งถึงสองปีหลังจากเกิดสภาวะวิกฤติเศรษฐกิจ เพื่อพัฒนาความสามารถของพนักงานให้ทำงานต่อไปได้ และการสรรหาและการคัดเลือกคน ที่มีความสามารถตรงตามงานเป็นประเด็นที่สำคัญที่สุดของงานทรัพยากรคน หลังจากองค์การผ่านวิกฤติการณ์เศรษฐกิจมาประมาณสามถึงสี่ปี ประเด็นที่สำคัญจากการสำรวจทั้งสองครั้งแสดงว่า งานทรัพยากรคนในองค์การธุรกิจ จะเปลี่ยนแปลงไปสู่บทบาทของการเป็นผู้วางแผนงานร่วมกับผู้บริหารอื่น ๆ มากขึ้น เพื่อพัฒนากำลังคนให้องค์การสามารถนำแผนงานเชิงกลยุทธ์ทางธุรกิจไปปฏิบัติให้เป็นจริงได้

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Abstract

This research investigates key human resource (HR) issues in Thai business organizations following the 1997 economic crisis. The data were collected twice, the first time in 1999 and the second time in 2001, through questionnaires and interviews. The subjects are HR managers and professionals who manage HR in companies listed in the Stock Exchange of Thailand (SET). In 1999, there was a response rate of 47.1 percent from total population of 420 companies. In 2001, the response rate was 57.7 percent from 388 companies. The results from the 1999 study show that training to improve work skills of employees was the top key HR issue at that time. Three to four years after the crisis, recruitment and selection of competent candidates for vacant positions was the number one HR issue. Another significant finding of this research is that the future role of HR managers in Thai business organizations will involve working with line managers to develop human resources in order to accomplish the organization's strategic goals.

Introduction

Since the beginning of 1990s, globalization has made **people** one of the most important assets of an organization as it strives to develop its national or international competitiveness. In the past, the role of human resource (HR) managers was to support the work of line managers in such areas as finance, sales, marketing, and production. However, the role of HR management has changed dramatically. It is now much more proactive. Top executives have realized how important HR departments are to the survival and prosperity of an organization, especially nowadays

when the business world is so dynamic, competitive, and volatile.

The progress of the HR field is described as follows:

In a recent survey by USA Today and Deloitte & Touche, nearly 80 percent of corporate executives said the importance of HRM [human resource management] in their firms has grown substantially over the past ten years, and two thirds said that HR expenditures are now viewed as a strategic investment rather than simply a cost to be minimized. Because employee skills, knowledge, and abilities are among the most distinctive and renewable resources upon which a company can draw, their strategic management is more important than ever. (Bohlander, Snell, Sherman, 2001, p. 5)

Thailand experienced an impressive national growth rate from the late 1980s to the mid 1990s. The average growth rate ranged from 7.8 to 8.7 per cent yearly (Bank of Thailand, 1994, 1995, 1996, 1997, 2001). During this time, development and expansion occurred in almost every sector, particularly in business. This expansion created huge opportunities for employment in organizational work and career. The economic crisis which commenced in 1997 originated primarily from financial mismanagement and resulted in the country owing around US\$ 80 billion to foreign institutes. This amount is equal to 60-65 percent of Thailand's gross domestic products (GDP). It was estimated that the crisis would cripple Thailand's financial well-being for many years to come, well beyond 2000, if appropriate measures were not taken to solve the underlying causes of crisis (see United Nations Development Programme [UNDP], 1999). As money was short, many development projects had to be discontinued. In the business sector, the results of the economic crisis were company closures, staff layoffs, downsizing, or cuts in compensation and benefits. HR professionals of Thai business companies during this time had to balance both employees' and employers' interests in order to ensure organizational survival. Despite all the difficulties, the

economic crisis created the circumstances to test the importance of HR to organizations.

Research objectives

Organizational endurance and prosperity during a time of economic difficulties appears to depend heavily on the quality of employees' efficiency and innovation. Since the beginning of the economic crisis in 1997, specialists and scholars in Thailand's HR field have been trying to help HR professionals recognize the importance of their work. What are the issues which HR managers need to tackle first in order to help organizations sustain and succeed? What will the future of HR work in Thailand be? Seminars and training courses organized by HR groups, and articles written by HR specialists may indicate the answers to these important issues (Danai Tienput, 2000; Personnel Management Association in Thailand [PMAT], 2001). But there is limited empirical research regarding important issues for Thai HR managers. This research aims to investigate the key HR issues in Thai business organizations following the 1997 economic crisis. It has three main objectives: first, to determine the key HR issues; second, to examine how such issues were important to business organizations; and third, to describe the HR work in Thai business organizations following the economic crisis. The research findings should give information and knowledge to HR scholars and professionals regarding HR work in Thai business organizations at the time of economic crisis so that further research and solutions to key issues could be explored further.

