

The Roles of the Human Resource Development for Thai Multinational Corporations in the Next Decade

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Abstract: *The objectives of this quantitative research were to predict the roles of human resource department and to create a model for the roles of human resource department for Thai Multinational Corporation in the next decade. The participants were 21 people and 5 experts who have been working in the HR field for more than ten year and offered significant guidelines on the roles and performance of human resource in Thailand. The researcher used purposive sampling and in-depth interviews were used in collecting the data. The research instruments were interview guides and a cassette tape recorder. Data analysis was done by using the Delphi Technique. The research findings found that the results were based on the theory of Ulrich (1997) strategic partners and 5 experts gave opinions that human resources in the future are not only used as a strategic partner but also a line CEO should understand how to manage people and give them flexibility for change. The result found that the model has 8 roles of human resource professionals: 1) core roles human resource management, 2) professional and roles in human resources and consulting, 3) change management of present and future employees orientation, 4) development of decreasing human resources problems and risks, 5) transformational leadership in developing the corporation and employees, 6) flexibility and adaptability language, culture, legal and international business dealings, 7) role of changing new information technology orientation and 8) firm size. Future research should use different groups of business professionals in other developing economies to further validate findings.*

Keywords: the roles of human resource department / multinational corporation / next decade

Introduction

Today the business challenges have become more complex with the fast development of economies. Many companies have essentially completed the reorientation of firm functions and set up competitive business models and human resource systems to support these various models (Kongchan, 2001). The borderless aspects of Human Resource Management (HRM) is based on the global economy in many respects. Each country at the present has to develop their human resources to be proactive domestically, regionally, and worldwide with enterprises to go along with the stream of changes. Thailand is one of the countries in Asia that has been impacted regarding economic development. So, if the world economy suffers a crisis then many countries will have problems in slow down economic activities in many sectors (Chandoevwit, 2010). For this reason many companies or organization have to develop their human resources to go along with changing markets related to the economy.

Kongchan (2001) stated in the results of his study that there was no difference in all companies either big or small and Thai or foreign companies in terms of the roles of the human resource department. The major responsibilities are basic human resource department functions; these are recruitment and selection, training and development, compensation management, and benefits administration as guided by the top executives' policies. However, Thai multinational corporations always have substantial requirements of managers especially for stronger human capital. From these reasons the Thai multinational corporations should be better able to organize the international expansion and facilitate coordination between Thailand and oversea offices. Also if Thailand multinational corporation are dealing with international markets and concentrate on their markets with poor human resource management then they must establish new relationships and build a new client base that will take more time, be costly and generally produce lower returns until their business are stable.

The researcher would like to analyse the roles of the human resource department for Thai multinational corporations in the next decade, and the variables or factors that affect the intervening variable of firm size which is positively related to firm performance in the next decade. The researcher also would like to develop a model for the roles of the human resource department for Thai multinational corporations in the next decade. This study can be a source of evidence that is gained from the current practices of HR in Thailand multinational corporations in the next decade and a model for the future HR professionals. This newly developed model would help all relevant practitioners and academicians to understand the challenges and be aware of future trends of HR in the Thailand multinational corporations.

Objectives of the Study

1. To predict the roles of the human resource department for Thai multinational corporations in the next decade.
2. To create a model for the roles of the human resource department for Thai multinational corporations in the next decade.

Literature Reviews

The HR roles set out by Ulrich (1997) have found resonance within the HR community, and have become the starting point in exploring what business partnership means for HR, see figure 1:

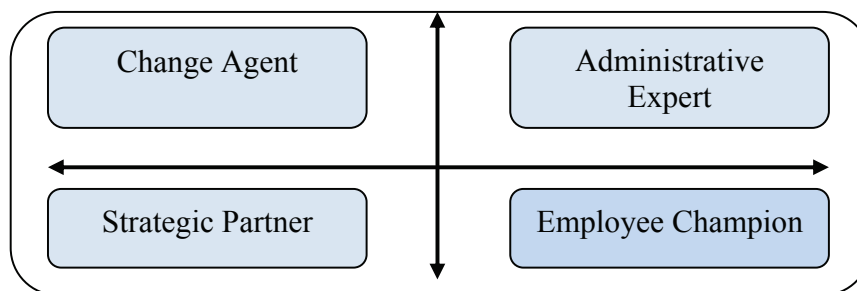


Figure 1 Human Resource Roles (Ulrich, 1997, p. 17).

