

HUMAN RESOURCE MANAGEMENT: A COMPARISON BETWEEN OLD STYLE AND MODERN STYLE.

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ABSTRACT

Many small businesses in Thailand are beginning to use more and more modern style of human resource management. However, the old style of human resource management is still considered as vital to the success of many small business in Thailand due to the simplicity and low cost to manage. It is crucial for modern small businesses to compete not only in the domestic market, but also in the globalization. Therefore, it is imperative for them to adapt to new context of competition. The purpose of this study was to compare between the old style of human resource management and modern style of human resource management in ten categories. These ten categories included recruiting, investing, controlling, planning, marketing, culture, use of IT, working environment, role of management, and role of employees. In order to find the results to the research objective, this study had been conducted by using a method of quantitative method. Data collection, it is important to develop English questionnaire survey to elicit insight information from owners of small businesses in Thailand. The questionnaires were distributed to 300 small businesses in Bangkok on the basis of convenience sampling. About 212 respondents were retrieved with proper answers and correct format. Data analysis were performed by using SPSS. The findings from with study revealed that there were five categories that required to change to modern human resource management style which were use of IT, working environment, investing, marketing, and controlling. There were three categories that still use mixed style of old and modern human resource management which were role of management, role of employees, and investing. Finally, there were two categories that still use mainly which were recruiting, and culture.

Keywords: Human Resource Management, Working Environment, Small Business

INTRODUCTION

Human resource management (HRM) is often considered one of four types of assets of any organization including small business. Four types of assets included physical assets, financial assets, intangible assets, and human resources assets. Physical assets are about equipment, land, building of the organization. Financial assets include stock, securities, and debts. Intangible assets may be form of patents, design, and reputation and image. Human resource assets are often viewed as the most valuable assets of the company since it is a collective value of capacity, skills, and knowledge of people that contribute to the success of the goals. In the past, smaller organizations often engage in a few of human resources activities, where the owner or the entrepreneur usually handles most of the activities of human resources with the old style. However, the flow of importance to use modern style of human resources management, in the areas of recruiting, selecting, and training, become more and more crucial to the success of smaller organizations. As a result of shifting their attention away from their primary assignment of human resource management activities in smaller organization, the owner or manger has more time to spend on their core business

activity and strategic role of manager and owner. They may outsourcing human resources management from expert outside the organization to handle some of the tasks such recruiting, selecting, and training. Also, they may use of modern technology that help to transformed some of the administrative role of human resources such as e-recruiting, online training and etc. For human resource practice in Thailand, the trend of many small businesses is beginning to use modern human resource management style by either reduce the work of human resource management by outsourcing or by rely on modern new technology. However, the old style of human resource management still demonstrate the vitality of success of many small business in Thailand due to the simplicity and low cost to manage. At present, it is crucial for modern small businesses to compete not only in the domestic market and ASEAN market, but also in the globalization. Therefore, it is imperative for them to adapt to new context of competition and new style of human resource management.

METHODOLOGY

Small businesses often have limited manpower as well as budgeting constraints. The human resource management often run by the owner or individual manager. There is a mixed style of old style and new style of human resource management in small business. The objectives of this study was to compare between the old style of human resource management and modern style of human resource management in ten important categories. These ten important categories included recruiting, investing, controlling, planning, marketing, culture, use of IT, working environment, role of management, and role of employees. In order to obtain the findings to the research objective, this study had been conducted by using mainly a method of quantitative method. For data collection, it is necessary to design English questionnaire survey to elicit insight information from managers, entrepreneurs, and owners of a variety of small businesses in Thailand. The questionnaires was developed and were distributed to 300 small businesses in Bangkok on the basis of convenience sampling. About 212 respondents were retrieved in proper time with proper answers and correct format. Data analysis were performed by utilizing SPSS. The findings of this study lead to discussion and suggestions.

FINDINGS

From the survey, there are ten items in the list of human resource management topics: recruiting, selecting, controlling, planning, marketing, company norms and values, use of information and technology, working environment, management policy, and training. Old style of HRM can be defined as the decision making was done by one man show who often was the owner, whereas the new style of HRM the decision making was done by teamwork. A mixed style of HRM is the combination of both style depend on the situation and necessity.

From the survey questionnaire, the respondents rated each human resource management topics that they would choose to use old style of HRM, mixed style of HRM, or new style of HRM. From table 1, the majority respondents concurred to choose recruiting, selecting, and company norms and values as old style of HRM. The majority of respondents concurred to choose controlling, planning, working environment, management policy, and training as mixed style of HRM. Finally, the majority of respondents concurred to choose marketing and use of information and technology as new style of HRM.

List of HRM topics	Old Style of HRM	Mixed Style of HRM	New Style of HRM
1. Recruiting	✓		
2. Selecting	✓		
3. Controlling		✓	
4. Planning		✓	
5. Marketing			✓
6. Company Norms and Values	✓		
7. Use of Information and Technology			✓
8. Working Environment		✓	
9. Management Policy		✓	
10. Training		✓	

With the impact of technology disruption and information technology, it is imperative for small businesses in Thailand to focus on the utilization of a variety of modern styles of human resource management which there are many direct benefits. However, from the perspective of many experts, the old style of human resource management is still considered as vital to the success of many small business in Thailand due to the simplicity and low cost to manage. It is, therefore, very important for modern Thai small businesses to compete not only in the domestic market, but also in the globalization with the advantages of both old style and new style of management. Certainly, it is necessary and vital for them to adapt to new globalization of the new context of competition. It is imperative to be able to compare between the old style of human resource management and modern style of human resource management in ten categories. These ten categories included recruiting, investing, controlling, planning, marketing, culture, use of IT, working environment, role of management, and role of employees. In order to gain the results to the research questions, the investigation of this research had been conducted by employing a method of quantitative method. The aims of data collection, is predisposition to develop English questionnaire survey to elicit insight information from owners of small businesses in Thailand. The results from with study revealed that there were five categories that required to change to modern human resource management style which were use of IT, working environment, investing, marketing, and controlling. There were three categories that still use mixed style of old and modern human resource management which were role of management, role of employees, and investing. Finally, there were two categories that still use mainly which were recruiting, and culture. In fact, many of the new style management often have advantages of cost advantages which may be achieved when small business can produce some things to scale, thus making big savings on the fixed costs as well as some variable costs. One of the best example of cost advantages are those in sectors where low-value-added production can be moved to low-cost economies, or when there is access to an asset that competitors do not have such as new and specific technology, patent, and loyalty customer based, and even the ability to producing faster, better, and higher quality than competitors.

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