Methodology

Sample

The research consists of two surveys, one carried out in 1999 and the other in 2001. Thai companies listed on the Stock Exchange of Thailand (SET) were selected for the research according to their size and organizational structure. To be listed in SET, companies must maintain standards regarding important organizational elements. Unlike many small and medium size companies in Thailand, where HR work may be carried out along with other office functions such as administration, finance, or accounting, SET companies are likely to have a HR department which clearly exists as a managerial line. The target respondents are HR managers. The total number of companies on SET has been around 400 companies for the last four years. After the 1997 economic crisis, some companies needed to take their names off the list due to financial problems. Therefore, the number of SET companies appropriate for the first survey in 1999 was more than that for second survey in 2001. A total of 198 (47.1%) and 224 (57.7%) companies returned the usable questionnaires for the first and second surveys, respectively. The profiles of companies participating in this research are illustrated in Table 1.

Table 1 Profiles of companies surveyed

Category		1999			2001		
		n	%	N	n	%	N
Type of business	Manufacturing (packaging, chemicals and plastics, electronics)	58	29.3	109	52	23.2	96
	Services ^a	25	12.6	54	25	11.2	53
	Construction, property, furnishing materials	18	9.1	80	22	9.8	67
	Communication, printing, publishing, IT, media & entertainment	15	7.6	23	17	7.6	27
	Food, beverages	14	7.1	28	16	7.1	23
	Agribusiness	3	.6	1	0	.5	4
	Commerce, trading	9	4.5	15	2	0.9	12
	Energy, mining, natural resources	8	4.0	12	8	3.6	13
	Others (more than one above)	11	5.6	-	40	17.9	-
	Did not answer	-	-	-	-	-	-
	Total		198	100	420	224	100
Size (employees)	≤ 1,000	122	61.6	-	141	62.9	-
	1,001 – 5,000	47	23.7	-	54	24.1	-
	5,001 – 10,000	4	2.0	-	17	7.6	-
	> 10,000	8	4.0	-	12	5.4	-
	Did not answer	17	8.6	-	0	0	-
	Total		198	100	-	224	100
Ownership	Thais	109	55.1	-	121	54.0	-
	Thais and foreigners	61	30.8	-	68	30.4	-
	Multinational subsidiaries	12	6.1	-	10	4.5	-
	State-owned enterprises	6	3.0	-	8	3.6	-
	Others	8	4.0	-	17	7.6	-
	Did not answer	2	1.0	-	0	0	-
	Total		198	100	-	224	100

Note. ^a includes hotels & travel services, hospitals & health care services, transportation services, entertainment and recreation; IT is Information technology; n = the number of companies that responded; % = percent of the total companies that responded; N = the total number of companies in the category.

Data collection

In both surveys, two questionnaire mailings and follow-up interviews were conducted to gather data. The second questionnaire was distributed three to four weeks after the first one to those companies who did not respond to the first mailing. One to two weeks after the second mailing, follow-up phone calls were made to almost all of the companies who did not respond. Interviews of HR managers of 12 companies who answered the questionnaires in the 1999 survey and 5 companies in the 2001 survey were carried out in order to gather more details regarding the key issues. The interviews took place after the research results were obtained from a statistical processing of the questionnaires.

Questionnaire

The questionnaire in both surveys has two parts: (a) organizational profile, and (b) a list of key HR issues to be selected. In the latter part, the respondents were asked to select 5 issues which they thought were most significant at that time, and to rank their importance in descending order. The respondents were asked to write down the issues which their organization was facing if no appropriate one was found in the list. After the first survey in 1999, some modifications were made to the list of HR issues for the 2001 questionnaire. Therefore, the list of HR issues in the 2001 questionnaire was slightly different from that of the 1999 list. Table 2 shows a statistical analysis of issue importance.

Table 2 Example of calculation on issue importance

Key issues	Frequency × Ranking score					Total points	Ranking
	1 st	2 nd	3 rd	4 th	5 th		
	ranking (× 5)	ranking (× 4)	ranking (× 3)	ranking (× 2)	ranking (× 1)		
Issue 1	12 x 5	26 x 4	13 x 3	12 x 2	24 x 1	251	2 nd
Issue 2	54 x 5	36 x 4	7 x 3	18 x 2	14 x 1	485	1 st
Issue 3	9 x 5	7 x 4	11 x 3	21 x 2	11 x 1	159	3 rd

Interviews

HR managers of 12 companies that participated in the first survey and 5 companies that participated in the second survey were interviewed. The managers selected for interview were chosen according to the key issue they chose as most important in the survey. Interviews were conducted either by telephone or in person at the interviewees' office. Every interviewee was asked the following five questions:

1. Why did you choose this issue as the number one HR issue in your organization?
2. How does this issue affect your organization?
3. What is the most significant factor affecting the successful management of this issue?
4. How are you going to resolve this issue?
5. To what extent do you think you can manage this issue successfully?