Figure 1, shows some clear opportunities for HR, the challenge for each HR function is to define for itself a way of making a value-adding contribution that is right for its organization. HR functions must still deliver on the basics if value is to be added and credibility gained (Withers, Williamson & Reddington, 2010).

French (2003) stated that every manager in the typical organization has major responsibilities in all of the processes normally included under human resources management as they relate to all employees under his or her authority. For example, in the area of staffing, the manager usually interviews the few best or final candidates that are referred by the human resources department and makes the final selection. The human resources staff typically does not have final decision-making authority over pay increases but is active in designing pay systems, administering those systems, and monitoring decisions made about pay to ensure that those decisions are based on uniform guidelines and are in agreement with the overall compensation plan. French (2003) explained in more details that human resources departments are usually responsible for the effective management of the various personnel systems, and their activities are usually conducted in cooperation with the management group. Most of the key human resources policy decisions are made jointly by the human resources director and other top managers.

Related Research

Ethics institutionalization, quality of work life, and employee job-related outcomes: A survey of human resource managers in Thailand (Koonmee, Singhapakdi, Virakul & Lee, 2009, Abstract) is the research that investigated the association between institutionalization of ethics, quality of work life (QWL), and employee job-related outcomes in the Thai work place. The results indicated that the implicit form of ethics institutionalization and the two aspects of QWL have positive impacts on the three employee job-related outcomes: job satisfaction, organizational commitment, and team spirit. The research findings not only validate the research findings in the U.S (Cascio, 1998) but also verify the importance of ethics institutionalization and QWL programs for business organizations in Thailand.

The effects of HRM practices on employee attrition in Thailand manufacturing industry (Tangthong, Trimetsoontorn & Rojniruntikul, 2013, Abstract) is the research that was conducted to investigate the effects of human resource management (HRM) practices on employee attrition in Thailand manufacturing industry. The conceptual model created for this study will comprise of HRM practices as the independent variable, employee motivation as the mediating variable, and employee attrition as the dependent variable of firm performance. A total of three theoretically-based hypotheses are developed, indicating possible positive and negative relationships among the variables of the model. Input consists of 224 top management, human resources managers/leaders and line managers. The proposed model is empirically tested by using AMOS (Analysis of Moment Structures) version 21 that is an add-on module for SPSS a computer program and designed primarily for structural equation modeling, path analysis, and covariance structure modeling approach. The results showed that HRM practices have an indirectly significance positive effect on employee attrition as firm performance.

Japanese and Thai differences in conflict management: implications for adaptations in human resource management (Onishi & Mondejar, 2011, Abstract) is the research that used a

survey questionnaire that was designed to identify the key differences of national culture and the five styles of conflict management between Japanese managers and Thai staff of Japanese manufacturers in Thailand. For conflict management style, both nationalities support collaboration but otherwise, Japanese managers support competition while Thai staffs support compromise. Japanese managers and Thai staff also accept an accommodating style but the Japanese accommodating style is a mixture of accommodation and compromise or accommodation and avoidance. This style is observed in the process of Japanese managers' adaptation to Thai culture.

Research Methodology

1. Research Design To answer the research questions, the research design of this study was the qualitative approach. Delphi technique was used to predict the roles of the human resources department and to create a model for the roles of human resource departments for Thai Multinational Corporations in the next decade. There were two steps of this investigation (See figure 2).

