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**DETERMINANTS OF STRATEGIC HUMAN RESOURCE MANAGEMENT
EFFECTIVENESS OF COMPANIES IN THE GARMENT AND
ELECTRONICS INDUSTRIES IN THAILAND**

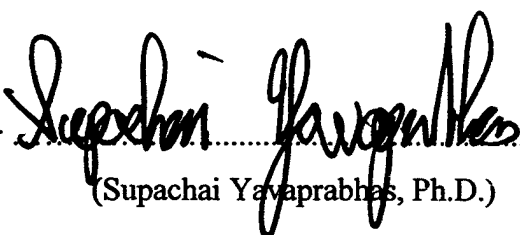
Jitlada Amornwatana


**A Dissertation Submitted in Partial
Fulfillment of the Requirement for the Degree of
Doctor of Philosophy (Development Administration)
School of Public Administration
National Institute of Development Administration
2008**


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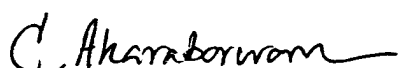
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ABSTRACT

Title of Dissertation	Determinants of Strategic Human Resource Management Effectiveness of Companies in the Garment and Electronics Industries in Thailand
Author	Miss Jitlada Amornwatana
Degree	Doctor of Philosophy (Development Administration)
Year	2008

This study examines the strategic human resource management effectiveness of the garment (low-technologically intensive) and electronics (high-technologically intensive) companies in Thailand in response to the increasing interest in managing and measuring the contributions of human resources to a firm's success. Strategic human resource management effectiveness is defined as the extent to which the overall human resource architecture—the human resource function, the human resource system, and human resource outcomes—contributes to the achievement of the firm's strategy. Strategic human resource management effectiveness is considered a performance driver of a firm's strategy and is assumed to be positively related to firm performance.

The objectives of this study include: (1) to study the extent of the strategic human resource management effectiveness of companies in the garment and electronics industries of Thailand, and (2) to examine the determinants of the strategic human resource management effectiveness of companies in both sectors. The quantitative approach, by means of a survey, is the dominant paradigm, while the qualitative approach, by means of case studies, is a supplementary component of this study.

With regard to the quantitative approach, the conceptual framework includes the three components of human resource architecture as the determinants of strategic human resource management effectiveness. This study argued that in order to achieve strategic human resource management effectiveness, the companies should possess the proper human resource function and system, producing the proper strategic human resource deliverables for successful strategy implementation. In order to have the proper human resource function, the firms should place emphasis on the human resource competencies

of all human resource professionals in delivering efficiently and effectively both traditional and strategic human resource activities. In addition, the proper human resource system can be achieved by making broader use of high-performance work practices and by having the alignment within the human resource system and the alignment of the system with the firm's strategies. As a result, the firms gain the strategic human resource deliverables required for implementing the firm's strategy.

The results demonstrate that both garment and electronics companies have reached a relatively low level of strategic human resource management effectiveness and that the electronics companies have achieved a higher level of effectiveness than the garment companies. The findings from the hypothesis testing indicate that the strategic human resource management effectiveness of the garment and electronics firms is a result of strategic human resource deliverables, an externally and internally aligned human resource system, high-performance work system adoption, the efficiency of the human resource function, and human resource competencies. Each variable produces different effects on the strategic human resource management effectiveness. The results of the in-depth interviews also support most of the results from the hypothesis testing. Additionally, the interview results reveal other factors and conditions supporting effectiveness, such as support from top management and line managers' involvement in human resource management.

In conclusion, the determinants of the strategic human resource management effectiveness of the garment and electronics firms can be viewed in relation to the three dimensions: the human resource function, the human resource system, and human resource outcomes. The relationships between variables are combined to form a strategic human resource management effectiveness model of the garment and electronics companies. This study serves as an essential starting point for building a more robust empirical base that will significantly increase the knowledge of strategic human resource management effectiveness and its relationship to firm performance.

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ABBREVIATIONS AND SYMBOLS

Abbreviations

ASTD
CAD
CAM
CAS
CERT
COMM
DEPT
DEVL
HR
HRM
MAX
MIN
OEM
ORG
PM
RECRUIT
S.D.
SELECT
SHRM
SIG
STD. ERROR

Equivalence

The American Society for Training and
Development
Computer Aided Design
Computer Aided Manufacturing
Computer Cutter System
Certificate
Communication
Department
Development
Human Resource
Human Resource Management
Maximum
Minimum
Original Equipment Manufacturing
Organization
Personnel Management
Recruitment
Standard Deviation
Selection
Strategic Human Resource Management
Significance
Standard Error

Symbols

β
R

Equivalence

Beta
Coefficient of Correlation

R^2	Coefficient of Determination
T	T-Test Critical Value
\bar{X}	Mean

CHAPTER 1

INTRODUCTION

1.1 Introduction

Few business organizations today can claim to be unaffected by internal and external environmental changes. These pressures have influential impacts on business operations in ways that firms need to embrace a strategic-oriented management approach in all functions in order to gain strategic competitiveness and above-average returns.

Since the early 1980s, there has been a dramatic shift in the field of human resource management. The strategic perspective of human resources, which has been labeled strategic human resource management (SHRM), has grown out of researchers' and practitioners' desire to demonstrate the importance of human resource functions, policies, and practices for organizational performance. In order to be competitive, business organizations in various industries have attempted to adopt and implement this approach.

The concept of strategic human resource management has been viewed as a “bridge” between business strategy and the management of human resources (Boxall, 1991: 61; Butler, Ferris and Napier, 1991 quoted in Truss and Gratton, 1994: 665). The goal of strategic human resource management is the effective application of human resources to meet organizations' strategic requirements and objectives. In other words, its concern is to ensure that (1) human resource management is fully integrated with the strategy and the strategic needs of the firm; (2) human resource policies cohere both across policy areas and across hierarchies; and (3) human resource practices are adjusted, accepted, and used by line managers and employees as part of their everyday work (Schuler, 1992: 18). It is argued that firms engaging in strategic human resource management will outperform those that do not (Liquin, 2004: 1).

Although strategic human resource management has been widely adopted and implemented in organizations, organizational stakeholders still question whether human resources as the workforce of organizations really contribute to the firm's success. This question concerns the "value creation" of overall human resources. If the answer tends to be "yes," the next questions would be "how." Organizational stakeholders, including the CEOs and line managers as well as human resource managers are not likely to provide convincing answers. Although the CEOs and line managers perceive that human resources are their most important asset, they do not understand how human resources make that vision a reality (Becker, Huselid and Ulrich, 2001: 1; Halcrow, 2002: 28-34). Finally, the contributions of human resources in the view of important business partners of human resource professionals, namely line executives, are relatively low.

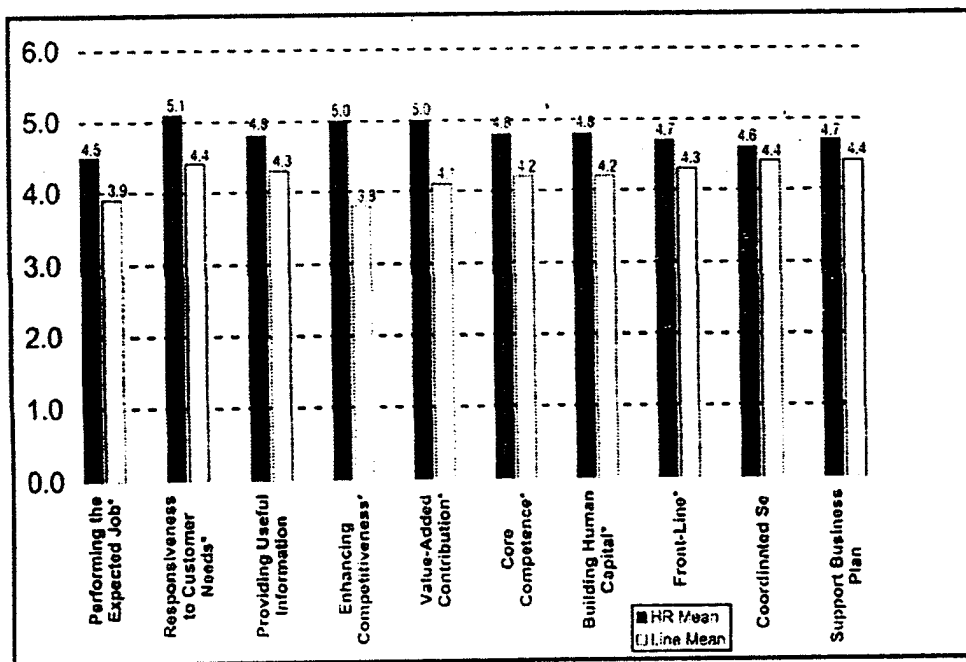


Figure 1.1 Comparing HR and Line Executives' Evaluations of the Effectiveness of Human Resource Contributions

Source: Wright, McMahan, Snell and Gerhart, 2001: 118.

Thus, attempts to examine how to manage human resources to drive the firm's strategy execution and to measure the contribution of human resources to the firm have been highlighted. This refers to the concept of strategic human resource management (SHRM) effectiveness, a compelling way to define and measure human resources' effect on the bottom line (Huselid, Jackson and Schuler, 1997: 171-173; Richard and Johnson, 2001: 299). In this regard, the contribution of human resources is currently tied to the ability to execute the firm's strategies, as Barney (2001: 53-54) argues that the ability to execute strategy is a source of competitive advantage. Strategy implementation is the most important factor shaping management and corporate valuations (Kaplan and Norton, 2001: 1).

Strategic human resource management effectiveness is assumed to be positively related to firm performance (Richard and Johnson, 2001: 299). Strategic human resource management effectiveness can be a leading indicator of firm performance. It cannot be achieved merely by adopting the strategic approach to human resource management; it requires a human resource management approach in which the emphasis is placed on managing the human resource architecture (the human resource function, the human resource system, and strategic employee behaviors) as a strategic asset in order to elicit the necessary strategic employee behaviors for implementing the firm's strategies (Becker et al., 2001: 12-20; Becker and Huselid, 2003: 6-10; Becker and Huselid, 2006: 899).

In this study, strategic human resource management effectiveness is defined as the extent to which the overall human resource architecture (the human resource function, the human resource system, and strategic employee behaviors) contributes to the achievement of the organizational strategy.

1.2 Significance of the Study

The dramatic 1997 collapse of Southeast Asian markets and regional currencies has encouraged an accelerated reexamination of human resource management practices and policies of companies in Thailand (Siengthai and Bechter, 2005: 6). Together with the dramatic changes in the business environment such as increasing globalization, increased focus on profitability through growth, technological advances, workforce diversity, and the shift from a natural resource-based economy to a

knowledge-based economy, the call for strategic role transition of human resource management in enhancing the competitiveness of firms in various industries in Thailand has been delineated (Apichai Srimuang, Bu-Nga Traitrakoonsin, Somkiert Jiworawattanakul, Chantraporn Chandee and Soraya Munagmoon, 2005: 206-212).

1.2.1 Demands for Strategic Human Resource Management in Thailand

From a theoretical perspective, the above conditions highlight the importance of strategic human resource management in achieving the competitive advantage of companies in Thailand (Somchat Visitchaichan, 2003: 1; Siengthai and Bechter, 2005: 27).

In Thailand, several arguments, suggestions, and trends have emerged in response to the call for the strategic approach to human resource management. It is argued that the Personnel Management or Traditional Human Resource Management approach, which focuses on short-term orientation, might not be able to deal with human resource issues effectively in the fast changing business environment of Thailand (Apichai Srimuang, 2005: 10-18). In addition, rather than the size and technological level of the firms, people are viewed as the most important asset of organizations that influence the success and survival of the organizations (Nisada Wedchayanon, 2000: 40). In this way, human resource functions are expected to align human resource strategy to business strategy (Apichai Srimuang, 2005: 10). Furthermore, there exist new roles and responsibilities of the human resource function as a business partner working cooperatively with line managers (Apichai Srimuang, 2005: 11). Ultimately, the effectiveness of human resource management has been one of the key factors in maintaining and enhancing the firm's competitiveness (Siengthai and Bechter, 2005: 5). In other words, strategic human resource management has to demonstrate its strategic impact on firm performance.

The strategic approach to human resource management emphasizes the new human resource challenge to design the human resource function, policies, and practices that emphasize and reinforce the implementation of the firm's strategies. This implies theoretical attention to strategic human resource management effectiveness.

1.2.2 Strategic Human Resource Management in Thailand in Reality

Strategic human resource management has been believed to be widely adopted and implemented in many business organizations, especially in large and multi-national organizations (Somchat Visitchaichan, 2003: 1; Apichai Srimuang et al., 2005: 225). However, from a practical standpoint, strategic human resource management in Thailand is still in its infancy. Somchat Visitchaichan (2003: 175-189) indicates that the human resource management approach in Thai multi-national firms is not truly strategic and it has not been fully integrated with business strategy. Using competitive benchmarking with the database of the Open Standards Benchmarking Collaborative, a study by the Office of Industrial Economics (2006b: 43) showed that little attention has been placed on human resource management in many Thai industries, indicated by low annual employee development expense per employee and high turnover. Nisada Wedchayanon (2000: 77-80) states that some aspects of the "Thai" human resource management style in Thai organizations relating to culture and norms and to human resource systems do not align with the philosophy of strategic human resource management. The Thai management style is likely to nurture unfavorable workforce behaviors, such as being undisciplined, fear of losing face, and a low level of result-oriented behaviors (Nisada Wedchayanon, 2000: 77-80). The result is mismatched workforce behaviors and competencies which do not support the firm's strategy execution, leading to the problem of strategic human resource management ineffectiveness. In the long run, this problem is considered a major barrier to the economic development of Thailand.

Although top executives and human resource managers in many business organizations have confirmed the adoption of strategic human resource management in their firms, the answers to the question about how their employees help achieve the firm's strategies are still unclear. Organizational stakeholders, especially top management, often question the real contribution of human resources to firm performance. They believe that human resources are the most important asset but they do not understand how such resources create value to the firm from a business perspective (Danai Thieanphut, 2003: 188).

As such, strategic human resource management effectiveness in Thai firms seems to be a rhetoric rather than a reality. Many companies in Thailand confront the problem of how to achieve strategic human resource management effectiveness.

These problems can be traced back to the design of the human resource function, policies, and practices that do not reinforce the implementation of the firm's strategies. The human resource system in many firms seems to lack a systematic framework and is developed on an ad hoc basis. They are developed to solve an immediate problem, with no strategic thought to their long-term implications (Somchat Visitchaichan, 2003: 18). Regarding human resource competencies, many human resource executives and professionals are not likely to possess the desired level of competency domains for strategic human resource management (Terdtoon Thaisriwichai, 2005: 38). Human resource professionals believe that their services, roles, and contributions provided to the firm are effective as business partners; however, the CEOs, line managers, and other stakeholders perceive that human resource professionals are considered only administrative experts in their organizations (Danai Thieanphut, 2003: 203; Terdtoon Thaisrivichai, 2005: 34). As the infrastructure of human resource management, namely the function and system is not appropriately designed, the skepticism about and criticism of the outcomes of human resource management for the firm are inevitable.

Questions of worthiness of resources and about the efforts devoted to human resources are often raised because the success of human resource management in terms of effectiveness, not efficiency, is difficult to quantify compared to the success of marketing, accounting, or finance areas (Boudreau and Ramstad, 1997: 343). Top management in every organization expects to have the appropriate human cost, compared to the outputs (Narongvit Santhong, 2006: 28). Unless the contribution of human resources can be vividly presented, the possibility of cutting down on human resource budgets and other resources, outsourcing the human resource function, and treating employees like commodities, is inevitable. This argument relates to the concept of strategic human resource management effectiveness.

Given the existing body of the strategic human resource management literature in Thailand, the framework of strategic human resource management effectiveness of companies in the Thai context is still unclear. Strategic human resource management research has long been focused on studying the factors affecting the adoption of strategic human resource management (e.g. Huselid, 1994; Som and Bouchikhi, 2003; Somchat Visitchaichan, 2003) as well as the relationship between human resource systems or practices and firm performance (e.g. Arthur, 1994; Huselid, 1995; Boxall

and Steeneveld, 1999; Collins and Clark, 2003). Little is hypothesized or known about the factors influencing the strategic human resource management effectiveness of companies in Thailand. In addition, the strategic approach to human resource management in Thailand usually relies on theories, models, and empirical studies from the Western literature dominated by US and UK-based academics and consultants. The application of such knowledge may be inadequate for understanding strategic human resource management effectiveness in Thailand due to the effect of different contextual factors.

1.2.3 The Garment and Electronics Industries

Based on the arguments above, strategic human resource management effectiveness study is worth studying in the Thai context. The study is confined to manufacturing firms in two major Thai industries at different levels of technology, namely the garment and electronics industries. The dual study appears to yield several advantages, as Jackson and Schuler (1995: 244) and Nisada Viasuvanna (1988: 32-38) mention; the technological factor is likely to have far-reaching implications for human resource management.

The garment industry comprises companies manufacturing clothes and clothing accessories such as suits, shirts, blouses, socks, stockings, and gloves. Sometimes, it is considered a sub-sector within the larger sector of the textile and garment industry. The electronics industry includes those producing electronic parts and devices such as semiconductor device transistors, hard disk drives (HDD), integrated circuits (IC), electronic tubes, computers and related equipment, printers, and mobile phones.

According to Riche, Hecker and Bergan (1983: 51), “high technology” or “low technology” industries can be determined by the three factors: the utilization of scientific and technical workers, the nature of an industry’s product, and research and development expenditure. It is apparent that high technology industries employ a large number of scientific and technical employees. The industry’s product and the production process of high technology industries are developed based on the application of technological advances, which result from substantive money spent on research and development. Based on these three factors, the garment industry represents a group of companies in the low technologically intensive industries; the

electronics industry represents those in the high technologically intensive industries (Riche et al. 1983: 51; Ioannidis and Schreyer, 1997: 185-187).

Both the garment and electronics industries have interesting characteristics in terms of the similarities and differences appropriate to be the target populations in this strategic human resource management effectiveness study. The importance of these two industries to Thailand's economy is readily apparent. The Office of the National Economic and Social Development Board (2004: 7-11) has identified the garment and electronics sectors as potential industries¹. Both industries have high levels of attractiveness (world demand, local demand, and operating profits) and competitiveness (revealed comparative advantage and export and import content).

The garment and electronics sectors play an important role in Thailand's manufacturing, export and employment. Since 2003, the export volume of Thai garments has reached more than 3,000 million US dollars, the second largest export product of Thailand (Office of Industrial Economics, 2007: 1-2). The major export markets include the United States, the European Union (EU), Japan, and the Asean countries. In the year 2007, the garment industry generated 3,545.31 million US dollars, decreased by 4.86% from year 2006 and ranked seventeenth in world garment exporters (Thai Garment Manufacturers Association, 2008: 1-2).

Regarding the electronics industry, electronic products have been the largest export item of Thailand, accounting for 22% of overall export values (Office of Industrial Economics, 2006a: 12). Thai electronic products constituted 1.43% of market shares in the world electronic product market and ranked seventeenth among world electronic component exporters (Kulawat Buasawat, 2007: 49). Major export markets are the United States, the European Union (EU), China, Japan, and the Asean countries. In the year 2007, the export value of electronic products was about 29,142 million US dollars, increased by 11% from the previous year due to the higher global demand of high disk density and integrated circuits (Electrical and Electronics Institute, 2008: 10; Office of Industrial Economics, 2008a: 56).

¹ According to the Thailand Competitiveness Matrix (TCM), (2004), potential industries include the automobile, petrochemical and plastic, rubber, garment and textiles, and electronics industries.

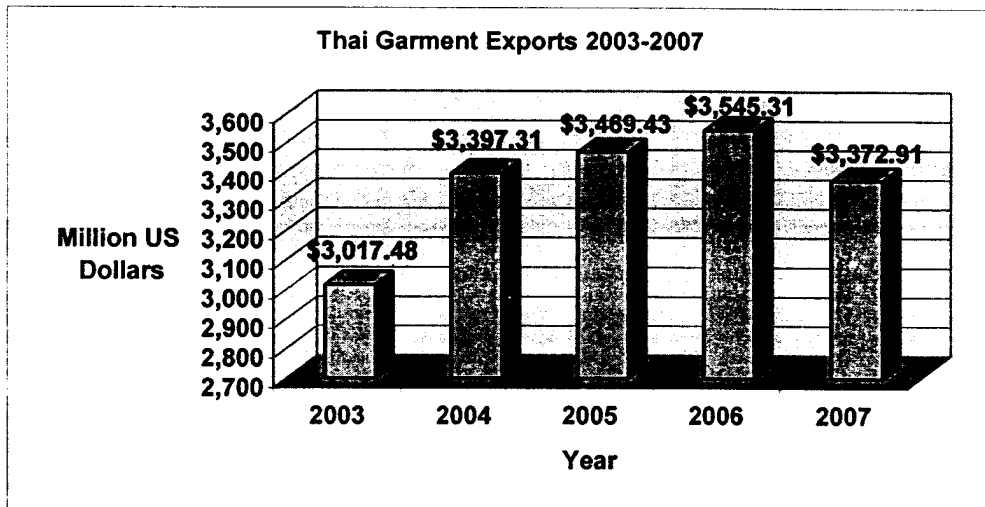


Figure 1.2 Thai Garment Exports, Year 2003-2007

Source: Thai Garment Manufacturers Association, 2008: 1-2.

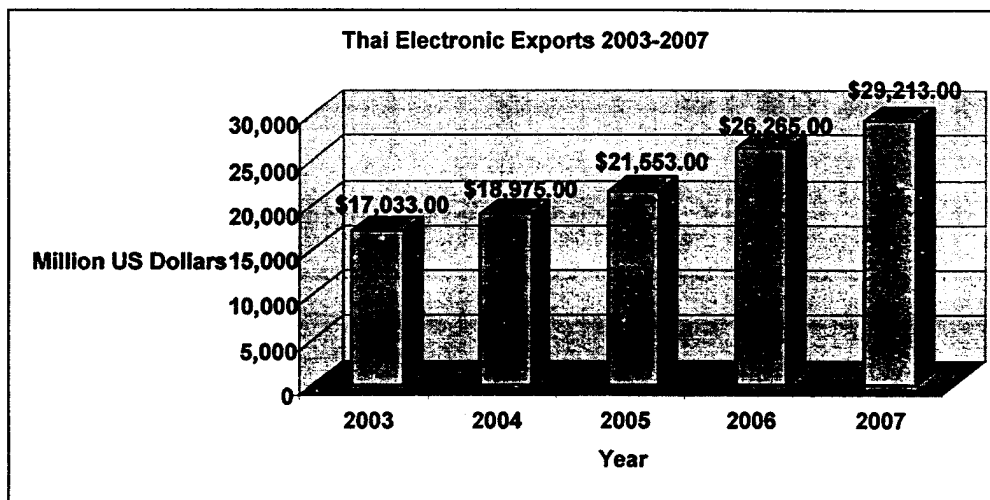


Figure 1.3 Thai Electronic Products Exports, Year 2003-2007

Source: Electrical and Electronics Institute, 2008: 15.

Although the Thai garment and electronics sectors are gradually losing their competitiveness due to several negative factors such as high competition with low cost manufacturers from China, Vietnam, and India, lack of advanced technology and knowledge, lack of a skilled workforce, high turnover rate, the currency exchange problems, and the subprime crisis in the U.S. economy, both industries remain the target industries of the national industrial restructuring strategy of the Ministry of Industry (Office of Industrial Economics, 2006a: 8). The Thai garment and electronics industries still have potential playing in the Thai and the world economy providing that both private and government sectors put efforts together in improving the industry competitiveness. As human resources are considered strategic assets in helping firms achieve competitive advantage, understanding the factors affecting strategic human resource management effectiveness and achieving them are ways to increase the firm's level of competitiveness.

Apart from revenues generated, both industries similarly employ a great number of labors. In aggregation, the textile and clothing industry (fiber, fabric, and garment industries) constitutes the largest share of labor employment industry with 1.08 million employees in 2006, accounting for 20% of Thailand's industry employment, while only garment sub-sector has the largest share of 80% in the textile and garment industry employment (Office of Industrial Economics, 2007: 1). The aggregation of the electronics and electrical industries is considered the second largest labor employment industry, with around 530,000 employees in 2006. Only the electronics industry employed approximately 350,000 people (Electrical and Electronics Institute, 2006: 1).

1.2.4 Human Resource Management in the Garment and Electronics Industries

It is apparent that human resource management in such labor-intensive industries as the garment and electronics companies is crucial and must be managed effectively in response to the industry challenges in order to have an impact on firm performance (Office of Industrial Economics, 2008b: 3, 2008c: 9). However, human resource management in both industries has been given inadequate attention from the government and private sectors. In private sectors, human resource management is unsystematically developed compared to other functional areas, such as finance and

marketing, although many firms have claimed to adopt strategic human resource management. In addition, government policies and plans relating to human resource management, especially human resource development, have not been seriously developed or implemented to protect these industries against threats and to improve the competitive level of both industries in the global market.

The focus of human resource management, especially in small and medium garment and electronics companies, is on delivering basic human resource services. The purposes of human resource practices are to acquire, maintain, develop, reward, and punish employees, but they are not fully integrated with business strategy. Human resource professionals in garment and electronics firms are likely to be administrative experts rendering human resource activities rather than being business partners involving a firm's strategic issues.

In addition, the understanding of the strategic approach to human resource management of top executives, line managers, and human resource professionals is still relatively low. How their employees help achieve the firm's strategies and how to manage their contributions are still unclear and require a clarification in order to improve the firms' competitiveness. Top management in garment and electronics firms expect to have the right workforce with the right behaviors, skills, knowledge, and characteristics driving the firms' strategy execution; however, how to achieve this by means of human resource management remains a question. (Foreign Trade Department, 2001: 247-249; Samphan Silpanard, 2008).

These factors have impacts on the quantity and quality of the workforce, resulting in chronic human resource problems in the garment and electronics companies in Thailand.

In garment companies, labor shortage is not a major problem. More important are the following frequently mentioned problems.

1. Low level of employee knowledge, skills, and abilities to perform jobs, both in management, marketing, and production
2. Low productivity
3. Low employee motivation (Foreign Trade Department, 2001: 247-249; Office of Industrial Economics, 2001: 9(1) – 9(2), 2006b: 43).

Regarding the electronics industry, major problems of human resources are relatively similar to the garment industry, including

1. High employee turnover and absenteeism of operational staff to other industries
2. Lack of required knowledge, skills, and abilities to perform jobs, especially learning skills for new technology
3. Low productivity
4. Low employee motivation (Office of Industrial Economics, 1997: 12, 2006a: 14; Samphan Silpanard, 2008; Tanin Pa-Aim, 2008).

Reactions from the government towards “people” problems in the garment and electronics industries have been inadequate and sometimes ineffective. Many policies, plans, or projects involving human resources have been released such as strategies and master plans for increasing the level of competitiveness in the garment and electronics industries (Office of Industrial Economics, 2008b: 1(1)–10(98), 2008c:1-23). Issues relating to human resources in these policies and plans aim only at developing labor skills. However, many of them have not yet been successfully implemented. Other important concerns regarding working conditions and standards, and human resource management systems are less realized.

Drawn from the above arguments, this study attempts to fill the gaps. Applying theoretical perspectives on strategic human resource management, this study examines the major determinants to strategic human resource management effectiveness and develops a model of strategic human resource management effectiveness within the Thai context. The result is a new approach to managing a firm’s human resource architecture—the human resource function, the human resource system, and employee behaviors—as a strategic asset, as well as measuring its contribution to the firm. With a properly developed strategic human resource architecture, top managers and line managers throughout the firm can understand how human resources create value and how to measure the value-creation process.