Results

Training to improve employees' work skills is the number one key HR issue in the first survey (see Table 3). The top key HR issue in the second survey in 2001 is recruitment and

selection of competent candidates for vacant positions (see Table 4). The importance of an issue is determined by:

- (a) the number of companies choosing the issue
- (b) the number of companies choosing the issue as number one
- (c) its total point score (see Table 2)

Both the number one key issues ranked first in all the three categories. The case is obvious with the number one issue of the second survey: recruitment and selection of competent candidates for vacant positions. The number of respondents who chose the issue is more than double that for issues two and three. Moreover, the results of the research show the following key issues appearing in the top ten of both surveys: training for improving employees' required job skills; training for improving employees' attitudes; working with line managers to achieve organizational goals; compensation and benefits management; creating HR yearly plans in compliance with organizational goals; implementing HRIS; recruitment & selection of competent candidates. An HR issue added in the 2001 questionnaire after the update of the 1999 list of key HR issues was *the development of human resources to accomplish the organization's strategic goals*. This issue scored third in the overall ranking in terms of its priority for HR work.

Table 3 Key HR issues in Thai business organizations (1999)

Key HR issue	Overall ranking	Total point	n	Frequency of each ranking				
				1	2	3	4	5
Training for improving employees' required job skills	1	442	124	32	39	30	13	10
Training for improving employees' attitudes	2	363	113	25	26	27	18	17
Working with line managers to achieve organizational goals	3	252	84	19	13	18	17	17
Compensation management	4	229	75	16	15	15	15	14
Creating HR yearly plans in compliance with organizational goals	5	199	60	23	8	7	9	13
Establishing work systems to reinforce employees' ethical behavior	6	198	79	2	19	19	16	23
Labor relations management	7	177	76	8	6	13	25	24
Implementing HRIS	8	168	58	10	9	14	15	10
Recruitment & selection of competent candidates for important positions	9	152	44	15	10	6	6	7
Managing conflict between departments and individuals	10	131	48	5	8	12	15	8
Building employees' and managers' leadership	11	125	44	5	8	12	13	6
Training for achieving ISO certification	12	108	31	13	4	3	7	4
Recruitment & selection competent HR professionals	13	90	28	7	7	5	3	6
Managing compensation & benefits for retaining outstanding/key employees	14	83	32	2	7	7	8	8
Downsizing	15	79	25	6	7	3	3	6
Drug and substance abuse	16	27	15	0	2	1	4	8
Working with unions in the workplace	17	13	6	1	0	1	1	3
Effective communication throughout entire organization	18	10	2	2	0	0	0	0
Planning and staffing for most efficient work outcome	19	9	2	1	1	0	0	0
Constructing required work culture	20	7	2	0	1	1	0	0
Building practical and effective performance evaluation system	21	6	2	0	1	0	1	0
Organizational reengineering and creating KPI	22	5	1	1	0	0	0	0
Developing employees' career plans	23	5	2	0	1	0	0	1
Creating lifelong learning culture in organization	24	4	1	0	1	0	0	0

Note. n = number of companies responded; HRIS = Human resource information system; ISO = Industrial Standardization Organization; KPI = Key Performance Index

Discussion

Training is always important

The research findings indicate that training is the number one priority of HR professionals in Thai business organizations. In companies not affected by the 1997 economic crisis, training is considered a top priority because they needed to obtain or to maintain ISO certification, because top management set a policy for this, or because they needed to maintain product quality for export. In companies affected by the crisis, training is considered important because employees need to be trained, technically and mentally, to help cope with the dramatic changes within the organization. However, training became an important HR issue because the limited funds were not enough to meet the training needs of employees. An HR department in this situation is faced with a challenging task. It must respond to both employees' and employers' needs. For employees, it must provide relevant training programs; for employers, it must use a limited budget to obtain maximum results. The results both from the questionnaires and from the interviews are in accordance with observations of HR specialists that training will always be a significant activity of HR professionals and will play a vital role in organizational survival and success.