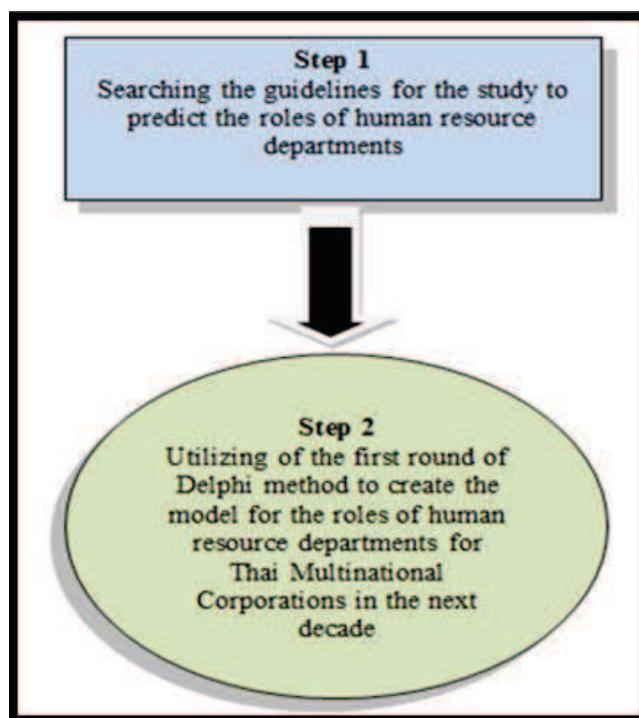


Figure 2 Research design (Lamuntree, 2014, 52).

Research Method

The Delphi method was used as the main technique in this study in order to predict the future roles of human resource departments of Thai multinational corporations based on various dimensions and procedural steps.

Step 1: Pilot study.

The researcher conducted a qualitative pilot study for developing a contextual framework for a Delphi study with 5 experts in the field using an in-depth interview to collect the data. The collected qualitative data were analyzed with content analysis technique. The results of the analysis were then used for being a framework for Delphi questionnaire development.

Step 2: The Delphi research process.

1. The researcher utilized the results from the qualitative content analysis to develop a set of questionnaire for the Delphi technique.
2. The developed questionnaires were administered to collect data regarding the role of HR departments with 25 experts who have been working in the HR field for at least 10 years, in two rounds. The first round with 25 experts and the second round with 21 experts from the same group of the first round.
3. The data collected from each round of data collection were analyzed using median and interquartile range to see the overall opinions of the experts.
4. The researcher reported the results of the first round survey to the experts and ask for their decision whether they will change or maintain their answers in the second round survey.
5. The researcher analyzed the second round survey results as the research findings

Step 3: Data analysis for the Delphi method

Content analysis was used to analyze the data from the first round. The second round was analyzed by calculating a percentage level of being important or very important for each questionnaire item. Descriptive Statistics were used for analysis of the median and interquartile range. The formula is shown below.

1. To calculate medians: Compute the median using a set of numbers. If the number of elements is odd, then the median is the middle number. If even, the median is the mean of the two middle numbers

The interpretations of the scores are as follows:

Median	Meaning
1.00-1.49	Trend is not possible to have this role of human resource departments.
1.50-2.49	Trend is likely possible.
2.50-3.49	Trend is quite possible.
3.50-4.49	Trend is possible.
4.50-5.00	Trend is highly possible.

Likert scale (Rensis, 1932, p.1–55)

2. The interquartile range was calculated as the symbol shown below.

$$IQR = Q3 - Q1$$

The interpretations of the Interquartile Range are as follows:

Interquartile Range	Meaning
Less than 1.50	The experts tend to have the same opinions towards the role of human resource departments.
More than 1.50	The experts tend to have different opinions towards the role of human resource departments.

Step 4: Summary and conclusion of the Delphi

The results obtained from the second-round questionnaire reveal which roles are necessary for the human resources professional of multinational corporations in Thailand in the next decade.

Step 5: Developing model

The researcher developed a model for the role of human resource department for Thai multicultural corporations in the next decade using the results of the Delphi study together with the qualitative data analysis in the pilot study and the document analysis from available literature

Research validity and reliability

Realizing that the researcher is the most important instrument in this study so that the researcher ensured the trustworthy and validity by asking interview questions that will not lead to pre-determined answer, avoiding interfering the interviewees while interview. As Shadish, Cook and Campbell (2002) pointed out that validity means the approximate truth of an inference or conclusion and the term research validity means the validity of the researcher's conclusions.

Result

1. The Pilot study: the opinions of experts on the role of human resources departments in the next decade

1) Strategic partners

Expert 1: gave an opinion on strategic partners that HR is not only used as a strategic partner because we do not have to do it ourselves and you can hire a consultant.

Expert 2: gave an opinion on the role of human resources departments in the next decade that upper management should know about HR's ability to adapt to what the organization wants them to do, know the organizational goals and know the plan of work within the organization.