In addition, as stated above that the garment and electronics industries differ in terms of technology level, indicated by characteristics of products and organization members as well as research and development; studying strategic human resource management effectiveness in order to examine whether low and high technological companies differ in terms of human resource function, policies, and practices as well as the level of strategic human resource management effectiveness, is worthwhile.

1.3 Objectives of the Study

The research objectives of this study are the following:

1.3.1 To study the level of the strategic human resource management effectiveness of companies in the garment and electronics industries of Thailand.

1.3.2 To examine the factors determining the strategic human resource management effectiveness of companies in both sectors.

1.4 Scope of the Study

Since the main purpose of this study is to examine the major determinants influencing strategic human resource management effectiveness of companies in the garment and electronics industries of Thailand, the emphasis of this study is placed on managing human resource architecture (the human resource function, the human resource system, and strategic employee behaviors) as a strategic asset in order to elicit the strategic employee behaviors necessary for the firm's strategy implementation.

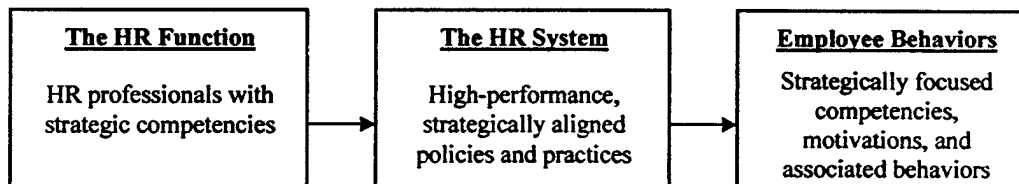


Figure 1.4 The Human Resource Architecture

Source: Becker et al., 2001: 12.

In this study, the human resource architecture consists of the following elements:

1.4.1 The Human Resource Function

This element refers to the human resource professionals and their competencies. Given the growing emphasis on “people as assets” issues in many

organizations, there seems to be a key role for the human resource function and professionals in building a pool of human capital.

1.4.2 The Human Resource System

The human resource system refers to the bundle of human resource activities employed in the organization. These activities are directed at managing the pool of human capital and ensuring that the capital is employed towards the achievement of organizational goals (Wright et al., 1994: 316-320).

1.4.3 Strategic Employee Behaviors

This dimension refers to the competencies, motivations, and associated behaviors of the firm's employees. These are the behaviors that directly serve to implement the firm's strategies. These strategic employee behaviors are the end result of the human resource architecture, influenced by the human resource system, which is aligned with the firm's strategies (Becker et al., 2001: 20).

The application of macro theories, namely the resource-based view (Barney, 1991) and the behavioral approach (Schuler and McMillan, 1984; Schuler and Jackson, 1987; Jackson, Schuler and Rivero, 1989) have been adopted to broadly explain the concept of strategic human resource management effectiveness in this study. In addition, theoretical and empirical literature on strategic human resource management related to the human resource function, the human resource system, and strategic employee behaviors are used to identify the determinants of strategic human resource management effectiveness.

Both quantitative and qualitative methods are employed in this study. A quantitative study is used through a survey research to collect data from multiple informants in the garment and electronics companies. In addition, the qualitative method is also employed to reinforce the findings of hypothesis testing and to gain an in-depth insight into the strategic human resource management effectiveness of the companies. In-depth interviews are the primary means of collecting and analyzing the data.

This study examines only in large companies (at least 500 employees) in the garment and electronics industries of Thailand. Large companies are likely to adopt

and implement the strategic human resource management approach, compared to small and medium-sized firms. The size of companies, indicated by either the number of employees or amount of capital, is an important issue to be considered when conducting strategic human resource management studies (Danai Thieanphut, 2003, 13-14). Strategic human resource management policies and practices are rarely adopted in small firms as they are less likely to have formal operating and control systems and resource adequacy (Cornelius, 2001: 263-264). In addition, small firms are less likely to have a separate human resource department with a well-defined human resource strategy, but the owners or their family members are responsible for all human resource issues and treat these issues on a day-to-day basis. As these firms grow to medium and large-sized companies, they tend to adopt formal systems of operation and control.

1.5 Contributions of the Study

The expected contributions of the study can be viewed from the two following perspectives:

1.5.1 Theoretical Contributions

1. In response to an increasing interest in justifying the value of human resource management in organizations, this study advances the research in the strategic human resource management field by studying “Strategic Human Resource Management Effectiveness” as it implies human resource contributions to the firm’s success. Strategic human resource management studies in Thailand and other countries have long placed great emphasis on the study of strategic human resource management adoption. These studies examine either the factors influencing strategic human resource management adoption in organizations or the relationship between the implementation of individual or bundles of human resource practices and firm outcomes. Strategic human resource management adoption is considered a necessary condition but one that is not sufficient for the firm to achieve a sustained competitive advantage.

2. This study is expected to derive a model of strategic human resource management effectiveness for examining human resource contributions to the firm’s

success in the Thai context. Very few theoretical models of strategic human resource management effectiveness are derived from the Thai context.

3. The measurement of strategic human resource management effectiveness has long been focused only on human resource doables, emphasizing the actions, activities, and efficiency of human resource work. However, the development of strategic human resource management effectiveness has refocused attention to human resource deliverables or outcomes, results, and value created from doing human resource work to organizations (Ulrich, 1998: 2-3). This study expects to apply the new dimension of measuring strategic human resource management effectiveness based on the HR scorecard of Becker et al. (2001), the workforce scorecard of Huselid et al. (2005), and the balanced scorecard of Kaplan and Norton (1996).

1.5.2 Practical Contributions

1. The findings of this study will enable top executive management, human resource managers, and line managers of the garment and electronics industries, as well as other industries in both low and high levels of technological intensity to better understand strategic human resource management effectiveness in the Thai context in terms of what constitutes the effectiveness (major enhancers or deterrents of strategic human resource management effectiveness) and the relationships between factors.

2. As organizational stakeholders are skeptical of the role of human resources in the firm's success, and because little attention has been placed on human resource measurement, the model of this study serves as a useful business tool for managing the human resource function, the human resource system, and strategic employee behaviors as a strategic asset as well as for examining the contribution of that asset to the firm's strategy implementation.

1.6 Definitions of Terms

Electronics companies refer to companies producing electronic parts and devices such as electronic tubes for color televisions, computers and related equipment, semiconductor device transistors, hard disk drives (HDD), and integrated circuits (IC).

External alignment refers to the degree to which the human resource management subsystems fit the organizational strategy.

Garment companies refer to companies manufacturing clothes and clothing accessories such as shirts, blouses, pants, and gloves.

High-performance work system adoption refers to the extent to which the firm implements a set of human resource practices designed to maximize the performance of the firm's employees.

Human resources refer to employees, personnel, or the workforce of an organization (Heery and Noon: 165).

Human resource architecture is the sum of the human resource function, the broader human resource system, and resulting employee behaviors (Becker et al., 2001: 12).

Human resource doables refer to actions, activities, and efficiency of human resource work (Ulrich, 1998: 2).

Human resource efficiency is the extent to which the human resource function performs human resource practices without wasting resources.

Human resource system refers to the bundle of human resource activities employed in organizations.

Internal alignment is the degree to which the human resource management subsystems fit and support each other.

Large-sized companies refer to companies employing more than 500 employees, regardless of their fixed assets.

Strategic human resource competencies refer to the level of expertise and skills of all human resource managers and professionals required for performing value-creating human resource activities that meet the organizations' strategic requirements and objectives.

Strategic human resource deliverables refer to the human resource management outcomes that enable the firm to achieve its strategies.

Strategic human resource management refers to the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals (Wright and McMahan, 1992: 298).

Strategic human resource management effectiveness is the contribution of the human resource architecture to helping the organization to achieve its organizational strategy.

Technical human resource competencies refer to the level of expertise and skills of all human resource managers and professionals relevant to performing excellently within a traditional human resource management functional department.

1.7 Organization of the Study

This study is divided into six chapters.

Chapter 1 includes the introduction of the study, significance of the problem, research objectives, theoretical and practical contributions of the study, conceptual definitions, and scope of the study.

Chapter 2 gives an overview of strategic human resource management, reviews the theoretical and empirical literature of strategic human resource management effectiveness, and describes the conceptual framework, variables, and research hypotheses in this study.

Chapter 3 explains the research methodology, including the research design and research method for the quantitative and qualitative approaches.

Chapter 4 presents the results of hypothesis testing.

Chapter 5 presents the results based upon data obtained from in-depth interviews in the field.

Chapter 6, the final chapter, concludes the research results, discusses the findings, and provides the implications of findings and suggestions for future strategic human resource management effectiveness research.

1.8 Chapter Summary

This chapter provides an overview of the dissertation. First, this chapter provides an introduction to strategic human resource management as well as strategic human resource management effectiveness. Then, the adoption and implementation of strategic human resource management in Thailand and the contribution of human resources, especially in garment and electronics companies are analyzed. An overview of the garment and electronics industries is also provided in this chapter. Drawing from the above arguments, the remainder of this chapter presents the research objectives of this study, the scope of the study, the theoretical and practical contributions, the conceptual definitions of variables, and the organization of the study.

CHAPTER 2

LITERATURE REVIEW

This chapter presents the literature review of strategic human resource management effectiveness. It is organized into three parts. The first part involves the theoretical and empirical literature on strategic human resource management effectiveness. The second includes the theoretical and empirical literature concerning the factors affecting strategic human resource management effectiveness. The last part presents the logical relationships between variables, the conceptual framework, and the research hypotheses in this study.

2.1 Theoretical Literature on Strategic Human Resource Management Effectiveness

This part first introduces the concept of strategic human resource management as a new approach to managing human resources. The literature includes the definitions, key themes of strategic human resource management, and an analytical comparison of personnel management, traditional human resource management, and strategic human resource management. Second, this section presents the theoretical linkage between “strategic human resource management” and “effectiveness,” implying the concept of strategic human resource management effectiveness—a compelling way to define, measure, and manage human resource contributions in relation to the achievement of the firm’s strategies. Third, this part of the study reviews various definitions and synthesizes the key concepts relevant to strategic human resource management effectiveness. The motives and benefits associated with the study of strategic human resource management effectiveness are then summarized.

Then, macro-level organization theories, namely the resource-based view of the firm and the behavioral approach, are integrated in order to help explain strategic human resource management effectiveness. These theories provide a broad

understanding of how human resources (employees), the human resource functions, and human resource systems can be strategic assets that reinforce the firm's strategy implementation. Finally, strategic human resource management models and empirical studies regarding strategic human resource management effectiveness are reviewed.

2.1.1 Strategic Human Resource Management

The phrase "strategic human resource management" is frequently referred to as the new approach to human resource management, a concept which many scholars in the field have attempted to define. However, there has been neither a universal definition of strategic human resource management nor a clear boundary between strategic human resource management, traditional human resource management, and personnel management (Truss and Gratton, 1994: 665-667; Martell and Carroll, 1995: 254).

Strategic human resource management can be described as an outcome, a process, or a combination of the two. As an outcome, Wright and McMahan (1992: 298) define strategic human resource management as "the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals." Similarly, Snell (1996: 61) considers strategic human resource management to be the organizational systems designed to achieve sustainable competitive advantages through people.

As a process, Schuler (1992: 18-32) suggests that strategic human resource management is about "integration and adaptation, given that (1) human resource management is fully integrated with the strategy and strategic needs of the firm; (2) human resource policies cohere both across policy areas and across hierarchies; and (3) human resource practices are adjusted, accepted, and used by line managers and employees as part of their everyday work." In addition, Ulrich (1997a: 189) describes strategic human resource management as the process of linking human resource practices to business strategy.

Considering process and outcome together, Truss and Gratton (1994: 663) regard strategic human resource management as "the linking of human resource management with strategic goals and objectives in order to improve business performance and to develop organizational cultures that foster innovation and flexibility." Additionally, Martell and Carroll (1995: 255) propose a definition of

strategic human resource management which includes the following characteristics: (1) a long term focus, (2) new linkages between human resource management and strategic planning, (3) the linkages between human resource management and organizational performance, and (4) inclusion of the line manager in the human resource management policy-making process.

In retrospect to the proposed definitions of strategic human resource management, the strategic approach to human resource management is not however totally replaced the traditional human resource management or personnel management. The paradigm shift emphasizes the combination of traditional human resource management with strategic concern and contribution to strategic formulation and implementation—hence to the overall organizational success. It reflects a more flexible arrangement and utilization of human resources in order to achieve the organizational goals and accordingly helps the organizations to gain a competitive advantage.

In order to better understand the implications of strategic human resource management for organizations, a comparison of personnel management, traditional human resource management, and strategic human resource management is important. Researchers have reported a variety of details, but there is some agreement on the critical distinctions among approaches (see Table 2.1).

Table 2.1 Comparison of Personnel Management, Human Resource Management and Strategic Human Resource Management

	Personnel Management (PM)	Human Resource Management (HRM)	Strategic Human Resource Management (SHRM)
Assumption	People as commodity	People as resources	People as strategic resources
Focus	Performance of predefined professional activities	Individual human resource outcomes	Organizational effectiveness
Framework	Lack of systematic framework Lack of strategic relevance	Isolated human resource programs or activities, separated from both the environments and one another	Broad, contingency-based and integrative framework A full complement of human resource goals and activities designed to fit the environments and mutually reinforcing
Nature	Pluralist, collective, reactive, compliance	Unitarist, individual, active, commitment	Strategic, integrated, proactive, long-term commitment/development
Orientation	Short-term	Short-term/long-term	Long-term
Organizational Level	Relative lower level	Middle level	Top level
Status	Marginal	Major managerial function	Strategic partner
Roles	Personnel specialists/professionals	Human resource professionals/managers with little participation from line managers	Line managers as key players, human resource managers as supporters
Evaluation Criteria	Cost-minimization	Maximum utilization	Overall organizational success

Source: Summarized from Guest (1987: 507); Dyer and Holder (1988: 1-40); and Truss and Gratton (1994: 663-686).

In sum, the key themes of strategic human resource management have emerged from the existing literature as the following.

1. Strategic human resource management highlights the relationship between human resource management and organizational strategy for achieving organizational success (Wright and Snell, 1991: 203-225; Wright and McMahan, 1992: 298; Guest, 1997: 263-276).

2. Strategic human resource management contains two types of alignments: external and internal. The former concerns the fit between human resource strategy and organizational strategy. The latter involves the fit within the human resource management systems (Miles and Snow, 1988: 10-28; Schuler and Jackson, 1987: 207-219; Schuler, 1992: 18).

3. Strategic human resource management takes into account a broader range of relevant contextual factors in the external and internal environments of the organizations (Truss and Gratton, 1994: 669; Holbeche, 2002: 29-47; Schuler and Jackson, 2005: 7-10).

4. Various stakeholders involve in strategic human resource management process. Top management support is critical to the adoption and implementation of strategic human resource management, while human resource professionals work cooperatively with line managers and non-management employees. A large portion of responsibility is devolved to the line, while the human resource function plays a supportive role (Dyer and Holder, 1988: 4; Schuler, 1992: 18; Truss and Gratton, 1994: 666).

5. The role of the human resource function has shifted from the administrative to the five major roles, including employee advocate, human capital developer, functional expert, strategic partner, and human resource leader (Ulrich, 1997a: 24-25; Ulrich and Brockbank, 2005: 199-201).

2.1.2 Strategic Human Resource Management and Effectiveness

Based on the goal-oriented approach proposed by Etzioni (1964:8), the concepts of strategic human resource management and effectiveness are interrelated. The relationships of these two constructs are apparent. Strategic human resource management aims towards the effective utilization of human resources in order to

achieve the strategic requirements and objectives (Greer, 2001: 123). It has been argued to have a positive relationship with firm performance (Delery and Doty, 1996: 802-835; Guest, 1997: 263-276). Strategic human resource management denotes both the means to effectiveness and an end in itself.

Effectiveness generally means achieving the intended results. From an organizational perspective, effectiveness is concerned with the achievement of organizational goals (Etzioni, 1964: 8; Cunningham, 1977: 469; Rogers and Wright, 1998: 14). It has been noted as a key ingredient to organizational success. Effectiveness signifies the accomplishment of ends. Thus, it is often used to evaluate organizational performance (Cunningham, 1977: 469; Gerloff, 1988: 155-158). Several competing models of effectiveness in the literature have been proposed as the bases for analyses of effectiveness. Effectiveness is generally viewed as a multidimensional construct typically involving multiple criteria (Greer, 2001: 301).

The aggregation of the two constructs derives strategic human resource management effectiveness, an important construct gaining an increasing popularity in the area of human resource management evaluation.

2.1.3 Definitions and Concepts of Strategic Human Resource Management Effectiveness

This section reviews various definitions of strategic human resource management effectiveness and other related concepts such as “human resource/human resource management effectiveness.” Then, the definition and concept of strategic human resource management effectiveness in this study are proposed.

As different views of effectiveness in terms of the scope, criteria, strategic impact, level of analysis, and level of constituents exist among researchers and practitioners, there is no universal agreement upon the definition of strategic human resource management effectiveness. It is based upon the underlying theoretical perspectives on which researchers and practitioners rely.

The phrase “strategic human resource management effectiveness” has not frequently used in the human resource management literature, especially for evaluating the performance or results of human resource management. Rather, the phrases “human resource effectiveness” and “human resource management effectiveness” have been widely used in the field. Although all of these phrases are sometimes applied

interchangeably and used to measure the same things, the term “strategic” indicates the strong link of human resource management to the firm’s strategies. On the other hand, “human resource effectiveness” and “human resource management effectiveness” in some studies do not tie effectiveness to the strategic level of the firm, but to the operational level of human resource management.

This section, thus, reviews the definitions and concepts of both strategic human resource management effectiveness and other similar concepts in human resource evaluation.

Two well-known definitions of strategic human resource management effectiveness have been proposed to the field. The work of Huselid, Jackson, and Schuler (1997: 175), one of the early work that introduces the phrase “strategic human resource management effectiveness,” defines strategic human resource management effectiveness as “the perceptions of how well the human resource management function develops a firm’s employees to support its business needs including facilitating teamwork, communications, and involvement, enhancing quality, and developing talent to serve the business in the future.” Effectiveness is a result of the utilization of strategic human resource practices to serve business needs through the capabilities of human resource professionals.

Based on Huselid et al.’s (1997) work, Richard and Johnson (2001: 299) provide a narrower meaning of strategic human resource management effectiveness. Strategic human resource management effectiveness is defined as “the practices that create a unique pool of human capital.” This definition also implies the significance of the human resource function and strategic human resource practices.

Explicitly, both definitions emphasize the “bundle” or “system” of strategic human resource practices and human resource outcomes. The human resource system reflects the adoption of strategic human resource management, while employees with the required knowledge, skills, and abilities to execute the firm’s strategies are considered the deliverables of effective strategic human resource management.

In addition, the work of evaluating “human resource effectiveness” or “human resource management effectiveness” that links human resource management to the strategic level is tremendous. With a link to the firm’s strategies, these concepts are treated similarly as the concept of strategic human resource management effectiveness in this study. Most of the work rarely provide the meaning of human resource/human

resource management effectiveness, but the evaluation scope, focus, criteria, and level of analysis reflect the meaning per se.

Tsui and Gómez-Mejía (1988: 187) argue that human resource effectiveness relates to two dimensions: (1) the effective utilization of the pool of human resources and (2) the contribution of the human resource function in achieving the effective utilization of such resources. The effective utilization of human resources means the effectiveness of the firm's overall human resources, which is affected by the efforts of line managers and all human resource members. The contribution of the human resource function indicates its effectiveness, which is affected by the efforts of human resource professionals. Effectiveness in this view primarily depends on human resource and line managers.

Ulrich (1997b: 306-318) also proposes the assessment of human resource effectiveness in terms of overall human resources and the human resource function. He links the effectiveness of overall human resources to the requirements of business through productivity, people, and process. Each of which becomes a basis for tracking the impact of overall human resources within the business. In addition to using these three human resource deliverables, human resource effectiveness can be determined by auditing human resource practices, professionals, and/or departments.

Furthermore, Yueng and Berman (1997: 321) measure human resource effectiveness by considering value added through human resource practices to drive business performance. Three paths through which human resource practices contribute to business performance include (1) building organizational capabilities, (2) improving employee satisfaction, and (3) shaping customer and shareholder satisfaction.

Morden (1998: 95) proposes the idea that human resource effectiveness involves measuring three areas, including (1) the efficiency and effectiveness of the human resource function, (2) the human asset performance and operational performance of the firm, and (3) future-oriented human resource requirements. This effectiveness can be categorized into three levels: functional, operational, and strategic levels.

Wright et al. (2001: 111) view human resource effectiveness in relation to the human resource function. The effectiveness of the human resource function is a function of its service delivery, roles, and contributions to the firm. The effectiveness of service delivery—including staffing/succession planning systems, compensation

systems, and training and development systems—resembles Huselid et al.'s (1997) technical human resource management effectiveness. On the other hand, effectiveness in performing roles—such as strategic partner, tailoring practices, and providing change consulting—resembles Huselid et al.'s (1997) strategic human resource management effectiveness. The evaluation of human resource contributions serves as an overall evaluation of the function, assessing how the human resource function is being run and how it contributes to the firm in different dimensions.

Paauwe (2004: 179) proposes that human resource effectiveness involves measuring the value added or the contribution of the human resource function. He considers human resource effectiveness a multidimensional perspective, labeled as “4 logic,” evolving from the changing roles of human resource management in the organization. The four logics include the strategic, the professional, delivery, and societal, all of which reflect different stakeholders significant to the human resource function. The human resource function has to deliver a range of services and human resource practices to satisfy various stakeholders' needs based on cost effectiveness.

Consistent with Paauwe (2004: 179), Schuler and Jackson (2005: 6-7) suggest that human resource effectiveness consider the impact of the human resource management system on all organizational stakeholders such as the organization itself as a primary stakeholder, customers, suppliers, and the local community. The human resource function has a responsibility to design the human resource system that addresses the concerns of all key stakeholders.

Chiraprapha Akaraborworn and Rattanasak Charoensap (2007) propose three levels of human resource evaluations: efficiency, effectiveness, and impact. Efficiency is assessed according to the investment worthiness in human resource management work in terms of time, budget, and resources used. Effectiveness assesses the achievement of human resource work according to the predefined goals. These two types of evaluations directly relate to the human resource function and human resource practices. The last level of the evaluations is concerned with the impact of human resource management work on the firm. It is the level at which human resource management outcomes contribute to the firm's strategies.

Synthesizing all of the work above, the main streams of evaluating human resource contributions to the firm (strategic human resource management effectiveness) involve the human resource function, human resource practices, and

human resource outcomes. This can be viewed as a continuum. At the first stage, the human resource function has to demonstrate the competencies to develop the human resource system by delivering both strategic and traditional human resource activities. This involves the effectiveness and efficiency of the human resource function. Next, the human resource system has to prove the desired results in producing the strategic human resource outcomes required for the organization's success. This represents the effectiveness of the human resource system. Ultimately, the human resource outcomes derived from the human resource system have to show their impact on the achievement of the firm's strategies. This represents the effectiveness of the overall human resources or the impact of human resources on the firm success. This view is consistent with Becker et al. (2001) and Huselid et al. (2005), where human resource contributions to the firm result from the overall human resource architecture (the human resource function, the human resource system, and strategic employee behaviors). This idea is presented in Figure 2.1.

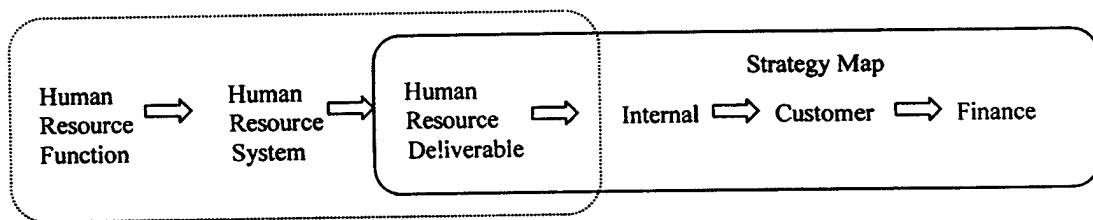


Figure 2.1 The Value Contribution of the Human Resource Architecture

Source: Adapted from Becker et al., 2001: 12.

Therefore, strategic human resource management effectiveness in this study refers to the contribution of the human resource architecture to helping the organization to achieve its strategy. Relying on the goal-attainment approach, it is a concept that emphasizes the contribution of human resources to attain organizational goals, through the human resource function, human resource policies and practices, and strategic employee behaviors. The success of human resource management is thus tied to the ability to execute the firm's strategies because this ability is currently considered a source of competitive advantage (Kaplan and Norton, 1996: 1). Strategic human resource management effectiveness is then a human resource performance driver of the firm's strategies. This is a way in which human resource management

reflects the strategic contribution or the value creation dimension of human resources to the firm.

The concept of strategic human resource management effectiveness proposed in this study is also consistent with Phillips' (1999) work on human resource contribution. As a result of increased human resource accountability to the firm, human resource contributions are developed based upon the paradigm shifts from the traditional human resource to a more results-based approach. The human resource function must demonstrate its validity for business, its ability to accomplish business objectives and its ability to communicate these accomplishments in ways that executives and line managers fully understand (Phillips, 1999: 1).

Based on this view, strategic human resource management effectiveness involves human value management. Value adding always starts with the organizational goals and is defined by the receiver (employees, customers, investors, and the organization itself), not the giver (the human resource function) (Fitz-Enz, 1990: 275, 2000: 8). Thus, the knowledge and skills of employees mean nothing until they are applied to the business situation (Fitz-Enz, 2000: 8). The value of human resource management is then represented in the form of "deliverables" rather than "doables" to the firm (Ulrich, 1998: 2-3; Becker et al., 2001: 30). Deliverables focus on the outcomes, results, and value created from doing human resource work (Ulrich, 1998: 2). These reflect the strategic human resource contribution. On the other hand, doables emphasize actions, activities, and what happens (Ulrich, 1998: 2). Doables involve improving human resource practices, upgrading human resource professionals, and reengineering human resource departments relevant to administrative efficiency (Ulrich, 1998: 2). It is not the doables but the deliverables which significantly contribute to the firm's strategy implementation.

2.1.4 Motives and Benefits Associated with Strategic Human Resource Effectiveness Study

The motives for studying strategic human resource management effectiveness can be summarized as the following.

1. Pressures to demonstrate the value added of human resource management work (Fitz-Enz, 1990: 274-275; Ulrich, 1997b: 303; Yueng and Berman, 1997: 321; Phillips, 1999: Preface No. 1; Becker et al., 2001: 1-3; Paauwe, 2004: 189).

2. Misleading and inadequate traditional human resource measures (Yueng, 1997: 299). The traditional measures often focus on “human resource doables,” such as cost per hire, time to fill a job, rather than “human resource deliverables,” such as employee commitment, employee productivity.
3. The integration of human resources into the mainstream functions in the organization (Phillips, 1999: Preface No.1).
4. The consequences of improper and ineffective human resource practices (Phillips, 1999: Preface No. 1).
5. Growing evidence to support the link between business performance and quality of human resource practices (Becker et al., 2001 1-3; Paauwe, 2004: 189).
6. Increased competitive pressure as a result of globalization and technological advancement (Paauwe, 2004: 189).
7. Belief in organizational myths such as “You cannot manage what you cannot measure” (Ulrich, 1997b: 303; Becker et al., 2001: 20) and “What you measure is what you get” (Yueng and Berman, 1997: 333).
8. U.S.-based obsession with measuring effectiveness, which has an impact in other countries (Paauwe, 2004: 189).