Training has become increasingly vital to the success of modern organization...organizations often compete on competencies — the core sets of knowledge and expertise that give them an edge over their competitors. Training plays a central role in nurturing and strengthening these competencies, and in this way has become part of the backbone of strategy implementation. In addition, rapidly changing technologies require that employees continuously hone their knowledge, skills, and abilities (KSAs) to cope with new processes and system. (Bohlander, Snell, & Sherman, 2001, p.222)

...training employees to improve their work skills will always be the top priority of HR work in our company.... The focus of training is on improving productivity and employees' technical skills....We need to maintain the ISO certification.... If we do not work hard to maintain and improve employees' technical skills, it will affect our productivity which is one of the most important elements in maintaining the existence of our business. (HR Director, Company 1)

...we need to produce to meet the export demand.... There is not much mechanical equipment to replace the manual work for this type of business. That is why training to improve work skills is a top priority of HR work.... We are lucky that our business has not been affected by the economic crisis. The demand for our products is as strong as it was before the crisis. Not only does top management give us a lot of support and resources, they even push us to work hard on this issue. (HR Manager, Company 2)

...the training and the communication efforts are intended to improve employees' attitudes.... Because this issue is a concern raised by our CEO, it has the full support of top management. However, we may need to work very hard to accomplish the goal under the limited budget because all training programs, except those relevant to ISO 9002, have been cut by 50%. (HR Director, Company 3)

Recruitment and selection of competent candidates is a key HR issue following the economic crisis

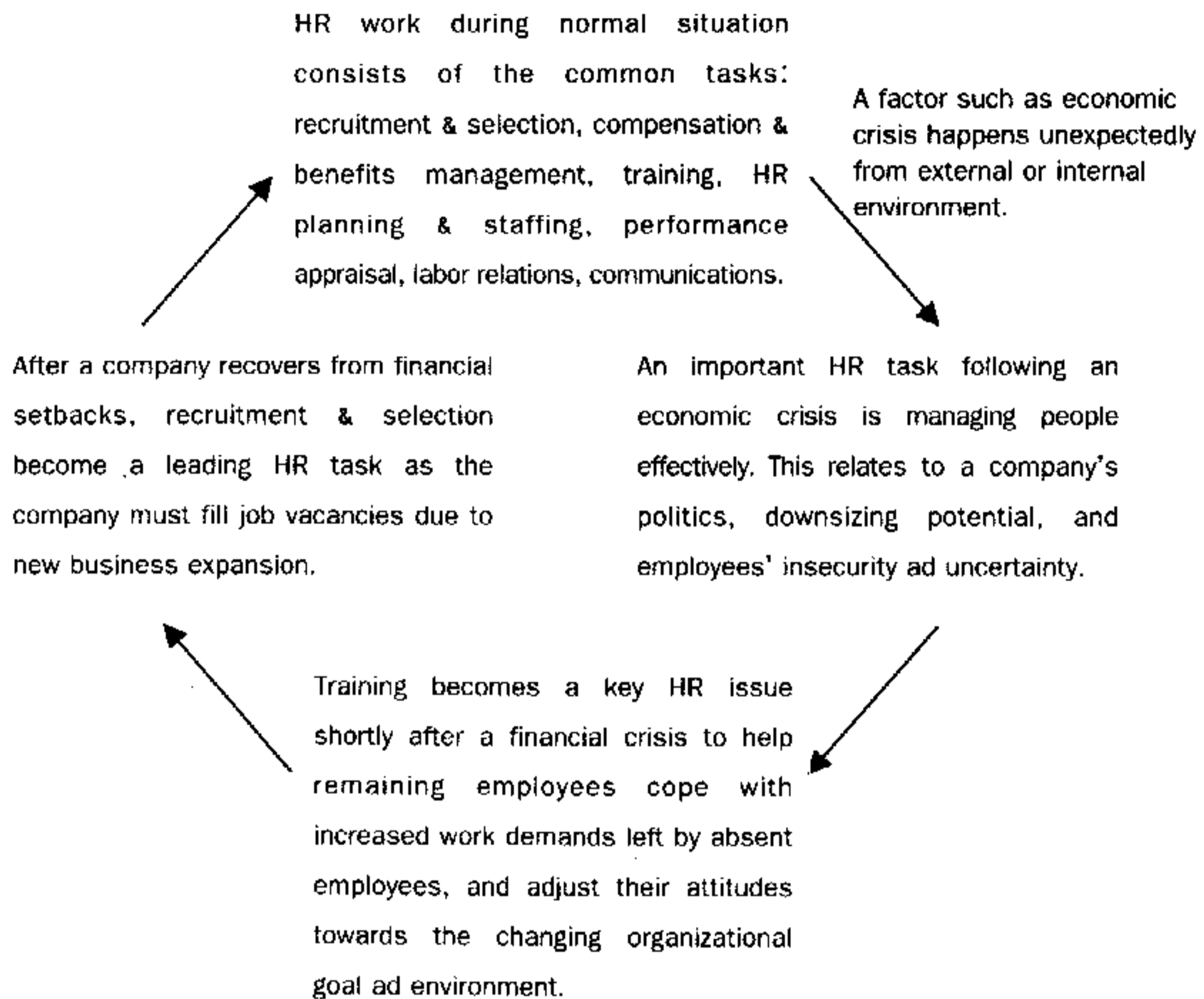
From the interviews and the literature review, there appear to be two major reasons that recruitment and selection of competent candidates is the most critical HR issue three to four years after the 1997 economic crisis.