Expert 3: gave an opinion on the role of human resources departments in the next decade that upper management should not need to wait for administrators to make any decision if some urgent problem has occurred.

Expert 4: gave opinions on the role of human resources departments in the next decade upper management needed strategic partners to conform and support the business strategies.

Expert 5: gave opinions on the role of human resources departments in the next decade upper management must require strategic partners with emphasis on management with cultural diversity.

2) Change agents

Expert 1: gave opinions on upper management and the executives should understand how to manage people and give them flexibility for change according to the corporations' plans for investment, understanding the customer and creativity.

Expert 2: gave opinions on change agents by upper management who must be able to align different projects and be aware of their impact on employees.

Expert 3: gave opinions on the next decade upper management who wanted to be an agent for change needs to be an expert in the understanding of business strategy and ways to support its implementation.

Expert 4: gave opinions that in the next 10 years, the role of human resource trends will tend to be part of the business as a partner.

Expert 5: gave opinions that Human Resources in the future must face many cultural and ethical issues and be flexible with solutions in a rapidly changing international and domestic business world, a business world that requires an open minded approach and regular updates to keep abreast of a rapidly changing market.

3) Administrative experts

Expert 1: gave opinions that Human Resource departments must anticipate change and be knowledgeable in its implementation such as the role of changing new information technology orientation.

Expert 2: gave opinions that upper management must be experienced to create action plans to support both current and future goals that focus on implementation and sustainability and empowerment of HR.

Expert 3: gave opinion that upper management should know what to do, need to know the differences and to maintain correct standards.

Expert 4: gave opinions on the role of human resources departments in the next decade that upper management and executives of the organization should understand the behavior of staff from a HR marketing professional perspective and see how important this is for the organization.

Expert 5: gave opinions on what we have to do today is relative to the future and our duty to assist and provide any service needed from routine to complex policies and consulting.

4) Employee champions

Expert 1 gave opinions on the roles of human resources departments in the next decade upper management must invest in talent improvement or prepare a portfolio of development activities intended to upgrade HR professionals.

Expert 2: gave opinions on the role of HR which requires understanding of diversity and awareness of the variety of people in all organizations and the ability to manage and develop this variety.

Expert 3: gave opinions on knowledge of the laws and understanding of how to manage people from diverse cultures.

Expert 4: gave opinions regarding the main activity for the management of employees which are listening, responding, and finding ways to provide employees with resources that meet their changing demands.

Expert 5: gave opinions that in the next 10 years, in organizations in which intellectual capital becomes a critical source of the firm's value, so HR departments should focus on active and aggressive policies in developing intellectual practises.

2. The results of the Delphi analysis

The median of the possible role of human resources in the next decade is around 4.00 this means that the possibility was much and consensus. The median of the ability of the human resource department for Thai multinational corporations in the next decade was between 2.00 and 4.00, the possibility was proved to be much, except for items 12 “Family system is utilized for unity of overseas management” and was moderate with the consensus.

The researcher has found that there were 8 roles of human resource department for Thai multinational corporations in the next decade: 1) core roles human resource management, 2) professional and role in human resources and consulting, 3) change management of present and future employees orientation, 4) development of decreasing human resources problems and risks, 5) transformational leadership in developing the corporation and employees, 6) flexibility and adaptability language, culture, legal and international business dealings, 7) role of changing new information technology orientation and 8) firm size. (See figure 3)