The evaluation of human resource management has appealed to researchers and practitioners. Major approaches or methods, using a variety of tools and based on a variety of assumptions to measure the human resource contribution, are summarized in the following table. No one best way exists to measure the human resource contribution; however, those approaches that link human resource performance with organizational effectiveness or focus on benefit and cost comparisons appear the most credible and valid (Phillips, 1999: 47).

Table 2.2 Major Approaches to Measuring the Human Resource Contribution

Approach	Measurement Focus
1. Human Resource Management by Objectives	Goal setting for human resource performance measures
2. Employee Attitude Surveys	Link employee attitudes/perceptions to organizational performance
3. Human Resource Case Studies	Present qualitative results of human resource programs or services in a case study format to selected audiences
4. Human Resource Auditing	Key indicators or user-reaction measures of efficiency or existence of practices
5. Human Resource Key Indicators	Quantitative measures of program/function performance
6. Human Resource Cost Monitoring	Cost comparisons of human resource programs, function, and behaviors with other cost standards
7. Human Resource Reputation	Clients/constituencies attitudes/perceptions on human resource function
8. Competitive Benchmarking	Comparisons of key measures with those of other organizations
9. Return on Investment	Comparison of the cost of human resource programs with the benefits derived from them
10. Human Resource Effectiveness Index	Multiple key indicators of program/function performance
11. Human Resource Accounting	Value of skills/capabilities/performance of employees based on standard accounting principles
12. Human Resource Profit Center	Profit contribution of programs/services
13. Human Resource Dashboard or Scorecard	Comparison of an array of human resource measures with the target. Tracking and monitoring results for improvement

Source: Adapted from Phillips, Stone and Phillips, 2001: 13.

In sum, those approaches involve the three dimensions of effectiveness criteria (Tsui and Mejia, 1988: 212).

1. Nature of Evaluation – whether the criteria measure a process or an outcome.

2. Focus of Effectiveness – whether the criteria examine overall human resources or only the human resource function.

3. Form of Effectiveness – whether the criteria are quantitative or qualitative measures.

In addition, Tsui and Gómez-Mejía (1988: 187-189) summarize the potential benefits associated with human resource evaluation, which can be applied to strategic human resource management effectiveness as the following.

1. Strengthening the Profile of the Human Resource Function

A human resource evaluation serves as a powerful tool to market the human resource function or enhance the image and visibility of the function.

2. Providing Accountability

Strategic human resource management effectiveness serves as a tool to determine whether the human resource function is effectively utilizing its resources and meeting immediate and long-term goals.

3. Promoting Change

Information from the evaluation, perceived as objective, promotes recognition of needed changes and ultimately action.

4. Assessing Financial Impact

The evaluation also serves as a tool for the human resource function to communicate the human resource success in a measurable way that the CEOs and line executives understand (Becker et al., 2001).

2.1.5 Theoretical Explanations for Strategic Human Resource Management Effectiveness

As strategic human resource management effectiveness in this study is defined as the contribution of the human resource architecture in helping the organization to achieve its strategies, strategic human resource management effectiveness can be explained by applying macro-level organization theories—the resource-based view of the firm (Penrose, 1959; Wernerfelt, 1984; Barney, 1991) and the behavioral approach (Schuler and McMillan, 1984; Schuler and Jackson, 1987; Jackson et al., 1989).

This section describes basic assumptions, focuses, and applications of these two theories in relation to strategic human resource management. The integration of

these theories is analyzed in order to explain strategic human resource management effectiveness.

2.1.5.1 The Resource-Based View of the Firm

The resource-based view places importance on internal firm resources as the ultimate source of sustained competitive advantage. A sustained competitive advantage exists when the firm is implementing a value-creating strategy that is not being implemented by any current or potential competitors and when these other firms cease to duplicate the benefits of this strategy (Barney, 1991: 102).

Barney (1991: 101-102) argues that firm resources can be categorized into three categories, including physical capital resources, human capital resources, and organizational capital resources. Building on the assumption that firm resources are heterogeneous and immobile, the resource-based view suggests that a sustained competitive advantage occurs only when the resources meet the four criteria of value, rarity, inimitability and non-substitutability. In other words, firm resources can be a source of sustained competitive advantage only if: (1) resources add positive value to the firm, (2) resources are unique or rare among current and potential competitors, (3) resources are imperfectly imitable, and (4) resources cannot be substituted with another resource by competing firms. The unique history, causal ambiguity, and social complexity of a firm's resources determine the inimitability of these resources. (Dierickx and Cool, 1989: 1504-1511; Barney, 1991: 107-110) These four attributes serve as empirical indicators of how resources vary across firms and are unable to obtain from other firms or resource markets.

As Barney (1991) suggests the applicability of the resource-based view to analyze a broad range of firm resources to be sources of sustained competitive advantage, scholars in the area of strategic human resource management have increasingly applied the resource-based view of the firm in the development of theory and the rationale for empirical research.

1) Strategic Human Resource Management Theory and the Resource-Based View of the Firm

The theory within the field of strategic human resource management built upon the resource-based view exhibits both similarities and differences. In applying the concepts of value, rareness, inimitability, and substitutability, Wright and McMahan (1992: 300-303) present the resource-based

view as a perspective providing a rationale for a firm's human resources, as a pool of skills, knowledge, attitudes, and competencies to be a source of sustained competitive advantage.

Later, Wright, McMahan and McWilliam (1994: 317) argue that it is not individual human resource practices, but the human capital pool (a highly skilled and highly motivated workforce), that has the potential to constitute a source of sustained competitive advantage. Individual human resource practice could be easily copied by competitors. Wright et al. (1994: 320) further argue that human resource practices play an important role in developing a sustained competitive advantage through the development of the human capital pool, and through moderating the relationship between this pool and a sustained competitive advantage by affecting human resource behavior.

Diverging from Wright et al. (1994), Lado and Wilson (1994: 699) propose that a firm's human resource practices provide a source of sustainable competitive advantage. They argue that, unlike individual human resource practices, the system of human resource practices can be inimitable as they can be unique, causally ambiguous and synergistic. These practices contribute to sustained competitive advantage by facilitating the development and utilization of organizational competencies.

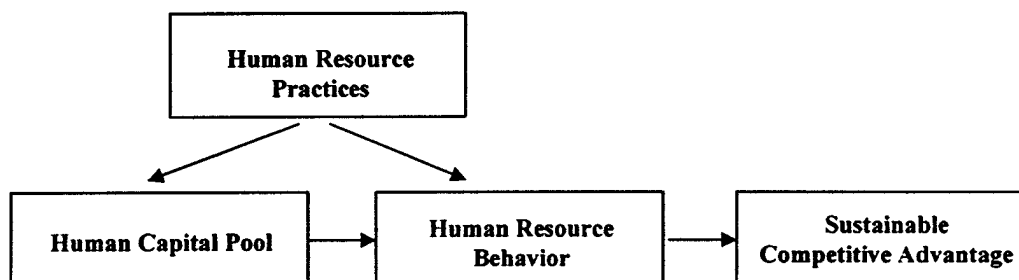


Figure 2.2 A Model of Human Resources as Sources of Sustained Competitive Advantage

Source: Wright et al., 1994: 318.

In addition, Boxall (1996) further suggests the concept of human resource advantage based upon the resource-based view and strategic human resource management paradigm. The human capital advantage is the potential to

capture a stock of exceptional human talent “latent with productive possibilities” (Boxall, 1996: 67). It is considered a function of causally ambiguous, socially complex, historically evolved processes. Boxall (1998: 1-29) then argues that organizations possess two major tasks. One is the management of mutuality to create a talented and committed workforce. Human capital advantage is the result of the accomplishment of this task. The other is to develop employees and teams to create a learning organization within and across industry cycles. The accomplishment of this task results in the organizational process advantage.

Synthesizing the previous writings on the resource-based view and strategic human resource management, Wright, Dunford and Scott (2001: 708-710) propose a model of the basic strategic human resource management components built upon the resource-based view of the firm. They argue that sustained competitive advantage is a function of a combination of human capital elements, strategically relevant behaviors, and supporting people management systems, not just a function of single or isolated components.

Academic debates regarding the relationship between strategic human resource management and the resource-based view in various dimensions have continued. In essence, the conceptual development within the field of strategic human resource management has leveraged the resource-based view to achieve some agreement about firm resources and sustainable competitive advantage, especially the attributes required for the resources to generate a competitive advantage.

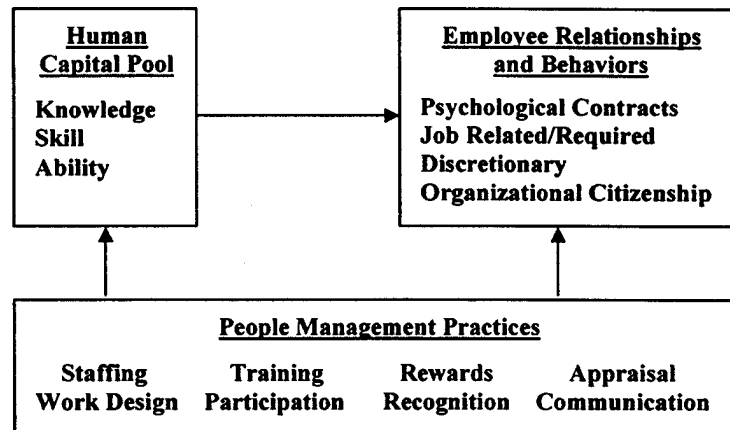


Figure 2.3 A Model of the Basic Strategic Human Resource Management Components

Source: Wright et al., 2001: 709.

2) Empirical Strategic Human Resource Management Research and the Resource-Based View of the Firm

In addition to the applications of the resource-based view to theoretical developments within strategic human resource management, the resource-based view has gained popularity in exploring the empirical relationships within strategic human resource management. The empirical application of the resource-based approach has taken a variety of forms, ranging in focus from high-performance work systems and stocks of talent, to the alignment between employee skills and strategy (Wright et al., 2001: 715). Many studies have employed a common underlying logic: human resource activities are thought to lead to the development of a skilled workforce, thus creating a source of sustained competitive advantage.

Applying the resource-based view, Huselid (1995: 635-672) examined human resource practices (high-performance work systems) and employee turnover, gross rate of return on assets, and Tobin's Q. The results indicated that such practices have an impact on both accounting- and market-based measures of performance. Later, Huselid and Becker (1997: 1-23) examined firm performance effects on the human resource system. The results indicated strong support for a positive relationship between a high-performance work system and firm performance. Following the resource-based approach, these two studies emphasize the human

resource systems as a source of sustained competitive advantage since they are difficult to imitate. The human resource systems are developed over time, cannot simply purchase in the market by competitors, and cannot be perfectly understood.

Wright, Smart, and McMahan (1995: 1052-1074) conducted a study regarding human resources and strategy among the National Collegiate Athletic Association (NCAA) basketball teams using the resource-based view. Rather than focusing on human resource practices, they focused on the team members' skills and the coach's experience and examined a match between skills and strategy. The results showed that the relationships between skills and team performance depended on the strategy. Teams whose coaches used a preferred strategy outperformed those whose coaches could not use their preferred strategy.

Boxall and Steeneveld (1999: 443-463) conducted a study in the engineering consultancy industry in New Zealand. They argued that a human resource advantage could lead one of the firms to achieve a superior competitive position. However, two of the competitors overtook this position later because they were able to imitate the former leaders' human resource advantage, or the former leader developed an uncertain human resource advantage that was exploited in the future.

In addition, Richard (2001: 164-177) relied on the resource-based logic to examine the impact of racial diversity on firm performance in the banking industry. Richard stated that diversity provided value to the firms through ensuring a variety of perspectives. Thus, diversity was rare because very few firms achieved significant levels of diversity and because the socially complex dynamics inherent in diversity led to its imitability. The results indicated that diversity was related to productivity, return on equity, and market performance for firms engaged in a growth strategy.

2.1.5.2 The Behavioral Approach

The behavioral perspective emphasizes employee behavior as the mediator between strategy and firm performance (Wright and McMahan, 1992: 303-305). It is assumed that various human resource practices are needed to elicit and control the different employee behaviors required by different contextual factors, such as firms' strategies (Schuler and Jackson, 1987: 207-220; Cappelli and Singh, 1992:

737-775). It suggests that effective human resource practices depend on their capacity to foster desired employee behaviors (Ericksen and Dyer, 2004: 5).

Grounded in role theory, the behavioral perspective focuses on the interdependent role behaviors serving as building blocks for an organization system (Schuler and Jackson, 2005: 12). Katz and Kahn (1978: 189) define role behaviors as “the recurring actions of an individual, appropriately interrelated with the repetitive activities of others so as to yield a predictable outcome.” The primary means by which the organization sends role information through the organization, supports desired behaviors, and evaluates role performance is through human resource management (Jackson and Schuler, 1995: 239; Schuler and Jackson, 2005: 12). Human resource management is effective when the expectations which it communicates internally and the ways in which it evaluates performance are congruent with the system’s behavioral requirements (Fredericksen, 1986: 445-452). System requirements depend on contextual factors, such as business strategies and the industry nature (Jackson and Schuler, 1995: 239).

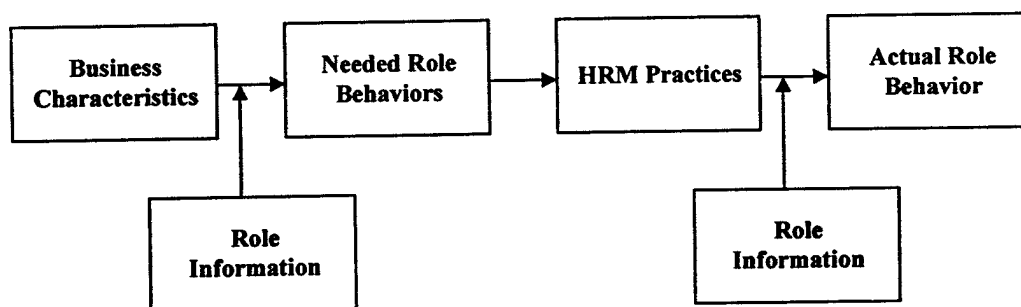


Figure 2.4 A Role Theory Perspective for Understanding Human Resource Management Practices

Source: Wright and McMahan, 1992: 304.

Although the behavioral perspective is one of the original, conceptually appealing models in the strategic human resource management literature, the behavioral approach has been less employed in strategic human resource management (Ericksen and Dyer, 2004: 5).

1) Strategic Human Resource Management Theory and the Behavioral Perspective

Examples of the theoretical models of strategic human resource management built upon the behavioral perspective include the work of Schuler and MacMillan (1984), Miles and Snow (1984), Schuler and Jackson (1987), Cappelli and Singh (1992), Jackson et al. (2003), and Ericksen and Dyer (2004). Schuler and MacMillan (1984: 241-255) argue that human resource practices, often overlooked, are a means by which companies can gain a competitive advantage. Human resource practices enable companies to gain a competitive advantage by eliciting the behaviors that are supportive of the strategy. The most appropriate human resource practices must be aligned to the strategy (the target/thrust matrix) and consistent across human resource practices.

Miles and Snow (1984: 36-52) also propose different types of human resource practices required by different types of strategy. However, they do not specify the role behaviors required for the different strategy types. They rather assume that human resource practices differ among strategy types due to the different behaviors and skills necessary to implement the strategy.

In addition, Schuler and Jackson (1987: 207-220) use role theory to link human resource practices with Porter's (1980) competitive strategies of the organization. They propose that different strategies require different role behaviors of on the part of employees and then require different human resource practices. In addition, all human resource activities must be consistent with each other and linked to the strategic needs of the business. This is consistent with Cappelli and Singh (1992: 737-775), who argue that a particular business strategy requires a unique set of responses from employees and that a particular set of human practices produces a unique set of responses from employees. To match human practices to a chosen strategy, the human resource strategist has perfect knowledge regarding all of the skills and behaviors required to implement that strategy and the specific human practices that will develop those skills and elicit those behaviors.

Jackson et al. (2003: 727-786) extend the behavioral approach to describe the knowledge-based approach to a sustainable competitive advantage. In order to create, share, and transfer knowledge, organizations must have a process in place both for physical and social support. It is argued that human resource practices

can be used to encourage employee behaviors needed for knowledge-based competition. These human resource practices help to facilitate the acquisition and development of knowledge among individuals and teams.

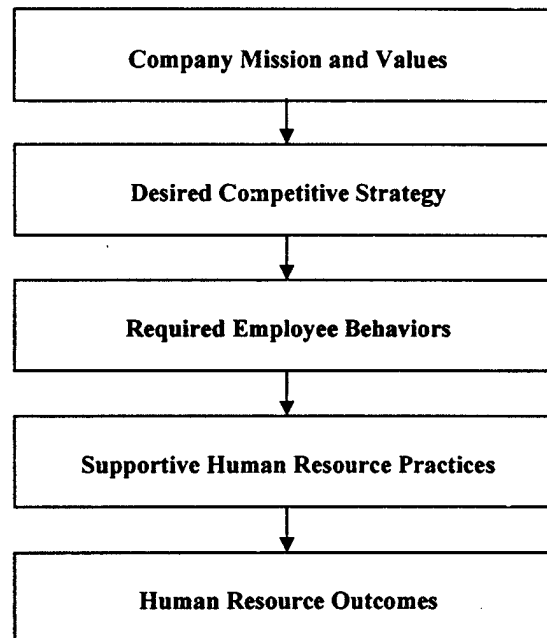


Figure 2.5 Schuler and Jackson's (1987) Model of Linking Human Resource Practices to Competitive Strategy

Source: Boxall and Purcell, 2003: 53.

Ericksen and Dyer (2004: 1-36) also apply the behavioral approach to the development of a strategic human resource management-based model of high reliability organizations in order to explain how employees contribute to specific organizational goals in specific contexts. They view organizational reliability as an ideal, system-level, employee-driven measure of firm performance. A set of reliability-oriented employee behaviors can predict the level of reliability and these behaviors are valuable to reliability-seeking organizations that operate under the contextual factor of trying conditions. It is argued that reliability-enhancing human resource strategies create these behaviors.

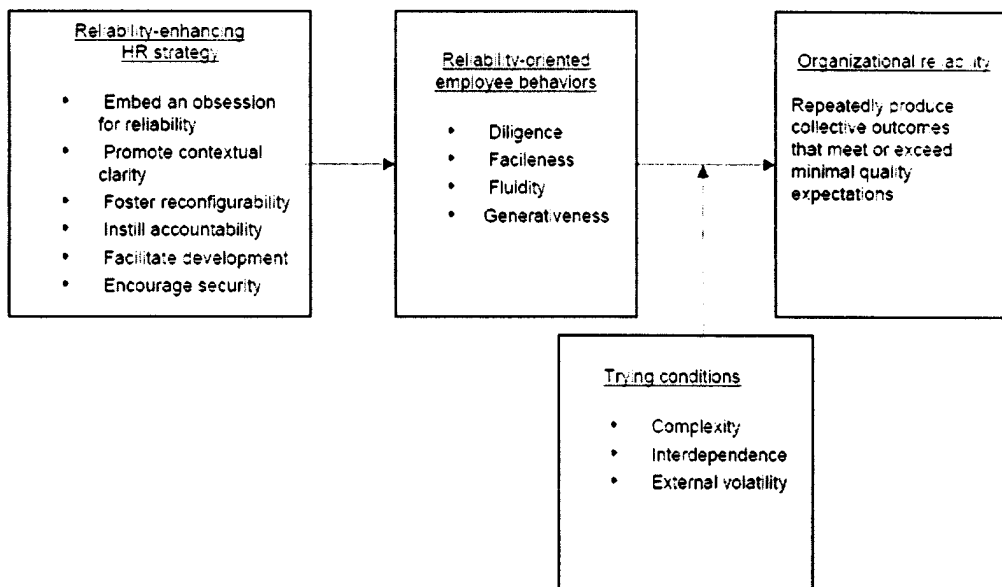


Figure 2.6 A Strategic Human Resource Management Model of High Reliability Organization Performance

Source: Ericksen and Dyer, 2004: 8.

In summary, strategic human resource management theories built upon the behavioral perspective have utilized a relatively similar logic in that they treat employee behavior, rather than employee's knowledge, skills, and abilities, as an important mediator between the organizational strategy and firm-level outcomes. Explicitly, the models built on insights from the behavioral theory exhibit the external alignment between human resource practices and important aspects of the organization, such as organizational strategy and environmental factors, as well as internal alignment or congruence among human resource practices.

2) Empirical Strategic Human Resource Management Research and the Behavioral Perspective

Many scholars argue that various linkages in the behavioral approach have been less studied or neglected, making this approach a partial explanation of the fundamental issues in strategic human resource management (Wright and McMahan, 1992: 305; Ericksen and Dyer, 2004: 5).

The behavioral perspective places emphasis on the relationship between the organizational strategy, human resource practices, human resource behaviors, and firm performance. It is apparent that the human resource practice-behavior relationship is the common focus in the approach. However, the firm strategy-employee behavior and the employee behavior-firm performance linkages are little studied (Wright and McMahan, 1992: 305). Thus, it is difficult to draw a conclusion on the role of employee behavior as a mediator in the strategy-firm performance relationship (Liquin, 2004: 26).

Huang (1997: 677-689) investigated the impact of participative management on employee behaviors and the firm's financial effectiveness among 308 Taiwanese enterprises. The results indicated both positive and negative relationships. A suggestion system and labor-management committee had a positive impact on turnover and absenteeism rates. Similarly, the quality control circle (QCC) and profit sharing showed a positive impact on organizational effectiveness as seen in profit and revenue growth rates. However, employee stock-ownership plans and grievance-handling systems had negative effects on both employee behaviors and organizational effectiveness.

Collins and Clark (2003: 740-751) studied strategic human resource practices, top management team social networks, and firm performance in 73 high-technology firms. They examined the effect of network-building human resource practices in creating an organizational competitive advantage based on the behavioral approach. This study presented the idea that several network-building human resource practices encouraged the executives to build internal and external social networks that improved firm performance. The relationships between these human resource practices and firm performance were mediated through their top manager's social networks.

2.1.5.3 Integration of Theories

Various theoretical and empirical works on strategic human resource management have utilized both the resource-based view and the behavioral approach as underpinning theoretical perspectives (e.g., Lado and Wilson, 1994; Huselid and Becker, 1995, 1997; Becker et al., 2001; Huselid et al., 2005). The resource-based view and the behavioral approach are considered strategic theories of human resource management (Wright and McMahan, 1992). They provide explanations for human

resource practices as a result of strategy considerations. Human resource management practices are then determined by proactive, strategically-intended decisions. (Wright and McMahan, 1992) The resource-based view focuses on the relationships among the firm's strategies, human resource practices, and the human resource capital pool, while the behavioral approach emphasizes how the firm's strategies, human resource practices, and human resource behaviors are interrelated. The relationships of the two approaches are depicted in Figure 2.7.

In the context of strategic human resource management effectiveness, the combination of the resource-based view and the behavioral approach provides a theoretical explanation for analyzing strategic human resource management effectiveness in theory and practice. Both approaches focus on different aspects that support one another. The resource-based view and the behavioral approach complementarily describe how the human resource architecture can be strategic assets, the set of difficult to trade and imitate, scarce, appropriable, and specialized resources and capabilities that bestow the firm's competitive advantage (Amit and Schoemaker, 1993: 36).

The resource-based approach emphasizes the attributes of the overall human resource architecture required to become a source of sustained competitive advantage. In this way, the human resource architecture is assessed to possess the four attributes of strategic resources suggested by Barney (1991). First, the human resource architecture can add positive value to the firm. In this case, the value contribution of the human resource architecture relates to facilitating the implementation of the firm's strategies. Next, only a small number of firms in a particular competitive environment develop overall human resource architecture. A majority of firm usually use a single element of the human resource function, the human resource system, or human capital pool, as a basis for managing human resources effectively. In addition, the human resource architecture cannot be transferred easily from one firm to another due to its path dependency and causal ambiguity. It is developed over time and cannot be purchased in the market by competitors. The human resource architecture can easily be understood in concept, but in practice require numerous and subtle interrelationships not readily observed by those outside the firm. Finally, the architecture cannot be substituted with another resource by competing firms. Given the explanation of the resource-based view,

human resource architecture is considered a source of sustained competitive advantage.

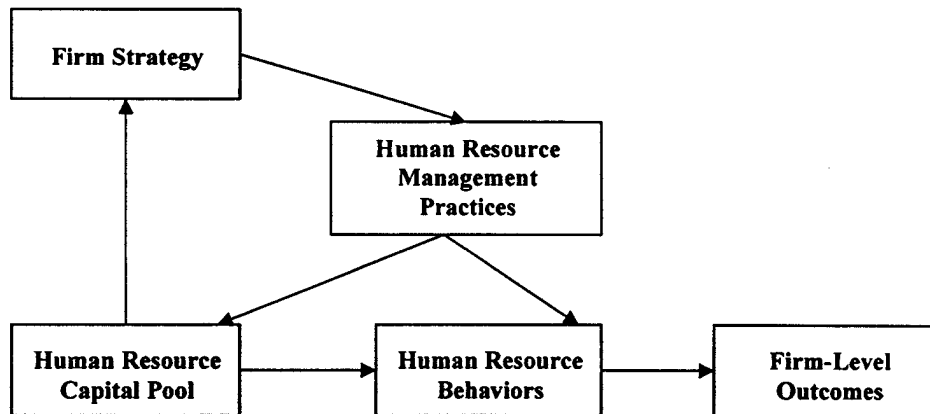


Figure 2.7 Integrated Theories of the Resource-Based View and the Behavioral Approach

Source: Adapted from Wright and McMahan, 1992: 299.

However, only promoting the human resource architecture as a source of sustained competitive advantage is not sufficient to create a strategic impact on the firm. Based on the model adapted from Wright and McMahan (1992), firm-level outcomes are directly influenced by human resource behaviors, which are the outcomes of human resource management. Human resource behaviors are strategic deliverables serving to execute the firm's strategies (Becker et al., 2001: 20). They are driven directly by the human resource practices needed to elicit and control different behaviors required by different contextual factors. It is the role of the human resource system within the human resource architecture that contributes to a sustained competitive advantage by acquiring, developing, and motivating the behaviors necessary for successfully implementing the organizational strategy.

Integrating the resource-based view and the behavioral approach provides a broad understanding of how the human resource architecture can be a strategic asset that reinforces the implementation of the firm's strategies, that is, the concept of strategic human resource management effectiveness. However, the next challenge is how to design and manage the human resource architecture that will help the organization to achieve its objectives. The theoretical and empirical literature

concerning strategic human resource management in the following sections provides a solid explanation for this issue.

2.1.6 Theoretical Models of Strategic Human Resource Management Effectiveness

This section reviews various theoretical models explaining the contribution of human resources to the firm's success from various perspectives. Theoretical models under the title of "strategic human resource management effectiveness" have not existed. However, many scholars have proposed models attempting to measure and manage the contribution of the overall human resources, the human resource system, and the human resource function that are applicable to the study of strategic human resource management effectiveness. All of these models explicitly show the link to organizational outcomes.

2.1.6.1 Tsui and Gómez-Mejía's (1988) Model

Tsui and Gómez-Mejía (1988: 209-217) propose an integrative framework for evaluating human resource effectiveness based on a systems perspective. It is one of the most cited models of human resource effectiveness.

Demonstrating the link to organizational effectiveness, this model suggests that there are two kinds of effectiveness relating to human resource management: the effectiveness of the human resource function and overall human resource effectiveness. Human resource and line managers are primary decision maker that play a significant role in determining both types of effectiveness, and ultimately, organizational effectiveness, through their decisions and actions.