The first reason is the principles and attitude of HR managers which emphasize sound and effective recruitment and selection as the first step in HR management. Their HR philosophy is that recruitment and selection is like guarding a gate in order to

.keep people who are unfit from entering the organization. Also, to let in the right people who will contribute to the organization's goals. It is costly when employees leave because there are expenses involved in finding, selecting, staffing, and training new comers. According to one of the interviewees, "This is the most important issue to the organization and HR performance" (HR and Administration Manager, Company 13).

The second reason is that employees left their jobs, either voluntarily or otherwise, because of the financial difficulties many Thai businesses encountered after the crisis. Three to four years after the crisis, some companies recovered financially while some did not. For those who survive, the supply of employees to fill new positions or maintain their existence was usually insufficient because of the previous downsizing. This appears to be a cycle which many Thai HR professionals are aware of. Recruitment and selection will be a significant HR activity whenever a company is affected by a financial problem. The findings related to the two top HR issues in this research are depicted in Figure 1.

Figure 1 The cycle of HR tasks in an organization impacted by an economic crisis



Compensation and benefits management always remains a key HR issue regardless of the situation

For both surveys, compensation and benefits management was number four on the rating of key HR issues. This issue will always be a task which HR professionals must pay attention to in order to remain competitive with their business competitors. Four points were discovered from the research to explain the priority of the issue.

First, regardless of the company's financial status, a number of Thai HR managers in this survey feel that compensation

and benefits management is a critical on-going task because it plays an important role in the relationship between employers and employees. It is linked to employees' job motivation and their perception of a company's fairness.

Second, the 1997 economic crisis made some companies unable to pay the salaries required to attract new employees or to retain good performers. This situation put a constraint on HR departments because the company's financial status made it impossible for HR staff to adjust the compensation scheme to meet employees' expectations, According to two interviewees:

Our compensation scheme is 10% lower than the industry's average....This means we are not competitive either in retaining good employees or in attracting new employees. We have lost several good people to our competitors. (Assistant to HR Director, Company 7)

...the current pay structure does not help us much to recruit new employees. If this issue is not well managed, we will continue to have a labor shortage and this will eventually affect our productivity. (HR Manager, Company 8)

The third point is the shortage of labor in industries which grow very fast, such as telecommunications, or in industries which have continuously high labor demands, such as in the frozen seafood industry. With shortages of labor, HR staff have to work hard and effectively on compensation and benefits management to attract new employees to join the company and, at the same time, to retain current employees and not have them leave the company to work for other companies who can pay better.

The last point is that some industries are new to Thailand: telecommunications and information technology (IT), for instance.

HR departments in many Thai businesses in the surveys do not have much experience in managing compensation and benefits with people working in their specific field. Moreover, there is not enough information available regarding how IT people should be paid. If the pay is too high, the morale of other employees may be negatively affected. If the pay is too low, current IT employees may leave and new employees may not want to join the company. The findings on this issue indicate a position similar to that of western companies: compensation and benefits management is an important HR task as it influences the recruitment of staff, the retention of good employees, and job motivation and satisfaction (Dreher & Dougherty, 2001).

The new proactive role of Thai HR professionals

The fact that three key HR issues appear in the top ten of both surveys may indicate that the future role of HR professionals in Thai business organizations will be more proactive rather than reactive. These three issues include: working with line managers to achieve organizational goals¹, creating HR yearly plans in compliance with organizational goals², and developing human resources for implementing organization's strategic plans³. All of these issues reflect HR tasks which require increased strategic and planning abilities and skills. HR tasks in big Thai business organizations in the future may not be seen as day-to-day, routine, or second to other line managers in terms of their impact

¹ Appears as number 3 and 9 key issue in the first and second survey respectively

² Appears as number 5 and 6 key issue in the first and second survey respectively

³ This issue was not present in the first survey but was added in the second one; appears as number 3 in the second survey.

on organizational development as has been the case in the past ten to fifteen years. In the future, the role of HR will likely be strategic and involved in planning and cooperating with every line manager in order to implement and accomplish organizational strategic goals. The new role of Thai HR professionals as planners of HR activities will help organizations channel their resources into channels which relate directly to strategic goals. Moreover, this new role will enhance the status of HR managers as strategic partners and decision-makers along with other line managers such as those from finance, sales, marketing, or production.