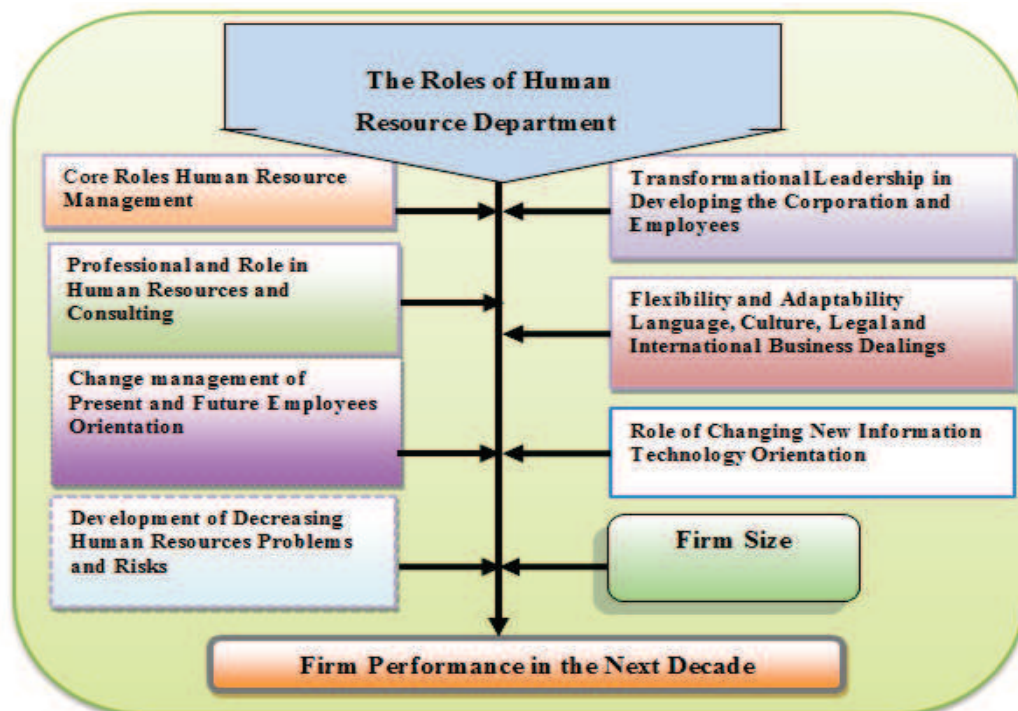


Figure 3 The model of the roles of human resource department for Thai multinational corporations in the next decade (Ratchaya, 2557, p. 79).

Conclusion and Discussion

The study results came out with 8 roles: 1) professional and role in human resources and consulting, 2) change management of present and future employees orientation, 3) development of decreasing human resources problems and risks, 4) transformational leadership in developing the corporation and employees, 5) flexibility and adaptability language, 6) culture, legal and international business dealings, 7) role of changing new information technology orientation and 8) firm size can make the organization successful with a good performance. The findings came out like this because firstly, the 25 experts gave

the ideas and answered the questions with their extensive experiences on HR department. From these reasons they can recognize the future of HR department. So human resource practices must be shaped to ensure consistency across geographical boundaries and able to adapt to local conditions for example; a Japanese company or firm in Thailand has employed a Japanese manager who can work in Thailand. From this there will always be a problem occur and this manager should consider adapting to work with Thai employees or Thai followers. This is associated with the research result of Onishi & Mondejar (2011). Conflicts, however, frequently arise when people from different cultures are required to work as a group or team (Yu & Ruth, 2004).

More specific, the researcher understands that the human resource system in an organization consists of the dynamic processes of HR, such as the recruitment and selection, performance appraisals, training, and compensation. These allow the firm to acquire and develop its resources that (inputs) and to achieve high performance (outputs), and thereby having a competitive advantage. This means human resource department, hiring of staff, and competence development all to be affected the firm performance (Engwall & Jerbrant, 2003). All of these results were related to the research results of Green, Wu, Whitten & Medlin (2006) and Hitt, Bierman, Shimizu & Kochhar (2006) that the direct and moderating effects of human capital had a positive effect on service firm performance and human capital also had a moderating effect on the relationship between strategy and firm performance.

Recommendations

This research found that there were 4 trends that the experts have stated. To use the results, one should think of the organization in an appropriate time that may change in the future or in the new decade. This means it should have further study on the possibility of the roles of the human resource department. The statistical results data from the questionnaires may have to change. This is because all the data was from the expert's ideas and answers. Each answer could not justify or be controlled by the experts therefore, relating to a situation the changes from the answers would be possible. For future research, a researcher should use different groups of business professionals in other developing economies or non-Western countries to further findings. This is because in this study only focuses in Thailand. Therefore, one should consider to study in Europe or North America which could be interesting to get more or better results on human resource departments of at multinational corporations. Concerning to research methodology for future research, the study of other branches of careers may use a combination of qualitative and quantitative approaches with in-depth interviews to get better or clearer results. Additionally, to use the factor analysis method to test the model for the roles of the human resource departments for Thai multinational corporations in the next decade will be a good technique to get better results

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