The effectiveness of the human resource function is solely a result of the decisions and actions of human resource managers, while the overall human resource effectiveness results from the decisions and actions of only line managers or the joint efforts of line and human resource managers. This indicates that human resource managers have both direct and indirect responsibilities for the overall human resource effectiveness. The effectiveness of the function and overall human resources, then, lead to organizational effectiveness.

In addition, Tsui and Gómez-Mejía place emphasis on the importance of the internal and external factors of the organization that can have implications for human resource policies and practices. They suggest that well-designed human

resource policies and practices must be aligned with the contextual factors of the organization and that the major responsibility for identifying those contextual factors lies with human resource managers. Human resource managers also have more responsibility for influencing line managers' perceptions and understanding of such factors. This implies that the alignment of human resource policies and practices with the contextual factors of the firm have an impact on the effectiveness of the human resource function and overall human resources.

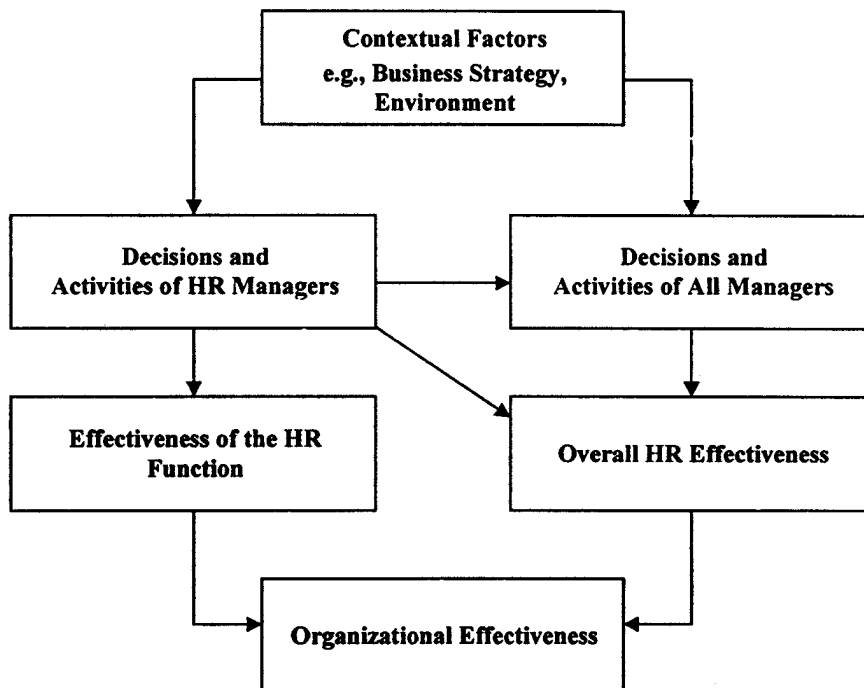


Figure 2.8 Integrative Model of Effectiveness

Source: Tsui and Gómez-Mejía, 1988: 211.

2.1.6.2 Fitz-Enz's (1990) Model

Fitz-Enz (1990: 274-312) develops the human resources octagon as a model for evaluating the value-added effects of human resources.

The octagon model views the value of human resources as the qualitative and quantitative worth of products and services provided by the human resource function in terms of the contribution to the customer's goals, such as revenues, expenses, productivity, quality, profits, and market share. The value of

human resources is directly linked to business success. In this way, human resource practices are used to contribute to those goals as a primary purpose; the use of those practices to create efficiency, productivity, and quality of the human resource management operation is considered a secondary purpose.

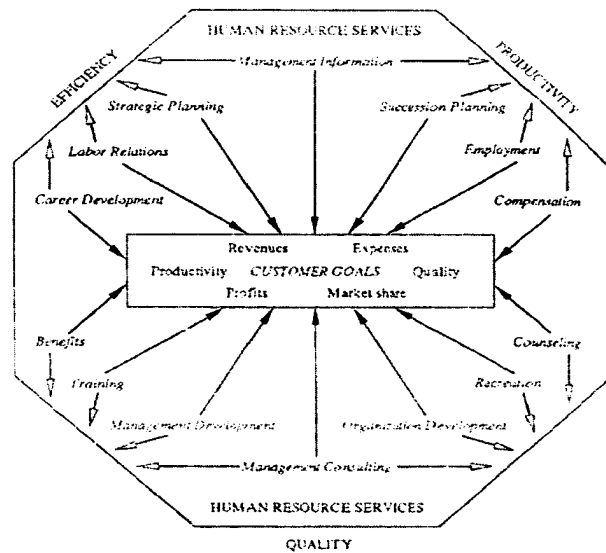


Figure 2.9 Human Resources Octagon

Source: Fitz-Enz, 1990: 276.

2.1.6.3 Yueng and Berman's (1997) Model

Yueng and Berman (1997: 328-329) proposed an integrative model, using Kodak Eastman as a case study, for examining the value of human resources towards business performance. Based on the balanced scorecard framework (Kaplan and Norton, 1996) and Eastman Kodak's strategic human resource framework (Ulrich and Lake, 1990), this model highlights the paths through which human resource practices can impact business performance. In other words, it identifies how a firm leverages its human resource practices to drive business performance. The three unique ways in which human resources can contribute to business success are building organizational capabilities, enhancing employee satisfaction, and shaping customer and shareholder satisfaction.

The balanced scorecard offers a business framework that emphasizes the requirements of the firm to succeed by satisfying three stakeholders: employees,

customers, and shareholders. These three stakeholders are interrelated. The Eastman Kodak's strategic human resource framework, consisting of business strategy, organizational capabilities, and human resource practices, suggests how the human resource function adds value to business success. The strategic human resource framework aims to leverage and/or align human resource practices to build organizational capabilities that enable the firm to succeed (Yueng and Berman, 1997: 328)

Integrating the balanced scorecard and the strategic human resource framework, Yueng and Berman's (1997) framework comprises six interrelated components, identified into two linkage chains. In the first chain, human resource practices are key drivers in building organizational capabilities, enhancing employee satisfaction, and shaping customer satisfaction. Organizational capabilities and employee satisfaction can also impact customer satisfaction. In the second chain, organizational capabilities become key drivers, implementing business strategy, customer satisfaction, and shareholder satisfaction. Both business strategy and customer satisfaction help to increase shareholder satisfaction if properly managed.

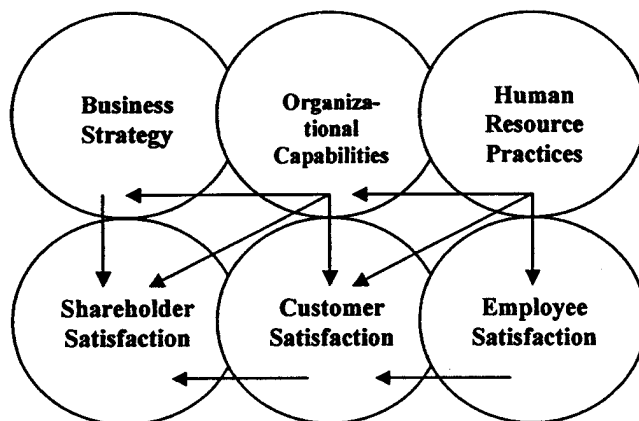


Figure 2.10 Integrative Framework Connecting Strategic Human Resource Framework to Key Results Areas

Source: Yueng and Berman, 1997: 328.

Based upon this model, human resource evaluation focuses on two streams. One relates to the effectiveness and efficiency of the human resource function in delivering services. In other words, it examines how well the human

resource function designs and delivers human resource practices in terms of the efficiency, quality, and speed of delivering human resource practices and in managing the human resource function as a whole. The other is concerned with the effectiveness of human resource practices in building human resource management outcomes; it examines how effectively the practices build desired organizational capabilities and increase the satisfaction of employees, customers, and shareholders.

2.1.6.4 Phillips' (1999) Model

Phillips (1999: 176-186) proposes the human resource contribution model, presenting the relationship between the human resource function and organizational effectiveness. The model includes three major elements, including human resources management, human resource performance measures, and organizational effectiveness measures. The performance of the human resource function is the result of several components of human resource management, including functions, programs, policies, practices, strategy, and activities. Then, human resource performance produces an impact on organizational effectiveness. Contingency factors such as revenue growth rate, industry type, and economy also affect the level of organizational effectiveness.

This model highlights the importance of the effective management of the human resource function, human resource strategies, policies and practices as factors influencing the effectiveness of the human resource function, and ultimately the organization.

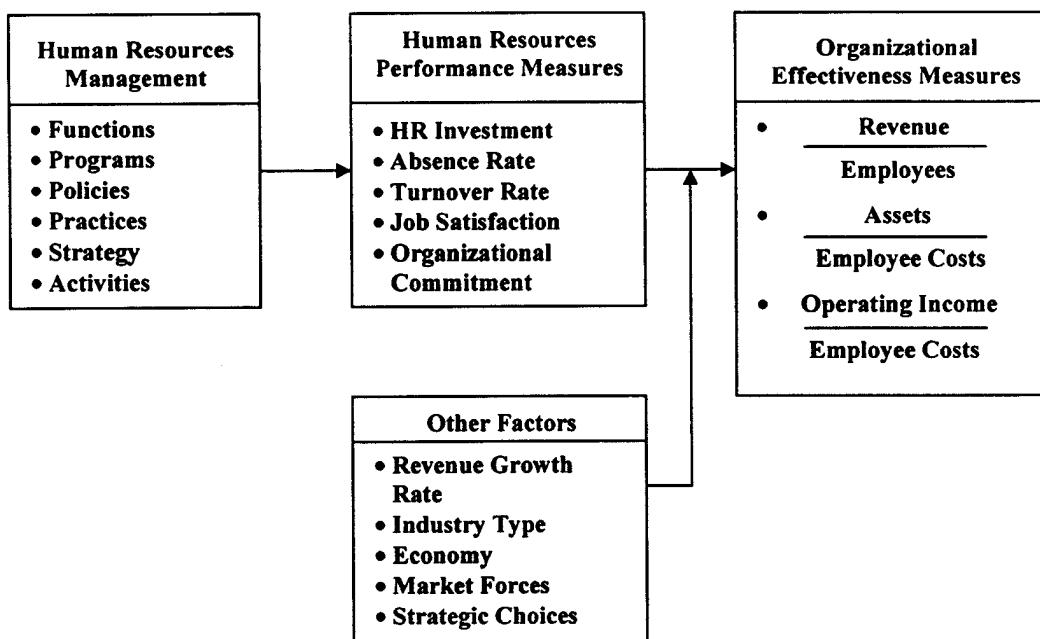


Figure 2.11 The Human Resource Contribution Model

Source: Phillips, 1999: 176.

2.1.6.5 Becker and Huselid's (2003) Model

Following the concept of human resource architecture and the HR scorecard (Becker et al., 2001), Becker and Huselid (2003: 13) propose a model presenting human resource architecture and its link to strategy execution. It emphasizes the contribution of the human resource function to firm success.

To drive strategy execution, the firm must possess the proper human resource architecture, including (1) the key human resource deliverables or the human resource outcomes serving to execute the firm's strategies, (2) a high-performance work system, aligned with the firm strategy and integrated with each other, (3) the efficiency with which those human resource deliverables are generated, and (4) the human resource professionals with the competencies needed to design and implement human resource practices. Then, the effectiveness of human resource management is assessed by operational, customer, and financial success through the effect of human resource deliverables. It is a way in which the human resource function can demonstrate its value contribution to the firm instead of controlling costs and enhancing the operational efficiency of the human resource function.

This model can be used to assess the human resource function in relation to efficiency in delivering human resource practices and the effectiveness of the human resource function in designing and implementing human resource practices in order to produce the desired outcomes that will impact the firm.

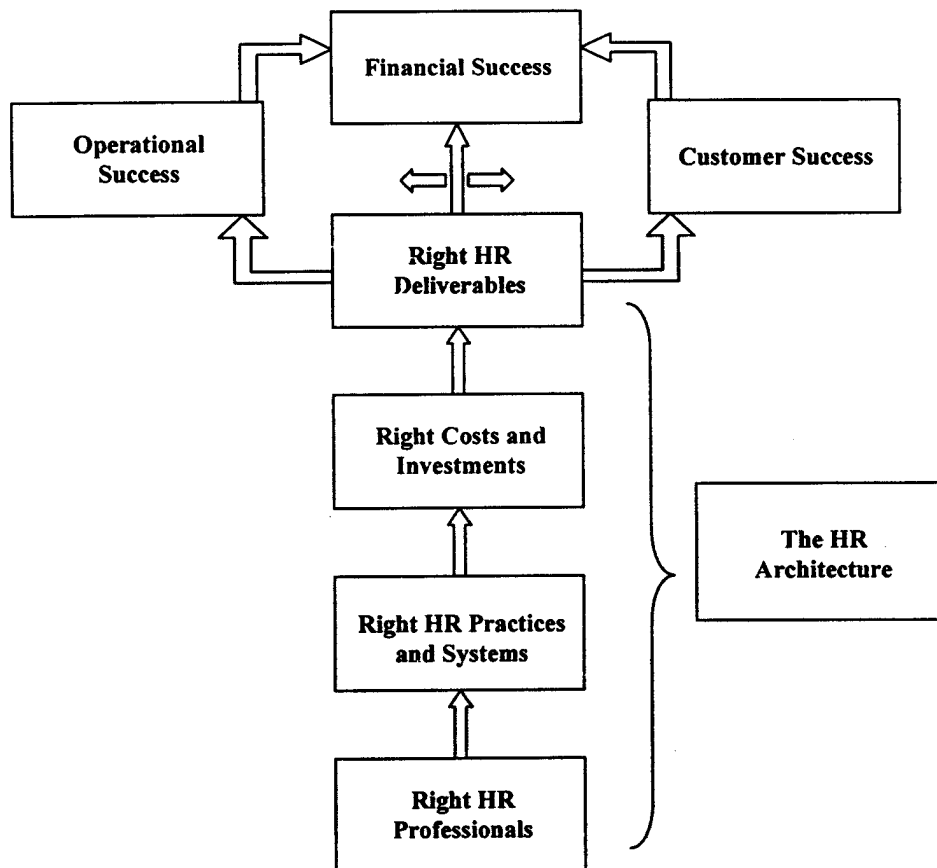


Figure 2.12 A Model of the Human Resource Architecture Driving Strategy Execution

Source: Becker and Huselid, 2003: 13.

2.1.6.6 Huselid, Becker, and Beatty's (2005) Model

Relying on the balanced scorecard and the HR scorecard, the workforce strategy and workforce scorecard (Huselid et al., 2005) have been developed to manage and measure the contribution of the workforce or overall human resources, rather than the human resource function, to the firm's strategy implementation. This model presents logic similar to that of Huselid and Becker's (2003) model, which further develops the concept of human resource deliverables, presented in the form of workforce success.

Huselid et al. (2005) offer an integrative model involving the issue of how to manage human capital to execute the firm's strategies. The focus is on the role of the workforce in creating value for the firm through workforce success, the extent to which the workforce accomplishes the key strategic objectives of the firms. The success of the workforce is determined by business success: financial success, customer success, and operational success. Workforce success is considered human resource deliverables, driven by the three drivers of the workforce mind-set and culture, workforce competencies, and workforce behaviors. It is argued that the workforce helps to execute firm strategy through the culture, mind-set, capabilities, and behaviors created. The workforce mind-set and culture refer to the norms and expectations that the workforce needs to understand and embrace in order to support strategy execution. Workforce competencies represent the knowledge, skills, and ability of employees. Workforce behaviors refer to the strategic behaviors of employees consistent with the requirement of the firm's strategies for it to be executed.

Based on the following model, it can be stated that human resource success or the success of the human resource function is about driving workforce success; workforce success then drives business success. This model can be used to assess the effectiveness and efficiency of the human resource function as well as the effectiveness of overall human resources in contributing value to the firms.

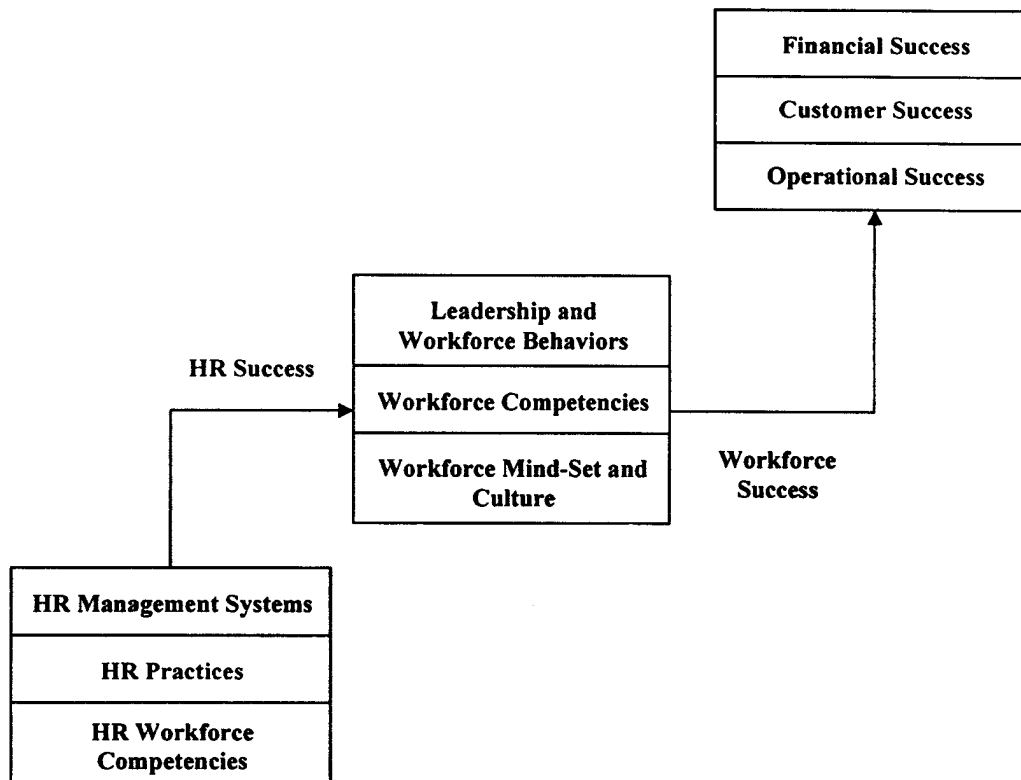


Figure 2.13 Workforce Success Model

Source: Adapted from Huselid et al., 2005: 7.

2.1.7 Empirical Studies of Strategic Human Resource Management Effectiveness

The empirical studies under the title of “strategic human resource management effectiveness” are few. However, the studies on human resource evaluation regarding the effectiveness of the human resource function, policies and practices are relatively plentiful. Drawn from overall key studies, the empirical research relevant to strategic human resource management effectiveness in this study can be categorized into three streams.

2.1.7.1 The Effectiveness of the Human Resource Function

- 1) Wright, McMahan, McCormick, and Sherman’s (1997)

Study

Wright et al. (1997: 1-24) examined the strategy, core competence, and involvement of human resource executives in strategic decision-

making regarding human resource effectiveness and refinery performance among 86 U.S. petro-chemical refineries.

Human resource effectiveness was defined as the effectiveness of the human resource function, evaluated by the perception of operations managers regarding how well the human resource function performed the works met their expectations, and was a value added/bottom line contributor to the firm.

The study indicated that higher involvement of the human resource function in the firm's strategies was strongly related to human resource effectiveness. The relationship was strongest to the extent that the firm pursued a product innovation strategy and viewed skilled employees as their core competence. Human resource involvement was unrelated to refinery performance; however, it was negatively related to the extent that refineries viewed efficient production as their core competence. The relationship between human resource effectiveness and firm performance was not examined in this study.

2) Wright et al.'s (2001) Study

Wright et al. (2001: 111-123) compared the importance and effectiveness of the human resource function from the viewpoint of top level line and human resource executives from 14 firms in various industries. This study evaluated the effectiveness of the human resource function in terms of its service delivery, roles, and contributions to the firm.

The effectiveness of the service delivery in this study includes staffing/succession planning systems, compensation systems, and training and development systems, resembling Huselid et al.'s (1997) technical human resource management effectiveness. The effectiveness in performing roles includes providing human resource services, providing change consulting, being a business partner, developing organization skills and capabilities, and tailoring practices to fit business needs, resembling Huselid et al.'s (1997) strategic human resource management effectiveness.

The evaluation of human resource contributions serve as an overall evaluation of the function, assessing how the human resource function is being run and how it contributes to the firm in different dimensions. It evaluates how human resource contributes to the firm's competitive position, bottom line, core competence, and human capital.

The results indicated that both human resource and line executives agreed on the importance of various human resource services, with few significant differences between line and human resource executives. However, human resource executives consistently viewed human resource effectiveness in terms of services, roles, and contributions higher than did line executives. The greatest differences were observed in the more important and/or strategic aspects of human resource management.

3) Han, Chou, Chao, and Wright's (2006) Study

Han et al. (2006: 391-406) conducted a study focusing on human resource effectiveness and human resource competencies in 39 Taiwanese high-tech companies. The human resource effectiveness in this study involved the effectiveness of the human resource function as perceived by line managers. The results indicated that the human resource competencies of field expertise and change management were strongly related to human resource effectiveness. However, the results showed that business knowledge was not related to human resource effectiveness in those firms.

This study partially confirmed human resource competencies as determinants of human resource effectiveness in Taiwanese high-tech firms.

2.1.7.2 The Effectiveness of Human Resource Practices

1) Huselid et al.'s (1997) Study

Huselid et al. (1997: 171-188) conducted a study in 293 US firms from various industries in order to evaluate the effect of human resource management capabilities on human resource management effectiveness, as well as the impact of human resource management effectiveness on firm performance based on the resource-based view.

Huselid et al. (1997: 172-173) proposed two types of human resource effectiveness: technical and strategic human resource management effectiveness. The former describes the perceptions of how well the human resource function performs traditional human resource management activities: the latter describes the perceptions of how well the human resource function develops a firm's employees to support its business needs. The results showed that US firms achieved higher levels of technical human resource management effectiveness than of strategic human resource management effectiveness. However, only strategic human resource

management effectiveness was positively associated with firm performance, namely employee productivity, cash flow, and market value.

This study also proposed human resource capabilities (competencies) as determinants of human resource management effectiveness. In order to maximize both types of human resource management effectiveness, human resource professionals should have the two types of human resource capabilities, including professional human resource management capabilities and business-related capabilities. Professional human resource management capabilities relate to the delivery of traditional technical human resource management practices. However, the professional human resource management capabilities may not be sufficient to ensure the development and effective implementation of human resource management practices. As the strategic human resource management paradigm has emerged, business-related capabilities, enabling human resource professionals to understand how business considerations unique to a firm can create firm-specific human resource management needs, have become required.

The research results showed that human resource professionals in US firms achieved higher levels of professional capabilities than of business-related capabilities. Technical human resource management effectiveness was associated with professional human resource management capabilities, while strategic human resource management effectiveness was associated with both professional and business-related capabilities.

In sum, this research focused on the role of the human resource function and human resource practices, indirectly and directly respectively, in creating a pool of human capital to support business needs. The results supported the strategic human resource management effectiveness-firm performance relationship.

2) Richard and Johnson's (2001) Study

Following the work of Huselid et al. (1997), Richard and Johnson (2001: 299-310) further examined the relationship between strategic human resource management effectiveness and firm outcomes in the banking industry in California and Kentucky. The role of capital intensity as a contextual factor moderating the relationship was also explored.

Based on the resource-based view, the strategic human resource management effectiveness in this study emphasized the role of human

resource policies and practices in creating a unique pool of human capital that contributes to the firm's economic value. The results revealed that firms achieving higher levels of strategic human resource management effectiveness experienced lower levels of employee turnover. However, this effectiveness was not directly related to productivity or return on equity.

Supplementing the contingency theory, this study also examined the firm contexts that might affect the relationship between strategic human resource management effectiveness and firm performance. The results showed that the alignment between strategic human resource management effectiveness and capital intensity increased firm productivity and return on equity. However, the interaction effect did not found in turnover.

The results, in general, supported the argument that firms with higher levels of strategic human resource management effectiveness experienced performance gains. Depending on the performance measures, some effects worked directly to influence performance where other performance effects were moderated through capital intensity.

3) Akaraborworn and Charoensap's (2007) Study

Chiraprapha Akaraborworn and Rattanasak Charoensap (2007) studied human resource measurement in 258 organizations in Thailand with the main objectives of analyzing the existing key performance indicators of human resource work. The sample in this survey study consisted of members of the Personnel Management Association of Thailand (PMAT) or of the Stock Exchange of Thailand.

Chiraprapha Akaraborworn and Rattanasak Charoensap (2007) categorized current human resource measurements in the 10 areas of human resource works in those organizations into three levels: efficiency, effectiveness, and impact. The efficiency of human resource work related to investment worthiness in terms of the time, budget, and resources used. The effectiveness assessed the achievement of human resource work according to predefined goals. The impact in this study evaluated the impact of human resource work on the firm.

2.1.7.3 The Effectiveness of Human Resource Outcomes

1) The Study of Phillips and the SHRM/Saratoga Institute (1999) Study

Phillips (1999: 186-200), incorporated with the Society of Human Resource Management and the Saratoga Institute, conducted a human resource effectiveness study in 71 organizations across various industry segments. This study aimed to develop a Human Resources Effectiveness Index that reflected the extent to which the organization effectively and efficiently uses its human resources, and examined the relationships among several human resource performance measures and organizational effectiveness.

Two approaches that relate human resource performance and organizational effectiveness were cost and investment. The success of human resource efforts was examined by six human resource outcomes, including human resource expenses, compensation expenses, benefit expenses, training and development expenses, absence rate, and turnover rate. These human resource outcomes resulted from human resources management. Organizational effectiveness was measured by revenue productivity, asset utilization, operating income, and operating return on equity.

The research results indicated some support for the relationship between human resource performance and organizational effectiveness. The strongest relationships were found to exist between human resource management expenses, compensation expenses, and benefit expenses and organizational effectiveness. An investment in human resource expense was positively related to organizational effectiveness, while decreases in compensation and benefit expense increased organizational effectiveness. Absence and turnover rates were significantly negative related to organizational effectiveness, although the relationship was not as strong as others.

To summarize, previous studies of strategic human resource management effectiveness have mainly focused on evaluating the human resource function, and human resource practices or systems. The effectiveness of the human resource function is significantly tied to the knowledge, skills, and abilities of human resource professionals as well as to the internal and external environments of the firm. The effectiveness of human resource practices is usually examined as a system of

human resource practices and is linked to the firm-level outcomes. There are few studies that test the effect of human resource practices on human resource outcomes, and ultimately, firm outcomes.

2.2 Theoretical and Empirical Literature on the Factors Affecting Strategic Human Resource Management Effectiveness

This part of the current study presents the development of its conceptual framework. The framework is built upon the theoretical models and empirical studies stated in the previous section. The determinants of strategic human resource management of this study are also examined in the three dimensions of the human resource function, the human resource system, and human resource management outcomes.

2.2.1 Development of the Conceptual Framework

A review of various theoretical models and empirical studies reveals a number of determinants of strategic human resource management effectiveness. As the scope of strategic human resource management effectiveness in this research is confined to the contribution of the overall human resource architecture (Becker et al., 2001), including the human resource function, the human resource system, and strategic employee behaviors in helping the organization to achieve the strategy, only those factors determining the effectiveness in this meaning are included in the model.

The proposed conceptual framework of strategic human resource management effectiveness in this study is mainly built upon the human resource architecture model proposed by Becker et al. (2001) and the following models of Huselid and Becker (2003) and Huselid et al. (2005). The conceptual framework is depicted in Figure 2.16.