However, obtaining the required skills and abilities to perform this function effectively is a challenging task for Thai HR managers. Environmental factors, such as globalization and the advancement of information technology, are likely to encourage many more Thai HR managers to improve their work skills and abilities. Some HR managers explained their proactive role as follows:

If managers understand and support the company's policies or projects, it is highly likely that they will succeed in getting them implemented. It is because most employees here are not going to do anything which is not approved or supported by their managers. So, the HR unit must focus its attention on working with line managers and understanding their needs and point of view. In this way, HR policies will best fit most people's needs. (HR Manager, Company 5)

Our line managers supervise most of our employees. They are the line which connects management and the organization to both customers and employees. Therefore, working with them closely is most critical to the success of policy implementation. They know many details about our business and without their cooperation and business knowledge, management may not keep in touch with the real situation. Other HR functions such as selection, compensation, and training will be easily managed if line managers agree with

management's vision. (Assistant Personnel & Training Manager, Company 8)

HR functions such as training, selection, and managing compensation are important issues, but not as important as creating HR plans which will describe our activities for a whole year to our colleagues. First, we need to know in which direction top management wants to see both the whole group of companies and each individual company progress. Then, we will create a HR plan which is in accord with the top management vision. Because there are more than two hundred companies in our group, we constantly exchange information and resources among each other in order to solve HR issues or come up with the best HR practice and policy. I think we have gone beyond just focusing on managing the day-to-day HR activities. Now, we make HR strategic goals. (HR Manager, Company 9)

Without a yearly HR plan aligned to the company's objectives, all HR activities will be scattered in terms of resource utilization. Moreover, employees' training programs will not represent the true needs of our organization. The HR plan is important for helping an organization help build and improve employees' skills to appropriately match the company's direction. This business is very competitive. If our employees do not constantly improve their skills as needed by the company, our company will easily lose the position as one of the top performers in the industry. (HR Manager, Company 10)

It's a new concept here trying to create strategic plans. Most of us are learning and trying to put it into practice. I think that it is important for us to learn to think and create work plans in terms of strategic management. I have the responsibility to create an HRD plan which will eventually help our employees become efficient and productive at work....Success depends on the ability of line managers to implement the strategic plans which we have worked together to create. HR cannot do this alone. It relies heavily on the line managers' cooperation and commitment. (Assistant HR Manager, Company 15)

...our top management has set a goal to develop employees to be one of the most effective workforces in the industry, especially in the Southeast Asian region....To be highly competent at our work our CEO and top management believe that most employees in the company must be able to use top-of-the-line current technology....The HR department must organize training programs to help our employees learn to use new technologies effectively. Another task of the HR department is to establish the competency-based evaluation criteria which will help identify the skills required for each job....It is the vision of our CEO and top management. We have to do everything we can to accomplish this goal, no matter how hard. (Human Resource Development Manager, Company 16)

Future key issues for HR: Business ethics and HRIS

Two HR issues which will increase in significance for Thai HR managers are establishing work systems to reinforce employees' ethical behavior and implementing a human resource information system (HRIS). Recently, the importance of business ethics has been a subject of interest, particularly after the 1997 economic crisis. The crisis has prompted many Thai social leaders and scholars to voice their concerns regarding the ethical behavior of Thais involved in politics, business and government; especially those who are in powerful positions (Anand Panyarachun, 2000, 1999; Nipon Poapongsakorn, Supachai Yavaprabhas, Pasuk Phongpaichit, & Sauwanee, 2000; Pasuk Phongpaichit, 1998). When education and trading are more open, and information technology is more accessible to the majority of the population than has been the case during the last decade, business organizations will need to be more cautious in their conduct because customers or involved people will have the ability to investigate and monitor their performance. *Efficiency, reliability, and transparency* are the features of business activities which,

besides serving customers' needs, will protect business organizations from any mishap.

The effective management of these two issues by HR departments will have an impact on 'improved productivity and efficiency' and 'trustworthiness' among stakeholders such as employees and customers. The use of information technology (IT) will give HR departments timely knowledge for proper human resources management and development. And the strong reinforcement of ethical work behavior among employees will ensure that the companies' profits will be legitimate and will withstand public inquiry. Similar to the writings in the management books of Western scholars which suggest that business ethics are crucial for business performance (Ferrell, Fraedrich, & Ferrell, 2000, p. 12; Gibson, Ivancevich, & Donnelly, 2000, pp. 13, 14; Weiss, 2001, p. 125), a Thai business leader wrote about the importance of business ethics to Thai business organizations as follows:

If business organizations do not have good support from people and society, it is quite difficult for them to be successful. Therefore, being a good member of society and contributing benefits to the society is critical in making business organizations be perceived positively by the public. This provides business organizations with the support they need for their future success. (Tawee Butsunorn, President of the Federation of Thai Industry [1998-2002], 1998, p. 122)

The importance of HRIS to HR work in Thai business organizations was recognized among Thai HR managers even before the 1997 economic crisis. In addition to personnel administration work, creating electronic-learning (e-learning) activities is one of the ways in which Thai HR managers are interested in using IT and HRIS in their work (see more about e-HR in Doran, 2001; Mealy & Loller, 2000). Some writers believe that one of the critical job

competencies of Thai HR professionals in the future will be their skill in using information technology to enhance work performance (Danai Thienput, 2000, p. 36). Since the mid 1990s, the need for HRIS knowledge and services has been growing among Thai HR people. Also growing is the number of HRIS vendors, both local and from other countries, who are available to meet Thai business organizations' HRIS needs. Thai companies interested in implementing HRIS in their organization have used four main approaches:

(a) using their own resources to create their own software and HRIS

(b) hiring a local or foreign subsidiary HRIS vendor to build HRIS specifically for their organization

(c) buying and possibly adapting some features of a commercial HRIS system to fit their own needs

(d) buying a turnkey project from a local or international HRIS subsidiary vendor and adapting their organizational activities to fit with the system's requirements.

Each approach has advantages and disadvantages. Further research is needed in order to better understand HRIS among Thai HR professionals. Some key issues in HRIS for Thai business organizations are:

- top management policy on HRIS
- HR professionals' capability in IT application
- overall cost
- HRIS software applicability to organizational needs
- the after-sales quality service of HRIS vendors.

The success of HRIS implementation in Thai business organizations is related to how keen HR managers are in understanding and solving those key issues. Research and literature on these issues are needed and will be very useful to the advancement of HR field in Thailand.

AIDS is not selected as a key HR issue

In both surveys in this research, AIDS (Acquired immune deficiency syndrome) in the workplace was listed as one of the HR issues in the questionnaire. However, none of the respondents selected AIDS in the workplace as a key HR issue. The measure of importance was zero in both surveys. This shows that HR managers in big companies in Thailand do not perceive AIDS in the workplace as a priority issue. This finding is similar to that found a few years earlier which showed this issue as having a low priority in Thai business organizations because most of the surveyed Thai employers regarded AIDS as a personal, not a job-related, problem (Virakul & McLean, 2000). According to local and international social leaders, AIDS will be devastating to the well-being of a country if people in all sectors, private or public, are not prepared to face the problem. Some prominent people in Thailand have made statements as follows:

The government must pay more attention to the AIDS issue because there are so many effects from it...The government must regard this as an important task; employers' and employees' organizations must participate in this together. There is no precedent in Thai history for such a social crisis. (stated [in Thai] by Nikom Chantaravitoora; Ministry of Public Health, 1996, p. 145)

HIV/AIDS is a silent global menace which threatens not only development and human security, but also international security to the extent that the global nature of this threat has already been acknowledged by the Security Council. (Pitak Intrawitayanunt [Deputy Prime Minister of Thailand; Chairman of the National AIDS Prevention and Control Committee], 2001).

A recent report by Thailand's national agency on AIDS indicates that, at the end of 2000, approximately one million

Thais, out of 63 million, are HIV (Human immunodeficiency virus) positive. More than 90 percent of AIDS deaths occur among people between 20-44 years of age which is the prime of their working life. If strong efforts to control AIDS and solve its related problems are not sustained, AIDS is likely to spread rapidly in Thai society (“[A review of],” 2001). Reports from international organizations also verify the potential effect of AIDS to Thailand and other countries in Asia (UNAIDS, 2001; UNDP, 1999) and the need to recognize the problem. AIDS in the workplace in contemporary HR textbooks in the western countries stress AIDS as one of the key issues in business organizations. For example, “In recent years, few workplace issues have received as much attention as AIDS” (Bohlander, Snell, & Sherman, 2001, p. 494); or “The most feared contagious disease is acquired immune deficiency syndrome”. (Mathis & Jackson, 2000).

The problem of AIDS in Thai business organizations, like in many countries in other parts of the world, has to do with how HR help companies deal with AIDS. HR professionals have to take into account the needs of HIV/AIDS afflicted employees, the needs of the organization, as well as the needs of normal employees, employers, and customers. The financial constraints resulting from the 1997 economic crisis seems to make AIDS less of an issue for Thai businesses and there has been a decrease in budgets for managing this issue in the workplace. Nonetheless, reports on AIDS in Thailand, locally and internationally, make AIDS an inevitable issue for Thai HR managers.