The human resource architecture is the focus of the determinant analysis in this study. Rather than emphasizing only the human resource function, policies, or practices, the focus of the analysis in this study aims at several dimensions of human resource management. Becker et al. (2001) argue that line managers and human resource professionals need to think of human resources from a new perspective, not in terms of a function or set of practices, but rather as an “architecture” that must be

properly structured and managed to create value. It is the foundation of a strategic human resource role—to make human resources a strategic asset. It is argued that effective human resource architecture can be viewed as a strategic asset that creates value for the firm by eliciting strategic performance behaviors for implementing the firm's strategies through the human resource system and the human resource function (Becker et al., 2001: 12-20).

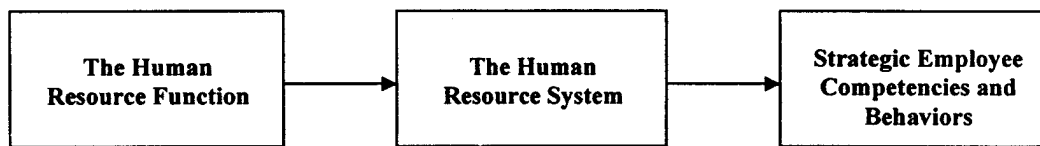


Figure 2.14 The Human Resource Architecture

Source: Becker et al., 2001: 12.

Becker et al. (2001) extend this idea by proposing the HR scorecard for managing the human resource architecture to drive strategy execution. This scorecard can be applied to the measurement of the level of the human resource contribution in ways that executives and line managers fully understand. The logic of the HR scorecard is also clearly presented and extended in the work of Huselid and Becker (2003). Huselid and Becker (2003) propose the logical relationships between various factors, linked to the firm's success in financial, customer, and operational areas. In order to achieve this success, the firm needs to have the proper human resource function and the proper human resource systems, producing the proper human resource deliverables. Ultimately, these human resource deliverables have an impact on firm performance.

Following Becker et al. (2001) and Huselid and Becker (2003), Huselid et al. (2005) develop the workforce scorecard and another extended model for managing the human resource architecture to drive strategy execution. Huselid et al. (2005) focus on the workforce success as strategic human resource deliverables. It is argued that the workforce help to execute firm strategy through the culture, mind-set, capabilities, and behaviors created.

Therefore, this study posits that strategic human resource management effectiveness of the garment and electronics firms depends on three primary elements,

namely the human resource function, the human resource system, and employee behaviors. In order to achieve strategic human resource management effectiveness, the companies should possess the proper human resource function and the proper human resource practices and system in order to produce the proper strategic human resource deliverables for the successful strategy implementation of the firm. To have these elements, the firm must focus on (1) the human resource professionals with the competencies needed to design and implement human resource practices, (2) the efficiency with which those human resource deliverables are generated, (3) the high-performance work system, aligned with the firm strategy and integrated with each other, and (4) the key human resource deliverables or the human resource outcomes that really support the firm's strategies. The value contribution of human resources is then assessed through the human resource deliverables. All of these elements constitute the research variables in this study and are explained in the next section.

2.2.2 Factors Affecting Strategic Human Resource Management Effectiveness

The determinants of strategic human resource management effectiveness can be viewed as three dimensions of the human resource function, the human resource system, and strategic human resource outcomes.

2.2.2.1 Human Resource Function

Three variables of the human resource function are proposed as the determinants of strategic human resource management effectiveness in this study, namely technical human resource competencies, strategic human resource competencies, and human resource efficiency. These factors are assumed to have influences on creating an effective human resource system.

The human resource function usually refers to the human resource professionals within the human resource function. Given the changing environments and requirements in many organizations, the human resource function plays an important role in business success, particularly as a business partner (Ulrich, 1997). They have to fulfill both operational and strategic roles (Ulrich, 1997: 24). The human resource function extends its focus from the management of human resources to the development and maintenance of organizational effectiveness. The function is expected to create value and to deliver results to the organizations. Thus, human

resource professionals have the lead responsibility in designing human resource policies and practices that elicit employee behaviors leading to sustainable success (Armstrong, 2005: 196). The value of the human resource function is then evaluated in the eyes of various stakeholders, not only its employees but also customers, investors, and line managers.

Ulrich (1997) proposes four key roles that human resource professionals must fulfill in order to create value and to deliver results as business partners. Each of the four roles is essential to the overall partnership role. These include (1) strategic partner, (2) administrative expert, (3) employee champion, and (4) change agent.

Ulrich and Beatty (2001) describe a shift in the role of the human resource professionals as moving from human resource partners to players as required for the function to meet a firm's strategic challenges. As players, human resource professionals learn to (1) coach, (2) architect, (3) build, (4) facilitate, (5) lead, and (6) provide a conscience for business leaders. The human resource players that master these roles add value and contribute to an organization's ability to compete in a world of business challenges (Ulrich and Beatty, 2001: 294).

Table 2.3 Roles of Human Resource Professionals in Building a Competitive Organization

Roles	Deliverables/Outcomes	Activities
Strategic Partner: Management of strategic human resources	Executing strategy	Aligning human resource and business strategies
Administrative Expert: Management of firm infrastructure	Building an efficient infrastructure	Reengineering organization processes
Employee Champion: Management of employee contribution	Increasing employee commitment and capability	Listening and responding to employees
Change Agent: Management of transformation and change	Creating a renewed organization	Managing transformation and change

Source: Adapted from Ulrich, 1997: 25.

Synthesizing previous studies of human resource professionals' roles, Ulrich and Brockbank (2005) reveal five major roles for human resource professionals for building a competitive organization, including (1) employee advocate, (2) human capital developer, (3) functional expert, (4) strategic partner, and (5) leader. As employee advocates, human resource professionals make sure that the employer-employee relationship is one of reciprocal value. They build the future workforce as human resource capital developers. They are also functional experts that design and deliver human resource practices to ensure individual ability and create organization capability. They act as strategic partners, helping line managers to achieve their goals. Finally, they must be leaders, leading the human resource function, collaborating with others, ensuring corporate governance, and monitoring the human resource community.

Being either business partners or players requires a set of human resource competencies (Ulrich, 1997a: 38; Becker et al., 2001: 22; Ulrich and Brockbank, 2005: 14). There is now increased emphasis on human resource competencies as a means to increase human resource effectiveness and influence business performance (Huselid et al., 1997: 174; Ulrich and Brockbank, 2005: 222-240; Ramlall, 2006: 27). Several studies have been conducted on human resource competencies. The most extensive research has been the survey conducted at the University of Michigan's School of Business in four rounds over a 16-year period (1988-2002). The latest results suggested a set of competencies required for human resource professionals, including (1) strategic contribution, (2) personal credibility, (3) human resource delivery, (4) business knowledge, and (5) human resource technology. These competencies yield different impacts on business performance (Ulrich and Brockbank, 2005: 223).

Another major study is the research conducted by Towers Perrin in collaboration with IBM in 1991. This work revealed computer literacy, broad knowledge of and vision for human resource management, the ability to anticipate the effects of change, and the human resource management education of and influence on line managers as critical competencies (Towers Perrin, 1992 quoted in Becker et al., 2001: 157).

Huselid et al. (1997: 171-188) and Butteriss (1998: 59-74) propose relatively similar types of competencies. Huselid et al. (1997) conceptualized all competency domains into two types: professional human resource management capabilities and business-related capabilities, while Butteriss (1998) grouped human resource competencies as consisting of human resource technical competencies and general competencies. Professional human resource management capabilities and human resource technical competencies relate to the delivery of technical human resource management practices. Business-related capabilities and general competencies enable human resource professionals to understand business considerations unique to a firm and facilitate the selection and implementation of human resource policies and practices that fit the unique characteristics of a firm. In order to satisfy the wider demands on the human resource function, human resource professionals must possess two essential competencies.

In addition, the work sponsored by the Society of Human Resource Management Foundation in 1998 indicated the competency requirements for human resource professionals for the year 2000, consisting of leadership, management, functional, and personal attributes augmented by level- and role-specific competencies (Schoonover, 1998 quoted in Becker et al., 2001: 157).

The American Society for Training and Development (ASTD) (2004) has also proposed a competency model to support its members and the field of training and development professions. The model defines the profession in the context of learning and performance, and balances the strategic, financial, and business goals of organizations with the welfare of employees. The competencies consist of clusters of skills, knowledge, abilities, and behaviors required for people to succeed in the workplace learning and performance field. The model is based on three layers of successive building blocks of foundational competencies, areas of expertise, and roles in the profession, as depicted in Figure 2.15.

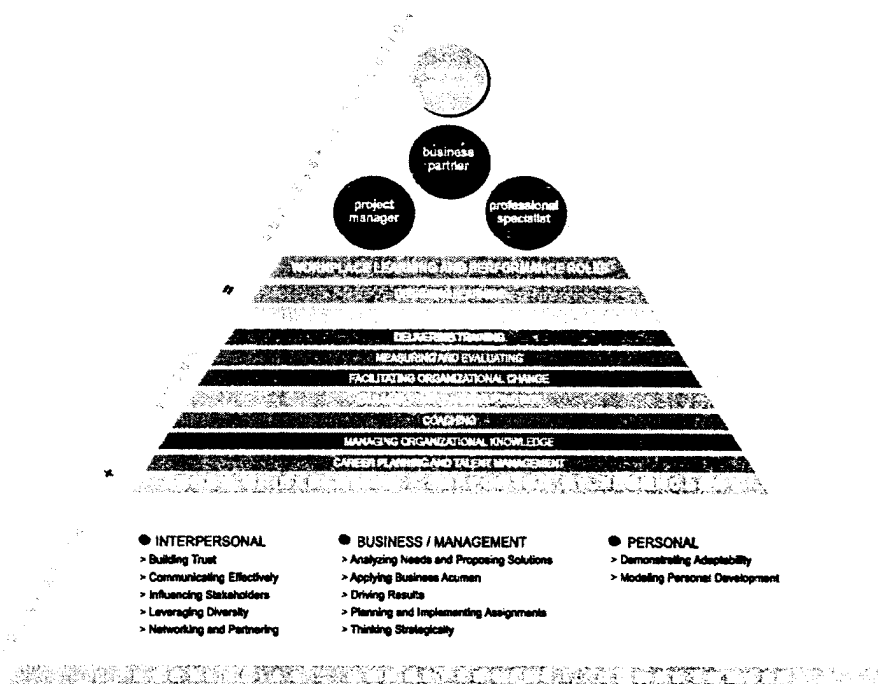


Figure 2.15 The ASTD Competency Model

Source: The American Society for Training and Development, 2004.

Synthesizing previous literature on human resource competencies, the literature reveals some common themes. First, although different types of competencies from different studies have been proposed, human resource professionals must develop and master each of the entire domains of competencies (Huselid et al., 1997: 174; Ulrich and Brockbank, 2005: 223). The entire ensemble contributes to success. Second, the competencies can also be viewed as relevant to technical (operational) and strategic issues of human resource management. Technical issues relate to the delivery of human resource basics such as recruitment and selection, training and development, and performance management. They focus on the current, day-to-day delivery of human resource practices (Ulrich et al., 1989a: 315). Strategic issues involve value-creating human resource activities that significantly contribute to the achievement of the organizations' strategic requirements and objectives. They focus on the impact of human resource practices on long-term business strategies (Ulrich et al., 1989a: 315).

Therefore, this study argues that the human resource function must develop and demonstrate two types of human resource competencies, namely technical human resource competencies and strategic human resource competencies. Both types of competencies are associated with strategic human resource management effectiveness (Huselid et al., 1997: 174).

1) Technical Human Resource Competencies

Technical human resource competencies refer to the expertise and skills of all human resource managers and professionals needed to perform excellently within a traditional human resource management functional department (Huselid et al., 1997: 175; Butteriss, 1998: 56). These competencies relate to those required for the effective and efficient delivery of human resource services or traditional human resource activities. The study conducted by Huselid et al. (1997) showed that technical human resource competencies were associated with the perception of how well the human resource function performs traditional human resource activities.

This variable is similar to professional human resource management capabilities (Huselid et al., 1997) and human resource technical competencies (Butteriss, 1998). It is related to the role of the administrative/functional expert, which requires that human resource professionals design and deliver efficient

human resource processes for staffing, training, appraisal, rewarding, promoting, and managing the flow of people (Ulrich, 1997; Ulrich and Brockbank, 2005). No commonly accepted typology, however, exists to summarize human resource services (Ulrich, 1997b: 311). Based on Ulrich (1989: 314), traditional human resource activities in this study include staffing, training and development, performance appraisal, rewards, and organizational governance. Examples of technical human resource competencies include delivery of human resource practices, personal credibility, computer literacy, and human resource technology.

Although the value of the human resource function has shifted to business value in terms of human resource deliverables, traditional human resource activities still need to be carried out. It has been argued that delivering traditional human resource services accounted for 18 percent of influence on business performance (Ulrich and Brockbank, 2005: 223). Only if the human resource system is managed efficiently can human resource deliverables be a source of value creation (Becker et al., 2001: 59). If human resource professionals cannot design or deliver strong human resource basics, they rarely make strategic contributions to business (Ulrich, 1997a: 27; Ulrich and Brockbank, 2005: 228).

2) Strategic Human Resource Competencies

Strategic human resource management competencies refer to the expertise and skills of all human resource managers and professionals required for performing value-creating human resource activities that meet the organizations' strategic requirements and objectives. As technical human resource competencies may not be adequate to manage human resources strategically, strategic human resource competencies provide solutions. Strategic human resource competencies are considered supplemental, but critical competencies to human resource professionals today. Huselid et al.'s (1997) study revealed that this type of competencies was positively related to the perception of how well the human resource function develops a firm's employees to support its business needs.

This variable resembles business-related capabilities (Huselid et al., 1997: 175) and general competencies (Butteriss, 1998: 56). Strategic human resource competencies are necessary for performing the roles of strategic partner, employee advocate, human capital developer, and leader. In other words, these competencies are required for helping the firm execute its strategy, increasing

employee commitment and capability, building the future workforce, and being a genuine leader within the human resource function and to those outside. Examples of strategic human resource competencies include strategic contribution, business knowledge, and personal credibility (Ulrich and Brockbank, 2005: 222-223). It is argued that strategic contribution, business knowledge, and personal credibility accounted for 43 percent, 11 percent, and 23 percent of the influence on business performance, respectively (Ulrich and Brockbank, 2005: 223).

As strategic human resource management effectiveness in this study involves effective strategy execution, human resource professionals help increase the capacity of a business in order to execute its strategies by using these types of competencies. Human resource professionals translate business strategies first into organizational capabilities and then into human resource practices (Ulrich, 1997a: 191). In other words, human resource practices create, reinforce, and sustain the needed capabilities. Achieving this requires a strategic type of human resource competency.

In sum, various theoretical models and perspectives have been proposed that the human resource function is critical for building a competitive organization. This implies that competencies of human resource professionals are associated with firm performance. Empirical studies (e.g. The University of Michigan Business School, 2002; Boselie and Paauwe, 2005) have been supported these arguments. However, theoretical explanations of these arguments are few and unclear. Later, Becker et al. (2001) and Huselid et al. (2005) extend this notion by proposing causal linkages between human resource competencies and the human resource system, and ultimately firm performance. No empirical studies have tested the linkage between human resource competencies and the human resource system. This study attempts to fill this gap.

3) Human Resource Efficiency

Becker et al. (2001: 59) assert that cost control in the human resource function plays a limited role in determining human resources' strategic influence; however, they further argues that in order to demonstrate the strategic contribution of human resources, human resource management needs to focus not only on creating the human resource deliverables needed to execute the firm's strategies, but also the efficiency of the human resource function. Fitz-Enz (2000: 125) also

mentions that the contribution of human capital to enterprise goals begins with the human resource department's work on planning, acquiring, maintaining, developing, and retaining human assets. The human resource function exists in an organization because it adds tangible value such as dollar improvement by providing necessary human resource services at a competitive cost (Fit-Enz, 2002: 15). Providing that the human resource system is managed efficiently, human resource deliverables can significantly produce the strategic contributions for a business (Becker et al., 2001: 59). Thus, a balance between cost control and value creation is required.

This variable is consistent with the administrative/functional expert role of human resource professionals, which the deliverable from this role is administrative efficiency, including efficiency in human resource processes (Ulrich, 1997). Human resource efficiency emphasizes the performance of the human resource function in delivering human resource practices without wasting resources such as cost and time. It is the efficiency with which those deliverables are generated. However, efficiency concerns do not only mean "minimizing cost in the human resource function and enhancing operational efficiency," the concern of "appropriateness" in controlling cost is important, as the unintended consequence of excessively lowering workforce costs results in the quality problem of the workforce and increasing total labor cost over the long run (Huselid et al., 2005: 11).

Becker et al. (2001: 67) recommend that the efficiency of the human resource function be divided into core and strategic efficiency. Core efficiency represents the efficiency of human resource activities and processes that make no direct contribution to the firm's strategy implementation, while strategic efficiency refers to the efficiency of human resource activities and processes designed to produce human resource deliverables. In addition, Ulrich (1997: 88-89) suggests that becoming an administrative expert requires mastery of two phases of reengineering: improving human resource processes and rethinking value creation. By improving processes, human resource professionals streamline, automate, and improve the efficiency of the human resource practices. Then, human resource professionals reframe and think the conceptualizations and methods of performing human resource work.

This variable is proposed in this study as relevant to the human resource function in helping to produce strategic human resource outcomes required

for successful strategy implementation. It is argued that human resource efficiency exists when human resource professionals possess technical human resource competencies, the expertise and skills of all professionals to perform excellently within a traditional human resource management functional department. This view is consistent with the study of Huselid et al. (1997).

2.2.2.2 Human Resource System

Three other variables relevant to the human resource system are proposed as the determinants of strategic human resource management effectiveness in this study, namely high performance system adoption, the alignment of the system with the firm's strategies (external alignment), and the alignment within the system (internal alignment).

Scholars have devoted a great deal of attention to examining the linkage between human resource systems and firm performance (e.g. Arthur, 1994; Huselid, 1995; Becker and Gerhart, 1996; Huselid and Becker, 1995; 1997). It is viewed that human resource system is an important component helping an organization to become more effective and to achieve a competitive advantage (Becker and Huselid, 1998: 54-55). The proper human resource systems can enhance strategic capabilities, which in turn drive firm success (Huselid et al., 2005: 24).

Lado and Wilson (1994: 701) use a systems approach to define a human resource system as a set of distinct but interrelated activities, functions, and processes that are directed to attracting, developing, and maintaining (or disposing of) a firm's human resources. The term "system" denotes the overall set of human resource practices rather than separate human resource practices. A properly developed human resource system is an invisible asset that creates value when it is embedded in the operational systems of an organization by enhancing the firm's capabilities (Becker and Gerhart, 1996: 782). Additionally, Lado and Wilson (1994: 699-727) believe that human resource systems can contribute to a sustained competitive advantage through facilitating the development and utilization of organizational competencies. In contrast, improper human resource systems can destroy these competencies or inhibit their accumulation and deployment.

1) High-Performance Work System Adoption

Becker and Huselid (1998: 53) mention that the human resource system is the linchpin of the strategic influence of human resource management and the model of the system labeled “high-performance work systems” (HPWSs) serves as an imitable resource supporting the implementation and the achievement of corporate strategy. It is argued that a high-performance work system has an economically meaningful effect on firm performance (Ichniowski, 1990; Huselid, 1995; Huselid and Becker, 1995, 1997).

High-performance work systems are management techniques that supposedly increase the overall performance and/or effectiveness of the organization by making better use of the skills of employees and improving their commitment to the organization (Heery and Noon, 2001: 157). High-performance work systems can be viewed as a means of developing and sustaining core competencies and as a necessary condition for strategy implementation (Dyer, 1993; Pfeffer, 1994). Studies of so-called high-performance work systems vary significantly as to the practices included and the terminologies used by researchers are somewhat diverse. Examples of terminologies are high-involvement management (e.g. Lawler, 1987), high commitment management (e.g. Walton, 1985), human-capital enhancing human resource systems (e.g. Youndt, Snell, Dean and Lepak, 1996), high performance employment system (e.g. Arthur, 1994), and high-performance work systems (e.g. Huselid 1995, 1997) (Heery and Noon, 2001: 157). It is argued that these high-performance work practices are effective when bundled together (MacDuffie, 1995: 197-221; Ichniowski, Kochan, Levine, Olson and Strauss, 1996: 299-333). Bundles seem to be superior to any of the individual human resource activities (Dyer and Reeves, 1995: 656). However, researchers have not established a threshold concerning the extent to which a firm must adopt such a system in order to qualify as a high-performance work system. At a minimum, prior results suggest that more is better (Huselid and Becker, 1995: 6; Becker and Huselid, 1998: 82). It is expected that firms that make broader use of high-performance work practices gain more business success (Huselid and Becker, 1995: 6).

A high-performance work system reflects the “best practice” approach to strategic human resource management (e.g. Huselid 1993, 1995; Osterman, 1994; Pfeffer, 1994). The advocates of best practice argue that all firms in

Osterman, 1994; Pfeffer, 1994). The advocates of best practice argue that all firms in nearly any organizational context gain performance improvements only if they identify and implement the best practice in the way in which they manage people. Boxall and Purcell (2003: 63) assert that best practice models focus on (1) enhancing employee knowledge, skills, and abilities through good recruitment and strong training, (2) increasing employee motivation through strong incentives, and (3) supporting employee opportunities to contribute through work redesign and employee participation. These models often parallel the notion of high-performance work systems. Well-known high-performance work systems (e.g. Huselid, 1992—described in the 1995 Huselid's study; Huselid, 1994—described in the 1995 Huselid and Becker's study; Huselid, 1996—described in the 1997 Huselid and Becker's study; Arthur, 1994; Pfeffer, 1994, 1998; MacDuffie, 1995) are also built upon these models.

A high-performance work system maximizes the quality and performance of the firm's employees (Huselid, 1995; Huselid and Becker, 1995, 1997; Becker et al., 2001). In order for human resources to create value, a firm needs to design each element of its system in a way that emphasizes, supports, and reinforces a high-performance workforce. Investments in appropriately aligned human resource management systems can help to create the type of strategic capabilities that drive firm success. Huselid et al. (2005: 112) assert that firms with high strategic capabilities result in lower employee turnover and enhance productivity, profitability, and shareholder value.

However, the best practice approach that underpins the concept of high-performance work systems has been critiqued in that it ignores specific organizational and broader environmental contexts, which are the major concern of the best fit approach. It is argued that both the general principles of the best practice school and the specific contexts of the best fit school play an important role in the theory and practice of strategic human resource management (Boxall and Purcell, 2003: 70). Thus, an effective high-performance work system must consider the "fit" of the human resource system to its surrounding context such as the organizational strategy and "fit" within the human resource system. An effective human resource system is not all about making broader use of modern human resource practices and no universally effective bundle of human resource practices is available. Each firm must

customize its system to its own unique strengths and weaknesses. Thus, the external and internal alignments of the human resource system are important.

The Fit Perspective of Strategic Human Resource Management

Nadler and Tushman (1980: 40) define fit as “the degree to which the needs, demands, goals, objectives, and/or structure of one component are consistent with the needs, demands, goals, objectives, and/or structure of another component.” Organizations are more efficient and/or effective when they achieve fit relative to when a lack of fit exists (Baird and Meshoulam, 1988; Lengnick-Hall and Lengnick-Hall, 1998 quoted in Wright and Snell, 1998: 756).

Fit is a fundamental idea inherent in strategic human resource management and is widely employed by researchers. Fit in strategic human resource management often refers to as “alignment,” “congruence,” or “consistency.” According to Wright and McMahan (1992: 298), strategic human resource management means “the pattern of planned human resource deployments and activities intended to enable the firm to achieve its goals.” In this way, strategic human resource management presents two types of “fit”: external and internal. External alignment is viewed as directing human resources toward the primary initiative of the organization, while internal alignment is considered instrumental for allocating those resources (Wright and Snell, 1998: 756). Human resource architecture must achieve the two types of alignments in order to become a strategic asset (Becker et al., 2001: 131).

2) External Alignment

Baird and Meshoulam (1988: 116) view external alignment—otherwise called “vertical fit”—as involving the alignment of human resource practices and the developmental stage of the organization. As an organization changes as it grows, human resource management must change to respond. Delery and Doty (1996: 804) refer to external alignment as the congruence of the human resource system with other organizational characteristics, such as firm strategy. Furthermore, Gómez-Mejía, David, and Cardy (2004: 28) propose five types of fit between human resource strategies and other important aspects of organization. Four out of five are considered external alignment: (1) the fit between human resource and organizational strategies, (2) the fit between human resource strategy and the firm’s environment, (3)

the fit between the human resource strategy and organizational characteristics, and (4) the fit between the human resource strategy and organizational capabilities.

A variation of external fit results from contingency theories that suggest a range of factors taken into account when devising a human resource strategy. It is argued that human resource strategy and practices should be reactive to the overall business objectives and other contextual variables of the firms.

Presently, researchers usually define external fit as the alignment of human resource practices and the firm's competitive strategy (Mile and Snow, 1984; Schuler and Jackson, 1987; Youndt et al., 1996). It is the process of ensuring that human resource strategy conforms to the wider business strategy. For example, Wright and Snell (1998: 758) assert that the firm's strategies should fit with three human resource variables: human resource practices, employee skills, and employee behaviors. Becker et al. (2001: 138) further suggest two focuses of external alignment: (1) the alignment of human resource deliverables with the strategic performance drivers of the firm, and (2) the alignment of the human resource system with human resource deliverables. Overall, Becker et al. (2001) recommend the alignment of the human resource system that produces key human resource deliverables and the requirements of the firm's strategy implementation system.

Several studies (e.g. Huselid, 1995; Youndt et al., 1996; Huselid and Becker, 1997) confirm that alignment of human resource practices produces positive human resource outcomes and organizational outcomes such as reducing employee turnover, increasing employee productivity and improving financial performance.

3) Internal Alignment

Internal alignment—otherwise called “horizontal fit”—originally refers to the congruence among the various human resource components (Baird and Meshoulam, 1988: 122). Baird and Meshoulam (1988: 122) suggest the six components of management awareness, management of the function, portfolio of programs, personnel skills, information technology, and awareness of the environments that fit with and support each other.

Diverging from Baird and Meshoulam (1988), Baron and Kreps (1999) propose three types of consistency in human resource management: single-employee consistency, consistency among employees, and temporal consistency.

Single-employee consistency reflects whether employees experience different human resource practices as complementary or conflicting. Consistency among employees refers to the consistency across employees doing the same kind of work. Temporal consistency is the consistency of employee treatment across a reasonable period of time.

However, many researchers (e.g. Huselid, 1995; Huselid and Becker, 1995; Becker et al., 2001; Boxall and Purcell, 2003; Gómez-Mejía et al., 2004; Huselid et al., 2005) have relied on the definition of Baird and Meshoulam (1992) and conclude that internal alignment refer to the fit among human resource practices. Internal fit is the process of ensuring that the various human resource practices are sufficiently integrated with each other in order to produce a coherent human resource strategy. The key activities of staffing, developing, rewarding, and maintaining employees should be composed of those practices directed towards achieving the same or complementary objectives.

Although an effective human resource system is expected to create value for the firm by aligning the human resource system with the firm's larger strategy implementation system (MacDuffie, 1995: 198; Becker et al., 2001: 46), Becker et al. (2001) view that internally aligned human resource systems also help produce strategic human resource deliverables that support the firm's performance driver. It implies that, apart from the external alignment of human resource system and the firm's strategies, alignment within the system is also important. The focus on internal alignment invokes the possibility for complementarities or synergies within an appropriately aligned system (Delery and Doty, 1996: 952; Becker and Ulrich, 1998: 55). Baird and Meshoulam (1988) also argue that firm performance will be enhanced to the degree that firms adopt human resource practices that complement and support each other. Many empirical studies (e.g. Huselid, 1995; Huselid and Becker, 1997) support this argument. Therefore, the internal alignment within the human resource system is proposed as a variable in this study.

2.2.2.3 Human Resource Outcomes

The human resource outcomes in this study refer to the competencies, motivations, and associated behaviors of the firm's employees. Human resource outcomes, especially strategic employee behaviors, are the end result of the larger human resource architecture, influenced by the human resource system that is aligned

with the firm's strategies (Becker et al., 2001: 20). These outcomes directly serve to implement the firm's strategies. They are the points of intersection between the human resource system and the firm's strategy implementation plans—the points where human resources show their value creation to the firm's strategies.

In this research, the phrase “human resource outcomes” refers to as “strategic human resource deliverables,” the last determinant of strategic human resource management effectiveness in this study.

1) Strategic Human Resource Deliverables

Strategic human resource deliverables are those outcomes of the human resource architecture that serve to execute the firm's strategies (Becker et al., 2001: 30). These deliverables are the same as what other researchers call human resource outcomes (e.g. Guest, 1987; Paauwe and Richardson, 1997). Strategic human resource deliverables are considered the leading indicators of the human resource contribution to the firm. The term “deliverables” denotes the outcomes, results, and value created from managing the human resource architecture. They are in contrast to “human resource doables,” which emphasize only the actions, activities, and efficiency of human resource work (Ulrich, 1998: 2).

Strategic human resource deliverables consist of two categories: performance drivers and enablers (Becker et al., 2001: 31). Human resource performance drivers are core-related capabilities or assets, which are the deliverables that directly influence the firm-level strategic drivers (Becker et al., 2001: 30). Human resource enablers help reinforce human resource performance drivers and indirectly influence the firm's drivers. For example, a firm might choose productivity improvement as a key performance driver. In this way, employment productivity can be a human resource performance driver that helps the firm to achieve productivity improvement. As a human resource enabler, re-skilling reinforces employee productivity. An organization should have a set of custom-designed performance drivers and enablers based on its unique characteristics and the requirements of its strategy implementation.

Various researchers (e.g. Guest, 1987, 1997; Becker et al., 1997; and Paauwe and Richardson, 1997, 2004) have proposed theoretical models presenting the linkages between human resource activities, outcomes, and performance. They posit that a system of human resource activities gives rise to human resource outcomes

which influence the performance of the firm. Several empirical studies confirm the impact of human resource outcomes on firm performance (e.g. Arthur, 1994; Huselid, 1995; Delaney and Huselid, 1996; Guest, 2001). Paauwe and Richardson (1997: 260), for example, view that contingency factors such as age, size, technology, capital intensity, degree of unionization, and industry are likely to affect these linkages. Synthesizing previous work, Paauwe (2004: 210) groups human resource outcomes into two types, perceived and objective human resource outcomes as depicted in Table 2.4.

Table 2.4 Perceived and Objective Human Resource Outcomes

Types of Human Resource Outcomes	Examples
Perceived Human Resource Outcomes	Employee satisfaction, employee motivation, employee trust, employee commitment, employee loyalty, employee involvement, organizational citizenship, flexibility, social atmosphere (management/ employees), and intention to leave the organization
Objective Human Resource Outcomes	Employee turnover, employee retention, employee presence, absenteeism, conflict, and dismissal/lay-offs

Source: Adapted from Paauwe, 2004: 210.

Organizational Capabilities as Strategic Human Resource Deliverables

As this study focuses on the achievement of the firm's strategies, those human resource outcomes that help fulfill this objective are emphasized. Ulrich (1997a: 192) and Garratt (2000: Preface No. 9) argue that many

organizations confront the problems of strategy formulation without implementation or ineffective and inefficient strategy implementation. Overcoming these problems becomes a primary purpose of strategic human resource work. Ulrich (1997a: 193, 1998: 8) then suggests “organizational capabilities”—strategic human resource deliverables—as the missing link between strategy formulation and implementation. In other words, organizational capabilities are the bridge between human resource activity and business impact (Ulrich and Smallwood, 2003b: 254).

Organizational capabilities refer to “the capacity of an organization to use resources, get things done, and behave in ways that accomplish goals” (Ulrich, 1998: 7; Ulrich and Brockbank, 2005: 49). Garratt (2000) views organizational capabilities as “the ability to make things happen in the way intended by directors and senior managers, and with the active co-operation of employees.” Capabilities represent the skills, abilities, and expertise of the organization (Ulrich, 1998: 7). They characterize how employee thinks and what they are able to do. Examples of organizational capabilities include speed to market, talent acquisition, capacity to learn, and innovation.

Ulrich and Lake (1990) and Lawler (1996) suggest that organizational capabilities are important because they allow organizations to perform in ways that are critical to business performance. Huselid et al. (2005: 22-24) found that firms with high strategic capabilities such as speed, talent, learning, and shared mindset outperformed lower-capability firms in productivity, profitability, and shareholder value. In sum, capabilities help line managers deliver strategies, investors receive intangible values, customers maintain connectivity, and employee stay engaged (Ulrich and Brockbank, 2005: 75).

2.3 Logical Relationships Between Variables and Conceptual Framework

The conceptual framework in this study is presented in Figure 2.16. The seven determinants of the strategic human resource management effectiveness of companies in the garment and electronics industries can be categorized in three groups, as the following:

Factors relating to the human resource function

1. Strategic human resource competencies
2. Technical human resource competencies
3. Human resource efficiency

Factors relating to the human resource system

4. High-performance work system adoption
5. External alignment
6. Internal alignment

Factors relating to human resource outcomes

7. Strategic human resource deliverables

The logical relationships between variables are depicted in the framework. The exogenous variables in this study include strategic human resource competencies and technical human resource competencies. The intervening endogenous variables consist of human resource efficiency, high-performance work system adoption, external alignment, internal alignment, and strategic human resource deliverables. The dependent variable in this study is strategic human resource management effectiveness. The logical relationships between variables and theoretical references are summarized in Table 2.4.

The notion of creating human resource architecture as a strategic assets (Becker et al., 2001; Becker and Huselid, 2003; Huselid et al., 2005) serves as the foundation of this conceptual framework. It is hypothesized that the level of human resource competencies of all human resource professionals contributes to an effective human resource management system (Huselid et al., 1997; Ulrich, 1997a; Becker et al., 2001; Ulrich and Beatty, 2001; Ulrich and Brockbank, 2005). Specifically, the strategic human resource competencies of all human resource professionals influence the level of high-performance work system adoption in the firm, the level of the alignment of human resource practices with the firm's strategic requirements, and the level of the congruence within the human resource system. Furthermore, technical human resource competency is assumed to have an influence on the degree of the efficiency of the human resource function.

It is argued that the proper human resource system must make broader use of high-performance work practices that are aligned with the firm's strategies and that support each other (Huselid, 1995, Huselid and Becker, 1995, 1997; Becker et al.,

2001; Huselid et al., 2005). An effective human resource system then helps produce the proper strategic human resource deliverables or the behavioral outcomes of employees required for executing the firm's strategies (Becker et al., 2001; Huselid et al., 2005). The human resource deliverables in this study consist of two categories: human resource enablers and human resource performance drivers. The set of human resource enablers in this study are named "strategic human resource deliverables." They are organizational capabilities, characterizing how employees think and behave in the context of organizations. These human resource deliverables are assumed to enable the human resource performance drivers (Becker et al., 2001). The human resource performance drivers in this study are considered "strategic human resource management effectiveness." They represent strategic employee behaviors that drive the strategy execution of the firm. Strategic human resource management effectiveness represents the level of human resource contributions to the achievement of the firm's strategies through strategic employee behaviors.

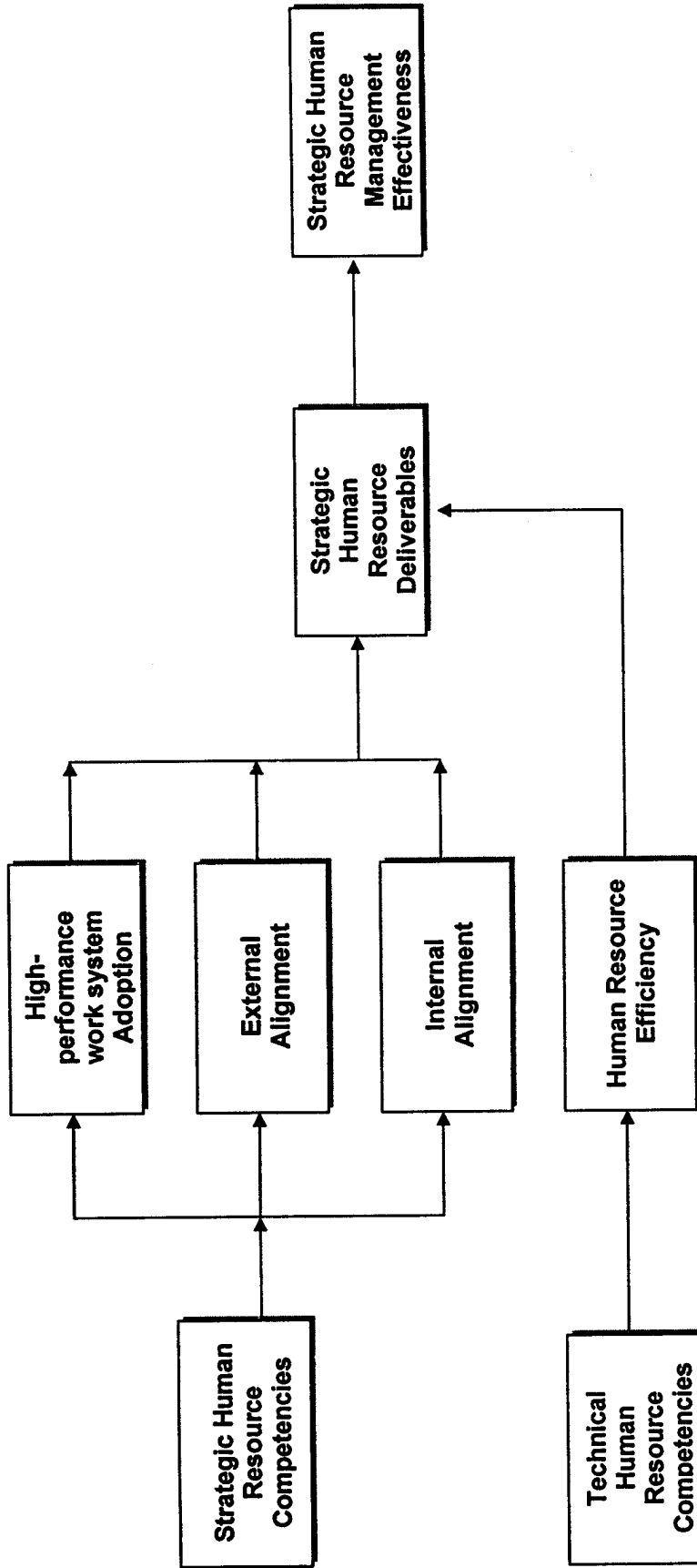


Figure 2.16 The Conceptual Framework

2.4 Research Hypotheses

From the above conceptual framework, six hypotheses are to be examined.

Hypothesis 1: The level of strategic human resource deliverables that help execute the firm's strategies is more likely to be positively related to the degree of the strategic human resource management effectiveness of the firm.

Hypothesis 2: The levels of high-performance work system adoption, the external alignment (the alignment between the human resource system and the firm's strategies), the internal alignment (the alignment within the human resource system), and human resource efficiency are more likely to be positively related to the degree of generated strategic human resource deliverables that help execute the firm's strategies.

Hypothesis 3: The degree of strategic human resource competencies is more likely to be positively related to the degree of high-performance work system adoption.

Hypothesis 4: The degree of strategic human resource competencies is more likely to be positively related to the degree of the external alignment (the alignment between the human resource system and the firm's strategies).

Hypothesis 5: The level of strategic human resource competencies is more likely to be positively related to degree of the internal alignment (the alignment within the human resource system).

Hypothesis 6: The level of technical human resource competencies is more likely to be positively related to the level of human resource efficiency.

Six structural equations are proposed for hypothesis testing.

Equation 1:

$$\text{Strategic Human Resource Management Effectiveness (SHRMEF)} = \beta_{11} \text{SHRDL}$$

Equation 2:

$$\text{Strategic Human Resource Deliverables (SHRDL)} = \beta_{21} \text{HPWSA} + \beta_{22} \text{EXTAL} + \beta_{23} \text{INTAL} + \beta_{24} \text{HREFC}$$

Equation 3:

$$\text{High-Performance Work System Adoption (HPWSA)} = \beta_{31} \text{SHRCP}$$

Equation 4:

$$\text{External Alignment (EXTAL)} = \beta_{41} \text{SHRCP}$$

Equation 5:

$$\text{Internal Alignment (INTAL)} = \beta_{51} \text{SHRCP}$$

Equation 6:

$$\text{Human Resource Efficiency (HREFC)} = \beta_{61} \text{TECCP}$$

Wherein β_{11} ,, β_{61} are path coefficients.

Variable Description

SHRMEF	=	Strategic Human Resource Management Effectiveness
SHRDL	=	Strategic Human Resource Deliverables
HPWSA	=	High-Performance Work System Adoption
EXTAL	=	External Alignment
INTAL	=	Internal Alignment
HREFC	=	Human Resource Efficiency
SHRCP	=	Strategic Human Resource Competencies
TECCP	=	Technical Human Resource Competencies

Table 2.5 Summary of Logical Relationships Between Variables and Theoretical References

Relationship	Independent Variables	Dependent Variables	Theoretical References
1. The relationships between the human resource function and the human resource system			
1	Strategic human resource competencies	High-performance work system adoption	Huselid et al., (1997); Ulrich (1997a); Butteriss (1998); Becker et al. (2001); Becker and Huselid (2003); Huselid et al. (2005); Ulrich and Brockbank (2005)
2	Strategic human resource competencies	External alignment	Huselid et al., (1997); Ulrich (1997a); Butteriss (1998); Becker et al. (2001); Becker and Huselid (2003); Huselid et al. (2005); Ulrich and Brockbank (2005)
3	Strategic human resource competencies	Internal alignment	Huselid et al., (1997); Ulrich (1997a); Butteriss (1998); Becker et al. (2001); Becker and Huselid (2003); Huselid et al. (2005); Ulrich and Brockbank (2005)
2. The relationships within the human resource function			
1	Technical human resource competencies	Human resource efficiency	Huselid et al., (1997); Ulrich (1997a); Butteriss (1998); Becker et al. (2001); Becker and Huselid (2003); Huselid et al. (2005); Ulrich and Brockbank (2005)

Table 2.5 (Continued)

Relationship	Independent Variables	Dependent Variables	Theoretical References
3. The relationships between the human resource system and human resource outcomes			
1	High-performance work system adoption	Strategic human resource deliverables	Arthur (1994); Pfeffer (1994, 1998); Huselid (1995); Huselid and Becker (1995, 1997); MacDuffie (1995); Becker and Huselid (1998); Becker et al. (1998); Becker et al. (2001); Boxall and Purcell (2003); Huselid et al. (2005)
2	External alignment	Strategic human resource deliverables	Mile and Snow (1984); Schuler and Jackson (1987); Wright and McMahan (1992); Huselid (1995); Huselid and Becker (1995); Becker et al. (2001); Boxall and Purcell (2003); Gómez-Mejía et al. (2004); Huselid et al. (2005)
3	Internal alignment	Strategic human resource deliverables	Huselid (1995); Huselid and Becker (1995); Youndt et al. (1996); Wright and Snell (1998); Becker et al. (2001); Boxall and Purcell (2003); Gómez-Mejía et al. (2004); Huselid et al. (2005)

Table 2.5 (Continued)

Relationship	Independent Variables	Dependent Variables	Theoretical References
3. The relationships between the human resource system and human resource outcomes (Cont'd)			
4	Human resource efficiency	Strategic human resource deliverables	Ulrich (1997); Fitz-Enz (2000); Becker et al. (2001); Fitz-Enz and Davidson (2002); Huselid and Becker (2003); Huselid et al. (2005)
4. The relationships between the human resource function and human resource outcomes			
1	Human resource efficiency	Strategic human resource deliverables	Ulrich (1997); Fitz-Enz (2000); Becker et al. (2001); Fitz-Enz and Davidson (2002); Huselid and Becker (2003); Huselid et al. (2005)
5. The relationships between human resource outcomes			
1	Strategic human resource deliverables	Strategic human resource management effectiveness	Guest (1987, 1997); Ulrich and Lake (1990); Lawler (1996); Becker et al. (1997); Ulrich (1997a, 1998); Paaue and Richardson (1997, 2004); Becker et al. (2001); Huselid and Becker (2003); Huselid et al. (2005); Ulrich and Smallwood (2003a); Ulrich and Brockbank (2005)

2.5 Chapter Summary

This chapter reviews the literature relevant to strategic human resource management effectiveness.

First, the chapter presents the underlying concept of strategic human resource management—a new approach to managing human resources—in order to better understand the concept of strategic human resource management effectiveness. Second, this chapter reviews and synthesizes the theoretical and empirical literature on strategic human resource management effectiveness—a compelling way to define, measure, and manage human resource contribution in relation to the achievement of the firm's strategies.

Next, drawn from the strategic human resource management effectiveness literature, seven determinants of the human resource function, the human resource system, and strategic employee behaviors are proposed as factors affecting strategic human resource management effectiveness of companies in the garment and electronics industries of Thailand. Finally, the chapter proposes the conceptual framework and research hypotheses of this study.

CHAPTER 3

RESEARCH METHODOLOGY

This chapter presents the research methodology used for this study. It is organized into three sections. The first section describes the research design, which contains the overview of the research methodology. The second section presents the quantitative research method, including population and sampling, measurement development, data collection, and data analysis methods. The last section describes the qualitative research method, focusing on sources of data, data collection, and data analysis methods.

3.1 Research Design

The main objective of this study is to examine the major factors influencing the strategic human resource management effectiveness of companies in the garment and electronics industries of Thailand. Both quantitative and qualitative approaches are used in this study in order to gain breadth and depth of understanding of the determinants of strategic human resource management effectiveness. The quantitative approach provides the dominant paradigm, while the qualitative approach is a supplementary component of the study.

The study is primarily a survey research, relying mainly on the collection and analysis of primary data collected through questionnaires. The questionnaires are used to gather information from many respondents, covering a wide range of issues about their beliefs, opinions, characteristics, and past or present behavior in actual environments regarding strategic human resource management effectiveness. A cross-sectional study of garment and electronics companies with at least 500 employees was decided to be appropriate. The quantitative research methodology is depicted in Figure 3.1. In addition, in order to reinforce the confidence of the results of hypothesis testing and to gain in-depth insight into strategic human resource management

effectiveness, field research, by means of case studies, is also used. The qualitative research methodology is also outlined in Figure 3.2.

3.2 Quantitative Approach

3.2.1 The Garment Industry

3.2.1.1 Characteristics of the Garment Industry and Companies

The garment industry refers to a group of companies manufacturing clothes and clothing accessories. Products consist of garments made from cotton, synthetic fiber, silk, and other materials, brassieres and accessories, socks and stockings, and gloves. Sometimes, it can be considered a sub-industry of the Thailand textile and garment industry, consisting of the fiber industry as an upstream industry, the yarn and fabric industries as mainstream industries, and the garment industry as a downstream industry.

Of the Thai textile and garment industry, the garment part has generated the highest revenue and has employed the largest share of labor. Since 2004, the garment revenue has accounted for more than 3,000 million US dollars or about 50 percent of the entire industry (Thai Garment Manufacturers Association, 2008: 1-2). The garment industry employs more than 800,000 people, or almost 80 percent of the overall textile and garment industry employment (Office of Industrial Economics, 2007: 1). The labor in the industry consists of Thai and people from neighboring countries such as Burma, Laos, and Cambodia. The markets of Thai garments are both local and export. Ninety percent of the export products are manufactured for copyright owners or original equipment manufacturing (OEM).

As the garment industry is a low capital intensive industry, the majority of the companies are small and medium-sized enterprises located around the country. As of December, 2007, the Department of Industrial Works reported 2,566 registered garment companies in Thailand, located mainly in the central region of Thailand (Department of Industrial Works, 2008).

Garment companies in Thailand are generally considered low-technology companies, as seen in terms of the work processes, machines, and finished products. Industrial sewing machines are generally used in garment companies. The

adoption of new technologies, such as the Computer Aided Design (CAD), the Computer Cutter System (CAS), the Computer Aided Manufacturing (CAM), and the Computer Spreader System are not widely used in the garment companies due to high investment costs (Suphat Suphachalasai, 1992: 4; Foreign Trade Department, 2001: 64).

3.2.1.2 Population

Strategic human resource management policies and practices are rarely adopted in small firms. These firms are less likely to have a separate human resource function with formal human resource strategies. Thus, one of the target populations in this study is large garment companies with at least 500 employees. The number of 500 is determined as an appropriate size for strategic human resource management research as preliminary interviews and literature review have shown the adoption of relatively formal operating and control systems in those firms. Large firms are likely to have a separate human resource department with well-defined human resource strategies. The population covers 155 the garment firms in 34 provinces, representing almost six percent of garment companies in Thailand (Department of Industrial Works, 2008).

Table 3.1 Number of Large Garment Companies (at least 500 Employees) in Thailand Registered with the Department of Industrial Works

Region	Number of Garment Companies
Central	107
North	8
Northeast	27
East	13
Total	155

Source: Department of Industrial Works, 2008.

Since this study emphasizes the effectiveness of strategic human resource management in contributing to successful strategy implementation of the firms, the unit of analysis is large garment companies in Thailand.

3.2.1.3 Sampling

This study employed census technique due to two main reasons. First, the number of population in this study, 155 garment companies, is not very large; therefore, data collection could be completed within the specified period. Second, if the respondents perceive the information as confidential, the possibility of a low response rate of survey might occur and this would limit the type of statistics used in this research. Thus, all 155 large garment companies are the participating organizations in this study.

In addition, Hair, Anderson, Tatham, and Black (1995: 105) posit that a desired level of sample size in order to gain statistical power and generalizability of the results when using multiple regression analysis is between 15 to 20 observations for each independent variable. Since there are seven independent variables in this study, the minimum desirable sample size is 105 companies for the garment industry.

A complete list of 155 garment companies with necessary information was collected from the database of the Department of Industrial Works, Thailand Textile Institute, and Thailand Garment Manufacturer Association. Necessary information including mailing address, telephone, person to contact, and organization background of all the firms, was collected.

3.2.2 The Electronics Industry

3.2.2.1 Characteristics of the Electronics Industry and Companies

The electronics industry refers to a group of companies producing electronic components and devices. Examples of electronic components include semiconductors, resistors, inductors, capacitors, vacuum tubes, integrated circuits, and hard disk drives. Examples of electronic devices are computers, mobile phones, facsimiles, teletypes, radar apparatus, and related equipment. The electronics industry is sometimes combined with the electric industry whose products are electric devices and components such as refrigerators, electric fans, color televisions, and air-conditioners.

The electronics industry plays a leading role in Thailand's economy as its products have been the largest export as a result of high global demand for electronic products such as computers and mobile phones. In addition, Thailand is currently the world's largest production base of hard disk drives as most of the leading companies such as Seagate, Western Digital, Hitachi, and Fujitsu have established plants in Thailand (Office of Industrial Economics, 2006b). The electronics industry employed more than 350,000 people in 2006, double the number of employees in the electric industry (Electrical and Electronics Institute, 2006).

In 2006, the electronics companies in Thailand consisted of 907 companies located around the country (Electrical and Electronics Institute, 2006). Many electronics companies in Thailand are foreign subsidiaries and joint ventures because of the demand for capital, technological transfer, and imported raw materials. These companies are medium and large-sized firms, while Thai-owned companies are small and medium-sized. According to the nature of the products, the technology used in the work processes, and the number of technical and scientific employees, electronics companies are characterized as high-technology companies.

3.2.2.2 Population

As stated above regarding the limitation of small firms in conducting strategic human resource management research, another target population of this study is large-sized electronics companies with at least 500 employees. The population covers 120 electronics firms in 14 provinces, representing about 13 percent of the electronics companies in Thailand (Department of Industrial Works, 2008).

Table 3.2 Number of Large Electronics Companies (at least 500 Employees) in Thailand Registered with the Department of Industrial Works

Region	Number of Electronics Companies
Central	79
North	6
Northeast	8
East	27
Total	120

Source: Department of Industrial Works, 2008.

The study aims at examining the strategic human resource management effectiveness in driving strategy implementation of electronics companies. Therefore, the unit of analysis in this study is large electronics companies in Thailand.

3.2.2.3 Sampling

This study employed census technique. All 120 large electronics companies are the participating organizations in this study as the size of the population is not very large. In addition, the data collection stage for the 120 electronics companies was manageable and was expected to be completed within the specified period.

Furthermore, it is suggested that when using multiple regression analysis, the ratio of observations to independent variables should be 15 to 20 (Hair et al., 1998). Therefore, the minimum desirable level of sample size in order to gain statistical power and generalizability of the results is 105 electronics companies for seven independent variables in this study.

The company information for all of the firms was collected from the database of the Department of Industrial Works and the Electrical and Electronics Institute. Necessary information including mailing address, telephone number, person to contact, and organization background of all firms, was collected.

3.2.3 Measurement Development

3.2.3.1 Operational Definitions and Measurement of Variables

1) Strategic Human Resource Management Adoption

Since the main purpose of this study is to examine the strategic human resource management effectiveness of garment and electronics firms, it is assumed that such firms must employ a strategic approach to human resource management as a prerequisite. Although this research is confined to large-sized companies, it cannot be concluded that these companies adopt strategic human resource management as a foundation of managing their human resources. The adoption of strategic human resource management is then examined by using the strategic human resource management index.

In this study, strategic human resource management is operationalized as consisting of (1) the implementation of human resource activities which are integrated with the strategy and which support each other, (2) the participation of human resource executives in top-level business strategy sessions, and (3) the involvement of line managers in human resource management.

The scale of this factor is primarily based on six out of seven items of the Strategic Human Resource Management Index, developed by Devanna, Frombrun, Tichy, Noel and Warren (1982) and Huselid (1995). The index, designed for the achievement of organizational goals, concerns the macro level of human resource management. Furthermore, the additional three items, adapted from Dyer and Holder (1988) regarding a strategic perspective on human resource management, are included in the scale. These items focus on the changing role of human resource functions as well as top and line management in enabling strategic human resource management. In sum, the scale consists of nine items.

The respondents were asked to indicate the extent to which their firms employ human resource practices reflecting the adoption of strategic human resource management, ranging from 0 (not at all) to 5 (very high). The score can be derived by summing the items. Considering the Thai context, firms receiving the score below a moderate level on the strategic human resource management index were excluded from the study. The use of the index provides a list of firms adopting strategic human resource management. They are consequently the finalized sample in this study.

2) Strategic Human Resource Management Effectiveness

Strategic human resource management effectiveness is operationalized as the level of employee quality, employee productivity, employee stability, and employee-management social climate.

As a strategic performance driver of the firm's strategies, strategic human resource management effectiveness examines how well the human resource function and the human resource system serve to execute the firm's strategies through key human resource deliverables (human resource performance drivers). Specifically, strategic human resource management effectiveness measures human resource performance drivers, which are core people related capabilities or assets. These performance drivers are the intersection point between human resource management and the organization's strategy implementation plan.