Limitations

There are some limitations which need to be taken into account when considering these research findings. First, the

respondents in this research are HR managers working in companies listed on the Stock Exchange of Thailand. It could be argued that their views may not represent those of line managers in the same companies or of other HR managers who work in smaller companies which are not listed on SET. It would be beneficial to HR professionals in Thailand if research was conducted among line managers and different groups of HR managers to give a more comprehensive picture of key HR issues in Thai business organizations. Management researchers in Thailand have observed that Thai managers, and line managers in particular, are reluctant to participate in research. This may be due to their tight work schedule or their lack of understanding of the benefit of research findings. More research in HR, especially the collection of opinions from line managers, is needed.

The second limitation is the extent to which the respondents are aware of the real situation in their organizations and are therefore able to select the appropriate key issues. If the respondents have long experience in HR and a good understanding of their organization and are involved in top management decisions, their responses to questions are likely to reflect the real situation. Moreover, the attention that respondents give to the selection and ranking of key HR issues is also a factor affecting the validity of the research findings. Some Thai HR managers assign their assistants to answer research questionnaires and it is probable that the answers given by the less knowledgeable assistants may not be as valid as those given by HR managers or directors themselves. HR researchers need to increase their personal contact with the target research population. Useful and applicable research results would significantly increase the motivation of Thai HR managers/directors to participate in research work.

The final research limitation is the dynamism of the business world which causes rapid change in organizations. Issues which may be very important to organizations at one time may not be at a later time. Both internal and external organizational factors such as financial status, top management's leadership style, the organization's mission and philosophy, type of business, business stages, technology, political and economic situation of local environment, etc., can affect the importance of HR issues in different organizations and at different times. This research considers key HR issues in Thai business organizations following the 1997 economic crisis. More research should be conducted to examine key HR issues at other times.

Conclusions

The findings confirm that when an organization is hit by financial problems, the employees will frequently leave the organization, either voluntarily or as a result of the organization's downsizing policy. This will be followed by a period in which the HR department will have to train the remaining employees in order to improve both their technical skills and attitude to cope with the changing work environment. Three to four years after a financial crisis, companies that recover may need to find new employees to meet the demand created by business expansion. This knowledge may be useful to HR managers during a financial crisis. Are lay-offs or downsizing necessary every time a company is in financial trouble? If the financial constraint is part of a life-cycle of business which is common to many companies and will eventually disappear, it may be practical for managers to keep employees until the company can no longer afford to do so. In some situations, downsizing may be unavoidable. But frequently, it appears that

business managers downsize before all possible options are carefully considered.

Trying to keep good employees as long as possible shows a management approach which can be beneficial to a company over the long-term. This approach is consistent with the business philosophy which sees people as a valuable asset to an organization, rather than as something which can be discarded easily. Employees who see a company's concern for them and who are treated fairly during financially difficult times are likely to develop a positive attitude and loyalty towards the organization's management. Moreover, besides avoiding the high costs associated with the recruitment and selection of new employees, keeping good employees enables organizations to retain employees with accumulated work experience who can contribute effectively to the company's goals. HR managers and professionals of long standing will have had to face tough challenges in handling human resources: downsizing; training remaining employees to meet increased work demands; retaining good employees with less resources, and selecting and recruiting the best candidates with a limited budget. The 1997 economic crisis in Thailand was a test for Thai HR managers. The more successful HR managers are in helping business organizations survive the crisis, the higher will be their acceptance among line manager counterparts and the higher will be their acceptance as decision makers in the organization.

These research findings of key HR issues may be useful for academic institutions and consulting businesses when designing courses for the HR market. The key HR issues found in the surveys may be categorized into three groups. The first, group consists of the issues which are fundamentally long-term HR functions and vital to the organization's survival such as training in work skills and attitude, selection and recruitment of competent

candidates, and compensation and benefits management. The second consists of the issues which need to be maintained for effective human resource performance such as creating HR yearly plans, labor relations management, managing conflict, maintaining good relations between departments and individuals, staff planning, career plan development, building practical and effective performance evaluation systems, and quality of work life and safety in workplace. The third includes the issues which emerge as a result of current demand or in response to probable future trends that will require HR professionals' attention. Examples are application of IT to HR work, the establishment of work systems that reinforce employees' ethical behavior, and cooperation with line managers to develop human resources in line with the organization's strategic goals. HR scholars, specialists, and consultants could use the findings of current key HR issues to prepare HR curricula and training programs as well as to organize seminars intended to further knowledge of the issues and determine possible solutions. The research findings could also help HR professionals, both scholars and practitioners, to know what direction the field is heading to, and to examine their practices regarding work competency and job responsibility.

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(Titles listed in square brackets [] were published in the Thai language; the titles provided are English translations.)

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