Based on the balanced scorecard (Kaplan and Norton, 1996), the HR scorecard (Becker et. al., 2001), and the workforce scorecard (Huselid et al., 2005), the effectiveness in this study pinpoints the value creation of human resources to the firm rather than the cost control. The contributions of employees can be measured by the four key performance drivers: employee quality (Guest, 1987), employee productivity (Kaplan and Norton, 1996; Phillips, 2005), employee stability (Phillips, 2005), and employee and management social climate (Paauwe, 2004). These performance drivers are the strategic employee behaviors and competencies required for the effective implementation of the firm's strategies in the both garment and electronics industries. Instead of being human resource function-driven (what make sense to human resource professionals), all of these measures are business-driven measures (how human resources can impact business success).

In this study, employee quality refers to the extent to which employees have the knowledge, skills, abilities, and necessary characteristics required for achieving the firm's strategic objectives. Employee productivity is the level of output produced by employees to the number of employees used (Kaplan and Norton, 1996: 131). Employee stability means the extent to which employees have continuously stayed with the organization. Employee and management social climate refers to the extent to which employees and management build and maintain good relationships in working together.

These four areas of performance drivers are derived from the literature review regarding the human resources-firm performance relationship and the preliminary interviews with top management executives and human resource managers in five large garment and five large electronics companies in Thailand. The preliminary interviews aim at gaining the information about (1) what strategic goals, objectives, or areas are critical to your organization?, (2) what contributions do you expect from your employees in helping to achieve these strategic goals or objectives?, and (3) what organizational capabilities are critical to the achievement of your organization's goals or objectives? These interviews have the benefit of not only developing measures of strategic human resource management effectiveness but also in measuring of strategic human resource deliverables of the firms.

The scale of strategic human resource management effectiveness consists of five items on a five-point Likert scale. The respondents were asked to indicate their agreement (1, very low, to 5, very high) with the statements examining the value contribution of human resources to the firm.

3) Strategic Human Resource Deliverables

Strategic human resource deliverables refer to the human resource outcomes that enable the firm to achieve its strategy. This factor serves as the enablers of strategic human resource management effectiveness, while strategic human resource management effectiveness is considered the performance drivers of the firm's strategies.

In this study, organizational capabilities are the deliverables from human resource management that enable the firm to achieve organizational objectives by influencing human resource performance drivers (strategic human resource management effectiveness). They characterize how employees think and behave in ways that accomplish organizational objectives (Ulrich and Brockbank, 2005: 49). The measurement of this factor is based on a set of organizational capabilities proposed by Ulrich and Brockbank (2005) which relatively correspond to the results from the preliminary interviews conducted with top management in the garment and electronics firms. These organizational capabilities important to the garment and electronics firms include speed, shared mindset, accountability, collaboration, learning, and efficiency. The scale consists of the six five-point Likert-type items. The respondents were asked to indicate their agreement (1, very low, to 5,

4) High-Performance Work System Adoption

This factor refers to the extent to which the firm implements a set of human resource practices designed to maximize the performance of the firm's employees. The high-performance work system in this study was selected with the intent of implementing the firm's strategies of the garment and electronics firms through the human resource deliverables. The system includes (1) selective hiring, (2) comparatively high compensation contingent on organizational performance, (3) extensive training, and (4) reduction of status differences (Pfeffer, 1998: 64-65). Pfeffer's (1998) research indicates that these management practices are nearly universal in their ability to enhance firm performance.

The scale of this factor consists of four items. The respondents were asked to indicate the extent to which the firm implements a system of high performing human resource activities, ranging from 1 (very low) to 5 (very high).

5) External Alignment

This refers to the degree to which various human resource management subsystems fit the organizational strategy. It is the alignment between the human resource system that produces strategic human resource deliverables and the requirements of the firm's strategy implementation system (Becker et al., 2001: 133).

The scale is adapted from the effectiveness and alignment indices of the high-performance work system index (Becker and Huselid, 1996). This factor measures the extent to which each human resource activity (staffing, training and development, performance appraisal, rewards, organizational governance, and communications) supports the firm's strategies. The scale consists of six items asking the respondents to indicate their agreement, ranging from 1 (very low) to 5 (very high).

6) Internal Alignment

Internal alignment refers to the degree to which various human resource management subsystems fit and support each other. Human resource management subsystems are categorized into three groups according to their purpose (Ulrich, Brockbank and Yueng, 1990: 314):

(1) Human resource practices deployed to generate competencies (recruitment and selection, and training and development)

(1) Human resource practices deployed to generate competencies (recruitment and selection, and training and development)

(2) Human resource practices deployed to reinforce competencies (performance appraisal and rewards)

(3) Human resource practices deployed to sustain competencies (organization design and organizational communication)

The scale measures the alignment of activities within each group and between groups, consisting of six items. The respondents were asked to indicate the degree of fit or internal consistency, ranging from 1 (very low) to 5 (very high).

7) Human Resource Efficiency

Efficiency refers to producing a satisfactory result without wasting time and resources (Hornby, Crowther, Kavanagh and Ashby, 1995: 370). In this study, human resource efficiency refers to the extent to which the human resource function performs human resource practices without wasting resources. Human resource efficiency is focused more toward how the human resource function delivers human resource practices. It is the assessment of the human resource function itself, framed as the audit of human resource practices. In this study, the efficiency of the human resource function is determined by the six domains whose efficiency is critical for the success of the garment and electronics companies, including recruitment and selection, training and development, performance management and appraisal, compensation and benefits, safety and health, and labor relations.

The scale consists of six items, based on the human resource efficiency metrics developed by Ulrich (1997), Becker et al. (2001), and Fitz-Enz and Davidson (2002). The respondents were asked to indicate how the human resource function performs human resource activities in terms of cost, time, and other resources used, ranging from 1 (very low) to 5 (very high).

8) Strategic Human Resource Competencies

Strategic human resource competencies, as a firm-level construct in this study, refer to the level of expertise and skills of all human resource managers and professionals required for performing value-creating human resource activities that meet the organizations' strategic requirements and objectives.

Three domains within strategic human resource management competencies are strategic contribution, business knowledge, and personal credibility.

Three subsets within the strategic contribution competency include culture management, fast change, and strategic decision making. Business knowledge relates to value chain knowledge. Personal credibility competency includes the competency of human resource professionals gained by achieving results, effective relationships, and communication skills.

The scale is based on the human resource competencies assessment tool developed by Ulrich and Brockbank (2005). The scale consists of seven items on a five-point Likert scale. The respondents were asked to indicate the competencies, ranging from 1 (very low) to 5 (very high).

9) Technical Human Resource Competencies

As a firm-level construct, technical human resource competencies refer to the level of expertise and skills of all human resource managers and professionals to perform excellently within a traditional human resource management functional department (Huselid et. al, 1997: 175). These competencies relate to those required for effective and efficient delivery of human resource basics, such as staffing, training and development, performance appraisal, compensation and benefits, safety and health, and labor relations.

Three domains within technical human resource competencies are personal credibility, human resource delivery, and human resource technology. Personal credibility refers to the competency of human resource professionals gained by achieving results, effective relationships, and communication skills. It is considered a critical element of both strategic and technical human resource competencies. Human resource delivery is the competency of human resource professionals to perform basic human resource services. Human resource measurement is considered a part of human resource delivery competency as human resource professionals are demanded for understanding the efficiency and effectiveness of delivering human resource activities. Human resource technology is the competency in which human resource professionals can apply technology to improve the efficiency and effectiveness of human resource work.

The scale is based on the human resource competencies assessment tool developed by Ulrich and Brockbank (2005). The scale consists of nine items on a five-point Likert scale. The respondents were asked to indicate the competencies on a continuum, ranging from 1, very low, to 5, very high.

3.2.3.2 Development of Measures

The measurement development process was employed to generate the items to measure constructs in the study. In order to achieve high content validity and construct reliability, measurement development consists of the following steps.

First, the questionnaire was initially theory-based designed. A pool of items that captured the domain of each research construct in the conceptual framework was collected from the academic literature. Each statement in the item pool was carefully modified and adapted so that the wording was appropriate. Preliminary interviews with top management executives and human resource managers in five large garment and five large electronics companies in Thailand were also conducted to develop more specific questionnaires suitable for the garment and electronics companies.

Second, this initial version of the questionnaire was reviewed by a panel of human resource academics and practitioners in order to obtain comments and suggestions concerning about the scope, content, format, and clarity of the questionnaire.

Next, the questionnaire was translated in a Thai version, and a fluent bilingual speaker that had the academic research background verified the Thai version of the questionnaire. The above three steps were conducted to ensure the validity of the scales.

Fourth, a pilot test was conducted to determine the reliability of the measurement instruments and to identify potential problems that might occur during the data collection. The pilot study used one separate sample. Sudman (1976) notes that the size of a sample for a pilot test should be 20-50, while Kanlaya Vanichbuncha (2003) suggests that a sample size should be at least 25. Therefore, a sample size of 30 was decided to be appropriate for the pilot test. The respondents for the pilot test were the CEOs or top executives, line, and human resource managers in both garment and electronics companies. These people were in positions that involve the human resource management in the firms.

After all modifications indicated by the pilot test were accomplished, the questionnaire was finalized and ready for the final stage of data collection.

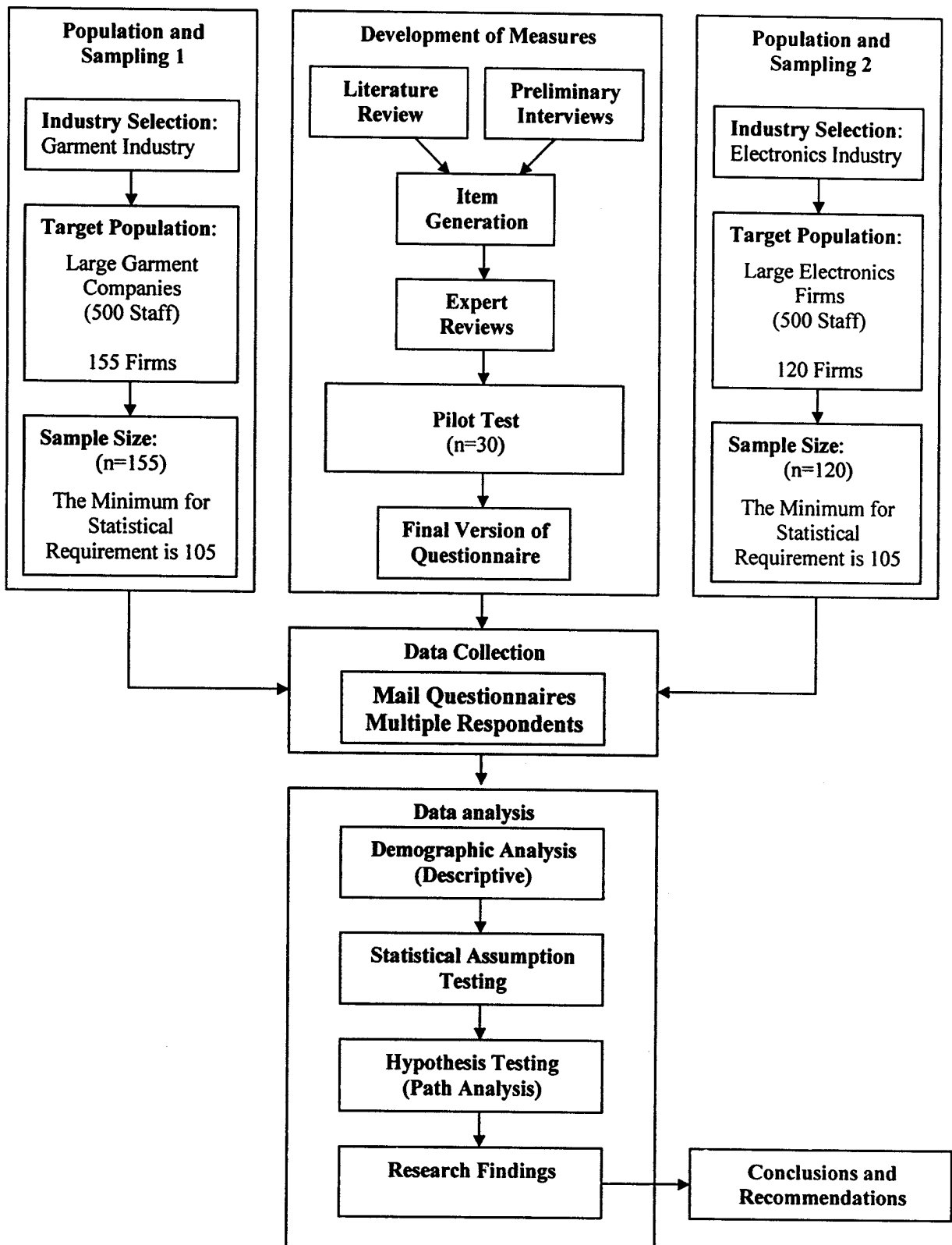


Figure 3.1 Research Methodology of the Study: Quantitative Approach

Table 3.3 Summary of Operational Definitions of Variables

Variables	Operational Definitions	Sources of Definitions
Strategic human resource management adoption	<ol style="list-style-type: none"> 1) The implementation of human resource practices that are integrated with business strategy and support each other. 2) The participation of human resource executives in top-level business strategy sessions. 3) The involvement of line managers in human resource management. 	<p>Devanna et al. (1982); Dyer and Holder, (1988); Wright and McMahan (1992); Huselid (1995)</p>
Strategic human resource competencies	<p>The competencies of human resource professionals relevant to</p> <ol style="list-style-type: none"> 1) Strategic contribution 2) Business knowledge 3) Personal credibility. 	<p>Huselid et al. (1997); Butteriss (1998); Ulrich and Brockbank (2005)</p>
Technical human resource competencies	<p>The competencies of human resource professionals relevant to</p> <ol style="list-style-type: none"> 1) Human resource delivery 2) Human resource technology 3) Personal credibility. 	<p>Huselid et al. (1997); Butteriss, (1998); Ulrich and Brockbank (2005)</p>
Human resource efficiency	<p>The delivery of human resource activities in a cost and time-efficient manner.</p>	<p>Tsui and Gómez-Mejía (1988); Ulrich (1997); Becker et al. (2001); Fitz-Enz and Davidson (2002)</p>

Table 3.3 (Continued)

Variables	Operational Definitions	Sources of Definitions
High-performance work system adoption	The implementation of a bundle of human resource activities that include <ol style="list-style-type: none"> 1) Selective hiring 2) Extensive training 3) Compensation contingent on firm performance 4) Reduction of status differences in the firm. 	Pfeffer (1994, 1998); Huselid (1995, 1997); Huselid and Becker (1995, 1997); Becker and Huselid (1998); Becker et al. (2001)
External alignment	The alignment between the firm's strategies and the following six human resource activities: <ol style="list-style-type: none"> 1) Recruitment and selection 2) Training and development 3) Performance appraisal 4) Compensation and benefits 5) Organization design 6) Organizational communication. 	Mile and Snow (1984); Schuler and Jackson (1987); Baird and Meshoulam (1988); Huselid (1995); Huselid and Becker (1995); Becker and Huselid (1996); Becker et al. (2001); Gómez-Mejía et al. (2004); Huselid et al. (2005)

Table 3.3 (Continued)

Variables	Operational Definitions	Sources of Definitions
Internal alignment	<p>The alignment within and among the following three groups of human resource activities:</p> <ol style="list-style-type: none"> 1) Recruitment and selection, and training and development 2) Performance appraisal and rewards 3) Organization design and organizational communication. 	<p>Ulrich et al. (1989); Becker et al. (2001); Huselid (1995); Huselid and Becker (1995); Boxall and Purcell (2003); Gómez-Mejía et al. (2004); Huselid et al. (2005)</p>
Strategic human resource deliverables	<ol style="list-style-type: none"> 1) Speed 2) Shared mindset 3) Accountability 4) Collaboration 5) Learning 6) Efficiency 	<p>Ulrich (1997, 1998); Ulrich and Lake (1990); Becker et al. (2001); Ulrich and Smallwood (2003a); Huselid et al. (2005); Ulrich (2005)</p>
Strategic human resource management effectiveness	<ol style="list-style-type: none"> 1) Employee quality 2) Employee productivity 3) Employee stability 4) Employee-management social climate 	<p>Guest (1987, 1997); Paaue and Richardson (1997); Becker et al. (2001); Paaue (2004); Huselid et al. (2005); Phillips (2005)</p>

3.2.3.3 Reliability and Validity

1) Construct Reliability

The internal consistency of the multiple-item scales was assessed based on Cronbach's coefficient alpha. Cronbach (1951: 297-334) and Nunnally (1978) suggest that an alpha coefficient of 0.7 be considered the minimum threshold. Table 3.4 exhibits the scale alpha of each variable in the proposed research framework.

The results show that the scale alphas of all constructs are above a minimum of 0.7. The coefficient of reliability ranges from 0.723 to 0.875. Therefore, all measures in this study are reliable enough to be used in this study.

Table 3.4 Summary of Internal Consistency of Variables

Variables	Cronbach's Alpha
Strategic human resource management adoption	0.815
Strategic human resource competencies	0.765
Technical human resource competencies	0.875
Human resource efficiency	0.817
High-performance work system adoption	0.723
External alignment	0.855
Internal alignment	0.862
Strategic human resource deliverables	0.796
Strategic human resource management effectiveness	0.826

2) Content Validity

Content validity focuses on the procedures that are used to develop the research instrument, including careful scrutiny of the literature and measures employed in previous research, preliminary interview with experts in the area of strategic human resource management, and the pilot test. The details are explained in development of measures.

3.2.4. Data Collection

3.2.4.1 Data Collection Method

In order to test the proposed hypotheses in this study, data were collected by means of self-administered questionnaires. The questionnaires are designed to provide the researcher with meaningful information regarding the human resource function, human resource strategy, human resources policies and practices, and characteristics of the respondents and the sample firms. The content and format of the questionnaires for the garment and electronics firms are similar.

Multiple informants acquainted with human resource management in the firms are expected to provide information as previous literature indicates the low reliability of single informants in strategic human resource management research (Gerhart, Wright, McMahan, and Snell, 1998: 2; Wright and Gardner, 2000: 17). The respondents include the following.

- 1) The CEO/top executive management
- 2) The human resource director/manager
- 3) Line manager from the production department

These respondents are regarded as organization representatives for strategic human resource management. Lundy (1994: 712) asserted that these respondents have a specific and distinctive contribution to make to strategic human resource management. Human resource managers are usually the key informants in strategic human resource management research because they can provide extensive information about human resource management, such as that concerning human resource systems, policies, and practices. In addition, the strategic perspective of human resource management also places an emphasis on the line manager's roles in managing human resources. Line managers are considered strategic partners with human resource managers. They work closely with human resource professionals and employees to develop and implement human resource policies and practices. In addition, the CEOs also play an important role in the overall strategic management processes in the firm. They guide, support, and monitor the directions of the firm including human resources issues.

The data collection stage was divided into two stages. Firstly, in June 2008, the questionnaires were distributed by mail to the sample firms as the population of the garment and electronics firms is dispersed across geographical areas. Telephone

contact before distributing the questionnaires was made in order to introduce the research and to solicit the contact person. The total number of questionnaires distributed in this study was 825. Four hundred and sixty-five questionnaires were distributed to top executives, human resource managers, and line managers in 155 garment companies. At the same time, 360 questionnaires were mailed to top executives, human resource managers, and line managers in 120 electronics companies. For the first stage, some questionnaires were expected to be returned within two weeks after distribution. The response rate for this stage was about 18 percent or 149 out of 825 questionnaires, constituted by 30 garment and 28 electronics companies. As data from three respondents represent the data of a single firm, at least two out of three replying count as one firm.

Secondly, about two weeks after sending the questionnaires, a follow-up reminder by telephone contact was made to remind those not responding and they were gently asked for cooperation again. The respondents could select one of the two alternatives for questionnaire return—mail return or pick-up at service site. Another three weeks were set for the second data collection stage. The data collection stage was completed during the second week of July, 2008.

In aggregation, the response rate of the garment and electronics companies was 55.48 percent and 67.5 percent, respectively. The firms can be categorized as two respondent (62.09 percent) and three respondent (37.91 percent) firms. In the garment companies, the highest response rate comes from human resource executives, followed by top executives and line manager, respectively. In the electronics companies, the highest response rate comes from top executives, followed by human resource executives and line managers, respectively. These respondents represented 106 garment and 105 electronics firms. The summary of the response rate of questionnaires is shown in Table 3.5 – 3.7.

Table 3.5 Summary of Questionnaires Distributed and Returned

Position	Garment Companies			Electronics Companies		
	No. of distributed questionnaires	No. of returned questionnaires (no errors)	Response rate	No. of distributed questionnaires	No. of returned questionnaires (no errors)	Response Rate
Top Executives	155	85	54.84%	120	85	70.83%
HR Executives	155	93	60%	120	82	68.33%
Line Managers	155	80	51.61%	120	76	63.33%
Total	465	258	55.48%	360	243	67.5%

Table 3.6 Classification of Respondent Groups of Garment Companies

Number of Respondents	Position			Total of Respondents	Number of Companies
	Top Executives	HR Executives	Line Managers		
2 persons	39	47	34	120	60
3 persons	46	46	46	138	46
Total	85	93	80	258	106

Table 3.7 Classification of Respondent Groups of Electronics Companies

Number of Respondents	Position			Total of Respondents	Number of Companies
	Top Executives	HR Executives	Line Managers		
2 persons	51	48	42	141	71
3 persons	34	34	34	102	34
Total	85	82	76	243	105

The response rate in this research is relatively high due to using five strategies to overcome the low response rate problem with the questionnaire survey.

These include personal references, telephone contact before distributing the questionnaires, pick-up at respondent's service site, hiring assistants, and incentives. Personal references dramatically helped facilitate the distribution and return of the questionnaires. The initial contacts by phone were also made to introduce this research project and to solicit the contact person as Nueman (1997: 249) states that the questionnaire should be addressed to a specific person, not occupant. Pick-up at the respondent's location also increases the possibility and speed of returned questionnaires. The researcher also hired five assistants to help during the data collection stage such as preparing questionnaire packages and following up the questionnaires. Members of the team were graduate students that received an orientation from the researcher. Lastly, the researcher provided an executive summary of the research as a complement to those that responded within the specified date.

3.2.4.2 Data Collection Instruments

The questionnaire of 65 items is divided into the following six parts.

Part 1. General information of respondents and organizations.

Part 2. Perceptions towards strategic human resource management adoption in organizations.

Part 3. Perceptions towards the human resource function.

Part 4. Perceptions towards the human resource system.

Part 5. Perceptions towards human resource management outcomes.

Part 6. Perceptions towards strategic human resource management effectiveness.

The respondents were required to fill in the number or content or mark ✓ for only one response that best described their answers to each question. The score of items in the questionnaires of each company was derived from the average score of the top executive, the human resource executive, and the line manager.

Table 3.8 Summary of Variable Measurement

Variables	Sub-Concepts	Items in the Questionnaires
		Part 2
Strategic human resource management adoption	1) Human resource policies and practices that are integrated with the strategy	2.1 – 2.6
	2) Participation of human resource executives in top-level business strategy sessions	2.7
	3) Involvement of line managers in human resource management	2.8 – 2.9
		Part 3
Strategic human resource competencies	1) Strategic contribution	3.1 – 3.3
	2) Business knowledge	3.4
	3) Personal credibility	3.5 – 3.7
		Part 3
Technical human resource competencies	1) Personal credibility	3.5 – 3.7
	2) Human resource delivery	3.8 – 3.12
	3) Human resource technology	3.13
		Part 3
Human resource efficiency	1) Efficiency of recruitment and selection	3.14
	2) Efficiency of training and development	3.15
	3) Efficiency of performance appraisal	3.16
	4) Efficiency of compensation and benefits	3.17
	5) Efficiency of safety and health	3.18
	6) Efficiency of labor relations	3.19

Table 3.8 (Continued)

Variables	Sub-Concepts	Items in the Questionnaires
		Part 4
High-performance	1) Selective hiring	4.1
work system adoption	2) Compensation contingent on organizational performance	4.2
	3) Extensive training	4.3
	4) Reduction of status differences	4.4
External alignment	<u>Alignment between human resource activity and strategy</u>	Part 4
	1) Recruitment and selection and strategy	4.5
	2) Training and development and strategy	4.6
	3) Performance appraisal and strategy	4.7
	4) Compensation and benefits and strategy	4.8
	5) Organization design and strategy	4.9
	6) Organizational communication and strategy	4.10
Internal alignment	<u>Alignment within groups of practices</u>	Part 4
	1) Alignment within group of competency-generating human resource practices	4.11
	2) Alignment within group of competency-reinforcing human resource practices	4.12
	3) Alignment within group of competency-sustaining human resource practices	4.13
	<u>Alignment between groups of practices</u>	
	4) Alignment between groups of competency-generating and competency-reinforcing human resource practices	4.14
	5) Alignment between groups of competency-reinforcing and competency-sustaining human resource practices	4.15

Table 3.8 (Continued)

Variables	Sub-Concepts	Items in the Questionnaires
Internal Alignment (Cont'd)	6) Alignment between groups of competency-sustaining and competency-generating human resource practices	4.16
		Part 5
Strategic human resource deliverables	1) Speed	5.1
	2) Shared mindset	5.2
	3) Accountability	5.3
	4) Collaboration	5.4
	5) Learning	5.5
	6) Efficiency	5.6
		Part 6
Strategic human resource management effectiveness	1) Employee quality	6.1
	2) Employee productivity	6.2
	3) Employee stability	6.3 – 6.4
	4) Employee-management social climate	6.5
	Total	65 items

3.2.5 Data Analysis

The data obtained from the questionnaire survey were analyzed using the SPSS program (Version 16.0). Descriptive statistics such as mean, average, and frequency were used to describe the general characteristics of the respondents and organizations and variables. The descriptive data of both the garment and electronics companies were presented separately and comparatively.

The data of organizations are derived from the average score of at least two out of three informants—the CEOs, production managers, and human resource managers. To describe the variables in this study, the interpretation of mean scores of each variable is the following.

Table 3.9 Measurement Scale of Variables

Measurement Scale	Score
Very low	1.00-1.99
Low	2.00-2.99
Moderate	3.00-3.99
High	4.00-4.99
Very high	5.00

The mean score of above 4.00 (high and very high levels) indicates (1) the adoption of strategic human resource management, (2) strategic human resource management effectiveness, (3) the possession of human resource competencies, (4) human resource efficiency, and (5) the adoption of high-performance work system adoption, and (6) the existence of strategic human resource deliverables in the firms.

Next, before testing the hypotheses, the examination of the strategic human resource management adoption in the firms and the evaluations of multicollinearity were employed. Then, path analysis, an extension of the regression model, was the statistical technique employed to test the hypotheses on the direct and indirect effects between the various factors and strategic human resource management effectiveness. The effects are reflected in so-called path coefficients—standardized regression

coefficients (Beta: β). Two set of data of the garment and electronics companies were examined separately.

The interpretation of path coefficients in this study is shown in table 3.10.

Table 3.10 Interpreting Strength of Path Coefficients

Coefficient	Strength of Relationship
0.00	No association
0.01-0.09	Trivial relationship
0.10-0.29	Low to moderate relationship
0.30-0.49	Moderate to substantial
0.50-0.69	Substantial to very strong
0.70-0.89	Very strong relationship
0.90	Near perfect

Source: Adapted from De Vaus, 2002: 259.

In sum, the research results in this study consist of six parts.

1. Profile of respondents and organizations National Bureau of Economic Research. Washington, D.C.
2. Descriptive statistics for research variables
3. Results of multicollinearity tests
4. Results of hypothesis testing for the garment companies
5. Results of hypothesis testing for the electronics companies
6. Comparative results of the garment and electronics companies

3.3 Qualitative Approach

The qualitative approach has the merit of reinforcing the confidence of research results from hypothesis testing. A qualitative research promotes a deep, holistic understanding of a particular phenomenon. This approach provides insight into the

understanding in a particular setting. It also provides insight into the local meanings that activities and practices have for participants.

3.3.1 Sources of Data

Two selected companies adopting strategic human resource management from each industry, by means of the purposive sampling method, were the sources of the data for assessing the determinants of strategic human resource management effectiveness in the industries. Permissions to conduct the research were given by top executives in those firms. The necessary information for the research, such as the objectives, scope of the study, data collection, length of study, and assurance of confidentiality and anonymity was also provided to the participants.

3.3.2 Data Collection

Two types of data collection methods were used in this study—in-depth interviews and documentary data.

3.3.2.1 In-Depth Interviews

In-depth interviews were selected to collect the data from the respondents. The interviews were designed as personal interviews. These interviews were characterized by extensive probing and open-ended questions. Each interview lasted between 40 and 60 minutes. The researcher prepared an interview guide that included a list of questions or issues that were to be explored and suggested probes for following up on key topics. The guide helped the interviewer to pace the interview and to make the interviewing more systematic and comprehensive.

The interview was conducted in April–July, 2008. The participants included the CEO or top executives, human resource managers, and line managers of companies. The informants were those that had knowledge or professional background related to human resource management and strategic management processes.

The scope of the interview questions related to the human resource functions, human resource systems, and human resource policies and practices currently employed in the firms and other important issues in order to understand the determinants of strategic human resource management effectiveness. The main research questions included the following.

1) From your perspective, how has the strategic human resource management effectiveness of your organization been defined? Is the strategic human resource management in your organization effective?

2) Have your employees helped to achieve strategy implementation in your organization? If so, how? If not, why?

3) What factors relating to the human resource function have helped facilitate the achievement of the firm's strategies? How?

4) What factors relating to the human resource system have helped facilitate the achievement of the firm's strategies? How?

3.3.2.1 Documentary Data

Apart from the data collected by means of interviews, secondary data were also useful. The documents used in this study consisted of various volumes of company's annual business reports, other reports on the company's website and printed matters relating to human resource management. These documents helped the researcher to gain insight into the past, current, and future human resource management in those firms.

3.3.3 Data Analysis

The data analysis for the qualitative study consisted of the following five steps:

- 1) Use of theories and concepts in the analysis
- 2) Data checking
- 3) Data indexing
- 4) Creating preliminary statements and data reduction
- 5) Generating and verifying a conclusion.

The basic methods in data analysis in this study were the analytic induction and constant comparison method. Under the constant comparison method, similarities and differences among each of the respondents' views were compared. Analytical induction was used to identify common characteristics so that it was easier to compare commonalities with the quantitative data.

3.3.4 Reliability and Validity in Qualitative Study

Maximizing reliability and validity are just as important in qualitative research as they are in quantitative research (Miles and Huberman, 1984). In order to enhance the reliability of qualitative research, the researcher spent sufficient time with the participants to check for discrepancies in responses (i.e., prolonged engagement and persistent observation), verified the accuracy of participants' responses (i.e., member checking), and explored each participant's responses meticulously (Lincoln and Guba, 1985).

In order to maximize the validity of the qualitative research aspect of this study, the participants' responses were accurately reported and represented and multiple sources of information were used to triangulate the qualitative data (Miles & Huberman, 1984).

3.4 Chapter Summary

This chapter presents the research methodology for this study. This study employs both the quantitative and qualitative approaches. With regard to the quantitative approach, a survey research, by means of the questionnaires, was used to collect data from multiple respondents in 106 garment and 105 electronics companies. With regard to the qualitative approach, two case studies were employed to gain an in-depth understanding of the strategic human resource management effectiveness in the garment and electronics companies. In-depth interviews and documentary research were the primary means of collecting data.

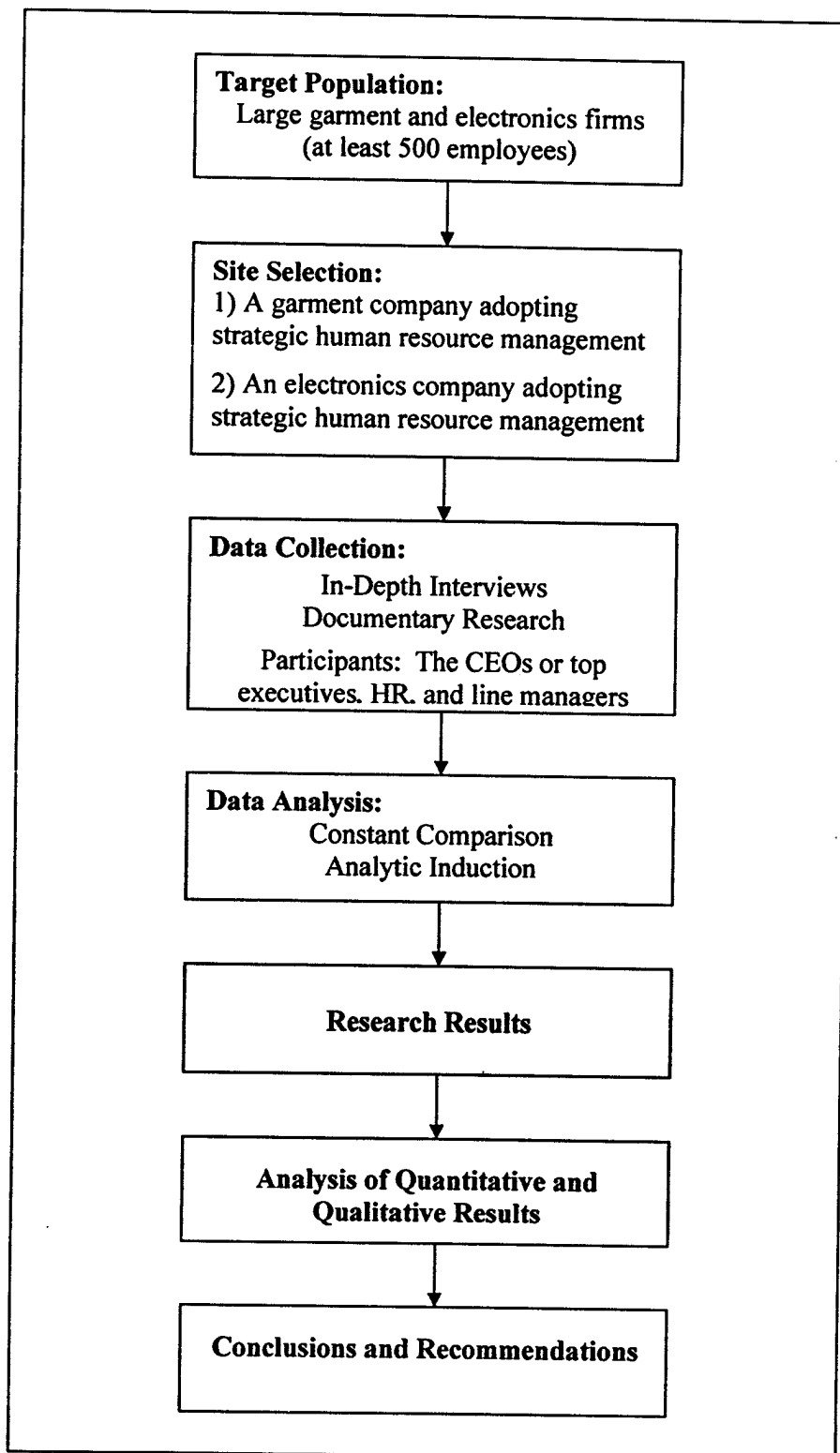


Figure 3.2 Research Methodology of the Study: Qualitative Approach

CHAPTER 4

RESEARCH RESULTS (QUANTITATIVE APPROACH)

This chapter presents the results of the hypothesis tests. It is organized into four sections. The first section describes the characteristics of the respondents and organizations. The second section presents the descriptive statistics of all research variables. The next section presents the statistical assumption testing, the results of the hypothesis testing of the garment and electronics companies, and the comparative results of both types of companies. The last section summarizes the results.

4.1 Characteristics of Respondents and Organizations

The general characteristics of the respondents and organizations are exhibited in Table 4.1 - 4.4. Tables 4.1 and 4.2 present the data of the garment companies. Tables 4.3 and 4.4 show the data of the electronics companies.

Table 4.1 provides the respondents' profile of the garment companies. Of the 258 respondents, 53.5 percent are female. Nearly 35 percent are between 30-39 years of age and around 32 percent are between 40-49 years of age. Most of the respondents, 65.5 percent, hold a bachelor's degree. Their current positions are top executives, line managers, and human resource directors/managers in the proportion of 32.9, 31.0, and 36.0 percent, respectively. Thirty-one point two percent of the respondents have held their current positions less than five years; 36.8 percent have held it from five to nine years; and 32 percent have more than 10 years of service. The average number of working years at their current positions is 8.13.

Table 4.2 describes the garment companies' profile. Of the 106 garment companies, most of the firms, 86.8 percent are limited companies. Over half, 56.6 percent, are located in the central region. About 78 percent of the firms have been established for less than 10 years, and 85.8 percent have 500–1,999 employees. The

average number of employees is 1,156 and the average number of staff members working in the human resource department is 7.85.

Table 4.1 Profile of Respondents of the Garment Companies

Characteristics		Number	Percent
Gender	Male	120	46.5
	Female	138	53.5
	Total	258	100.0
Age	Younger than 30 years	37	14.5
	30 – 39 years	89	34.9
	40 – 49 years	82	32.2
	50 years up	47	18.4
	Total	255	100.0
	$\bar{X} = 39.85$ S.D. = 9.50 Min = 24 Max = 62		
Educational Level	High school/Vocational cert.	0	0.0
	Diploma/Higher vocational cert.	6	2.3
	Bachelor	169	65.5
	Master	83	32.2
	Doctorate	0	0.0
	Total	258	100.0
Position	Top executives (President/Owner/Chief Executive/ Managing Director/Deputy Managing Director General Manager)	85	32.9
	Line manager	80	31.0
	HR director/manager/dept. head	93	36.0
	Total	258	100.0
Number of Working Years at this Position	Less than 5 years	79	31.2
	5 – 9 years	93	36.8
	10 years and more	81	32.0
	Total	253	100.0
	$\bar{X} = 8.13$ S.D. = 6.65 Min = 1 Max = 35		

Table 4.2 Profile of the Garment Companies

Characteristics		Number	Percent
Type of Company Ownership	Partnership	10	9.4
	Company limited	92	86.8
	Public company limited	4	3.8
	Total	106	100.0
Location of Company	Central region	60	56.6
	Northern region	18	17.0
	Northeastern region	11	16.0
	Eastern region	17	10.4
	Total	106	100.0
Years of Establishment	Less than 10 years	83	78.3
	10 – 19 years	16	15.1
	20 – 29 years	5	4.7
	30 years up	2	1.9
	Total	106	100.0
	$\bar{X} = 9.98$	S.D. = 15.38	Min = 3 Max = 41
Number of Employees	500 – 1,999 persons	91	85.8
	2,000 – 3,499 persons	13	12.3
	3,500 – 4,999 persons	0	0.0
	5,000 persons up	2	1.9
	Total	106	100.0
	$\bar{X} = 1,155.61$	S.D. = 877	Min = 500 Max = 5,300
Number of Staff in HR Department	1 – 9 persons	37	34.9
	10 – 19 persons	39	36.8
	20 – 29 persons	10	9.4
	More than 30 persons	20	18.9
	Total	106	100.0
	$\bar{X} = 7.85$	S.D. = 6.25	Min = 1 Max = 33

Table 4.3 provides the respondents' characteristics of the electronics companies. Of the 243 respondents, 67.9 percent are male. Approximately 43 percent of the respondents are between 40-49 years of age. Sixty point five percent hold a master's degree and 34.6 percent hold a bachelor's degree. The rest hold a diploma or high school degrees. The positions of the respondents are top executives, line managers, and human resource directors/managers in the proportion of 35.0, 31.3, and 35.7 percent, respectively. Forty-two point seven percent of the respondents have held their current positions for more than 10 years; 18.4 percent have held it from five to nine years; and 38.9 percent have held it for less than five years. The average number of working years at this position is 8.37.

Table 4.4 describes the characteristics of the electronics companies. Of the 105 electronics companies, most of the respondents' firms, 92.4 percent, are limited company and 81 percent are located in the central region. About 49.5 percent have been established for 10-19 years and have 500-1,999 employees. The average number of employees is 2,767 and the average number of staff members working in the human resource department is 16.92.

4.2 Research Variables

The description of the variables in this section is illustrated by distribution of percentages, mean score, standard deviation, minimum, and maximum scores. The data of variables of each company are derived from the average score of three informants—the CEOs, production managers, and human resource managers. The adoption of strategic human resource management of both garment and electronics companies is first presented in order to ensure that the respondent firms have implemented the strategic approach to human resource management as an underlying principle of managing employees. Second, the descriptive statistics of the dependent variable, strategic human resource management effectiveness, of the two types of companies are provided. Finally, all other research variables of the human resource function, the human resource system, and human resource outcomes are presented respectively. The results of the garment companies are presented first, followed by the results of the electronics companies.

Table 4.3 Profile of Respondents of the Electronics Companies

Characteristics		Number	Percent
Gender	Male	165	67.9
	Female	78	32.1
	Total	243	100.0
Age	Younger than 30 years	22	9.1
	30 – 39 years	43	17.8
	40 – 49 years	103	42.7
	50 years up	73	30.3
	Total	241	100.0
	$\bar{X} = 43.96$	S.D. = 8.86	Min = 22 Max = 60
Educational Level	High school/Vocational cert.	1	0.4
	Diploma/Higher vocational cert.	11	4.5
	Bachelor	84	34.6
	Master	147	60.5
	Doctorate	0	0
	Total	243	100.0
Position	Top executives (President/Owner/Chief Executive/ Managing Director/Deputy Managing Director General Manager)	85	35.0
	Line manager	76	31.3
	HR director/manager/dept. head	82	35.7
	Total	243	100.0
Number of Working Year at this Position	Less than 5 years	93	38.9
	5 – 9 years	44	18.4
	10 years and more	102	42.7
	Total	239	100.0
	$\bar{X} = 8.37$	S.D. = 6.18	Min = 1 Max = 24

Table 4.4 Profile of the Electronics Companies

Characteristics		Number	Percent	
Type of Company Ownership	Partnership	0	0.0	
	Company limited	97	92.4	
	Public company limited	8	7.6	
	Total	105	100.0	
Location of Company	Central region	85	81.0	
	Northern region	9	8.6	
	Northeastern region	6	4.8	
	Eastern region	5	5.7	
	Total	105	100.0	
Years of Establishment	Less than 10 years	8	7.6	
	10 – 19 years	52	49.5	
	20 – 29 years	38	36.2	
	30 years up	7	6.7	
	Total	105	100.0	
	$\bar{X} = 17.55$	S.D. = 5.81	Min = 7	Max = 30
Number of Employees	500 – 1,999 persons	52	49.5	
	2,000 – 3,499 persons	24	22.9	
	3,500 – 4,999 persons	18	17.1	
	5,000 persons up	11	10.5	
	Total	105	100.0	
	$\bar{X} = 2,767.09$	S.D. = 3,886.40	Min = 500	Max = 27,738
Number of Staff in HR Department	1 – 9 persons	36	34.6	
	10 – 19 persons	32	30.8	
	20 – 29 persons	25	24.0	
	More than 30 persons	11	10.6	
	Total	104	100.0	
	$\bar{X} = 16.92$	S.D. = 12.71	Min = 3	Max = 56

4.2.1 Strategic Human Resource Management Adoption

Table 4.5 presents the frequency distributions, means, and other descriptive statistics of the strategic human resource management adoption of 106 garment companies. The adoption of strategic human resource management in organizations is indicated by high and very high scores on the adoption (Mean score ≥ 4).

As can be seen, the results indicate that the minimum score of the adoption in the garment firms is 3.00 and the maximum is 4.44. These firms have used strategic human resource management to different degrees, from moderately to extensively. The mean score of the adoption is 3.39, indicating a moderate level of adoption in the garment companies. Based on the results, over half of the garment firms in this study would be excluded from this study as they have reached only a moderate level of the strategic human resource management adoption.

Considering the Thai context, the interpretation of the strategic human resource management adoption in this study should, however, include a moderate use of these practices. Based on the empirical literature, human resource management in a majority of organizations in Thailand is still in the transition stage, from traditional to strategic human resource management. Not many companies have extensively used the strategic approach to human resource management. A moderate use should be an acceptable criterion of adoption in the Thai context. Firms scored at least a moderate level (Means score ≥ 3) on this index are included in this study. Thus, all 106 garment firms are further used for hypothesis testing.

As revealed by the table, approximately 48 percent of the respondents perceive the participation of human resource executives in top-level business strategy sessions. Around 45 percent perceive the delegation of human resource-related responsibility to line managers and the evaluation of key staff based on their potential for carrying out strategic goals. Approximately 42 percent view that their human resource executives work cooperatively with line managers in formulating and reviewing human resource strategies. Of the greater concern are the issues of managers' characteristics and development programs. Less than 30 percent view that these firms match the characteristics of managers to the strategic plan of the firms and that the firms conduct training and development programs to support strategic changes.

Table 4.5 Strategic Human Resource Management Adoption in the Garment Companies

<u>Garment Companies</u>							
Strategic Human Resource Management Adoption	Not at all	Very low	Low	Moderate	High	Very high	Total
Human resource executives participate in top-level business strategy sessions.	0.0	0.0	0.9	50.9	44.3	3.8	100.0 (106)
Delegate part of human resource-related responsibility to line managers.	0.0	0.0	0.0	54.7	43.4	1.9	100.0 (106)
Evaluate key personnel based on their potential for carrying out strategic goals.	0.0	0.0	0.0	54.7	42.5	2.8	100.0 (106)
Human resource executives work cooperatively with their line counterparts in formulating and reviewing human resource strategies.	0.0	0.0	0.0	57.5	39.6	2.8	100.0 (106)
Identify managerial characteristics necessary to run the firm in the long term.	0.0	0.0	4.7	53.8	41.5	0.0	100.0 (106)
Use the compensation system to encourage managers to achieve long-term strategic objectives.	0.0	0.0	2.8	62.3	33.0	1.9	100.0 (106)
Use staffing patterns to help implement business or corporate strategies.	0.0	0.0	4.7	65.1	27.4	2.8	100.0 (106)
Match the characteristics of managers to the strategic plan of the firm.	0.0	0.0	1.9	68.9	29.2	0.0	100.0 (106)
Conduct development programs designed to support strategic changes.	0.0	0.0	1.9	69.8	24.5	3.8	100.0 (106)
	$\bar{X} = 3.39$	S.D. = 0.30	Min = 3.00	Max = 4.44			

Table 4.6 provides the frequency distributions, means, and other descriptive statistics of the strategic human resource management adoption of the electronics companies. Like the garment companies, the electronics companies that scored below a moderate level (Mean score < 3.0) on adoption have been excluded from this study. The results indicate that the mean score of the adoption is 3.70, indicating a moderate level of adoption in the electronics companies. The minimum score of the adoption is 3.11 and the maximum is 4.56. All 105 garment firms are, thus, further used for hypothesis testing.

As can be seen, a majority of the respondents, 78.1 percent, perceive that the firms evaluate key personnel based on their potential for carrying out strategic goals. Around 74.3 percent agree that their firms have development programs that support

strategic changes and that their firms match the characteristics of managers to the strategic plans of the firm. However, less than half of the respondents view that their firms use a compensation system to encourage managers to achieve long-term strategic objectives (48.6 percent) and use staffing patterns to help implement the firm's strategies (46.6 percent).

Table 4.6 Strategic Human Resource Management Adoption in the Electronics Companies

<u>Electronics Companies</u>							
Strategic Human Resource Management Adoption	Not at all	Very low	Low	Moderate	High	Very high	Total
Evaluate key personnel based on their potential for carrying out strategic goals.	0.0	0.0	0.0	21.9	59.0	19.1	100.0 (105)
Human resource executives work cooperatively with their line counterparts in formulating and reviewing human resource strategies.	0.0	0.0	0.0	23.8	69.5	6.7	100.0 (105)
Conduct development programs designed to support strategic changes.	0.0	0.0	0.0	25.7	66.7	7.6	100.0 (105)
Match the characteristics of managers to the strategic plan of the firm.	0.0	0.0	0.0	25.7	69.5	4.8	100.0 (105)
Identify managerial characteristics necessary to run the firm in the long term.	0.0	7.6	0.0	21.9	55.2	15.2	100.0 (105)
Delegate part of human resource-related responsibility to line managers.	0.0	0.0	5.7	32.4	54.3	7.6	100.0 (105)
Human resource executives participate in top-level business strategy sessions.	0.0	0.0	0.0	41.9	46.7	11.4	100.0 (105)
Use the compensation system to encourage managers to achieve long-term strategic objectives.	0.0	7.6	0.0	43.8	48.6	0.0	100.0 (105)
Use staffing patterns to help implement business or corporate strategies.	0.0	0.0	5.7	47.6	33.3	13.3	100.0 (105)
$\bar{X} = 3.70$ S.D. = 0.40 Min = 3.11 Max = 4.56							

4.2.2 Strategic Human Resource Management Effectiveness

Table 4.7 provides the level of the strategic human resource management effectiveness of the garment companies. The effectiveness is measured by the levels of employee quality, employee productivity, employee stability, and social climate between employees and employer. The effectiveness in relation to employee quality and employee productivity is indicated by high and very high levels of profit per employee and of average production per employee, while the effectiveness in relation to employee stability and social climate between employer and employees is designated by low and very low levels of turnover and absenteeism rates and of frequency of complaints and grievances per year.

The results indicate that the garment companies have achieved overall strategic human resource management effectiveness at a moderate level (Mean score = 3.35). This indicates a relatively low level of the strategic human resource management effectiveness of the garment companies, especially in the areas of employee quality, employee productivity, and employee stability.

As can be seen, only 24.5 percent of the respondents view that the garment firms report the effectiveness of employee quality, shown by a high level of profit per employee. In addition, only 13.2 percent evaluate that the garment firms possess the effectiveness in relation to employee productivity, indicated by a high level of average production per employee. The results also indicate that only 17.9 percent of the respondents report the effectiveness of the first employee stability sub-dimension (turnover). Only 0.9 percent view that the turnover rate of their organizations is very low, and 17 percent report a low turnover rate. Thirty-five point nine percent report the effectiveness of the second employee stability sub-dimension (absenteeism). Merely 3.8 percent perceive a very low level of absenteeism in their firms, and 32.1 percent report a low level. However, 90.6 percent of the respondents perceive the effectiveness of the social climate between employees and employer, represented by very low to low frequencies of complaints and grievances.

Table 4.7 Strategic Human Resource Management Effectiveness of the Garment Companies

<u>Garment Companies</u>						
Strategic Human Resource Management Effectiveness	Very low	Low	Moderate	High	Very high	Total
Employee Quality						
Profit per employee	0.0	13.2	62.3	24.5	0.0 (24.5)	100.0 (106)
Employee Productivity						
Average production per employee	3.8	8.5	74.5	13.2	0.0 (13.2)	100.0 (106)
Employee Stability						
Turnover rate	0.9 (17.9)	17.0	34.9	32.1	15.1	100.0 (106)
Absenteeism rate	3.8 (35.9)	32.1	44.3	10.4	9.4	100.0 (106)
Social Climate between Employer and Employee						
Frequency of complaints and grievances per year	58.5 (90.6)	32.1	9.4	0.0	0.0	100.0 (106)
$\bar{X} = 3.35$ S.D. = 0.49 Min = 2.60 Max = 4.67						

Table 4.8 shows the level of the strategic human resource management effectiveness of the electronics companies. The effectiveness is measured by the levels of employee quality, employee productivity, employee stability, and social climate between employees and employer. The results indicate that the electronics companies have achieved overall strategic human resource management effectiveness at a moderate level (Mean score = 3.70). This indicates a slightly low level of the strategic human resource management effectiveness of the electronics companies.

As can be seen, 94.3 percent perceive that the firms have achieved the effectiveness in the dimensions of the relationships between employees and employer, indicated by very low (41.0 percent) and low (53.3 percent) frequencies of complaints and grievances per year. However, the results indicate that only half of the respondents perceive the effectiveness in relation to employee quality, employee productivity, and employee stability. Approximately 53 percent of the respondents perceive employee quality in the electronics firms, shown by a high level of profit per employee. In

addition, 52.4 percent of the respondents view that the firms have achieved employee productivity, designated by high (47.6 percent), and very high (4.8 percent) levels of average production per employee.

Further, approximately half of the respondents perceive that the electronics companies have reached effectiveness in terms of employee stability, indicated by very low and low levels of turnover rate and absenteeism. Nearly nine percent agree that the turnover rate of the firms is very low, and 46.7 percent report a low level turnover rate. Approximately 13 percent perceive a very low level of absenteeism in their firms, and 42.9 percent report a low level.

Table 4.8 Strategic Human Resource Management Effectiveness of the Electronics Companies

<u>Electronics Companies</u>						
Strategic Human Resource Management Effectiveness	Very low	Low	Moderate	High	Very high	Total
Employee Quality						
Profit per employee	0.0	5.7	41.0	53.3 (53.3)	0.0	100.0 (106)
Employee Productivity						
Average production per employee	0.0	5.7	41.9	47.6 (52.4)	4.8	100.0 (106)
Employee Stability						
Turnover rate	8.6 (55.3)	46.7	39.0	5.7	0.0	100.0 (106)
Absenteeism rate	13.3 (56.2)	42.9	32.4	11.4	0.0	100.0 (106)
Social Climate between Employer and Employee						
Frequency of complaints and grievances per year	41.0 (94.3)	53.3	5.7	0.0	0.0	100.0 (106)
$\bar{X} = 3.70$ S.D. = 0.48 Min = 2.60 Max = 4.40						

Based on the data, the electronics companies (Mean score = 3.70) have achieved a higher level of effectiveness than the garment companies (Mean score = 3.35). However, the level of effectiveness of both garment and electronics firms has reached a relatively low level. Both types of companies must take the problems of employee

quality, employee stability and employee productivity as a significant issue because the data indicate that these firms receive unsatisfactory results in these areas.

4.2.3 Variables of the Human Resource Function

4.2.3.1 Strategic Human Resource Competencies

Table 4.9 provides the opinions on the level of the strategic human resource competencies of the human resource function in the garment companies. These competencies include the expertise and skills of all human professionals required for performing the human resource activities that meet the organizations' objectives. The possession of strategic human resource competencies is indicated by high and very high levels of strategic contribution, business knowledge, and personal credibility competencies of all human resource professionals.

The mean score of strategic human resource competencies is 3.41, indicating a moderate level of these competencies. The interpretation is that the human resource professionals in the garment companies possess a relatively low level of strategic human resource competencies.

As can be seen, approximately 30 percent of the respondent views that their human resource professionals have culture management, fast change, and knowledge of value chain competencies. Only 17.9 percent agree that their human resource professionals possess strategic decision making competencies. However, especially noteworthy is the personal credibility competency group, where around 70 percent of the respondents perceive that their human resource professionals have the competencies of result achievement, communication skills, and effective relationships.

Table 4.9 Strategic Human Resource Management Competencies of the Garment Companies

<u>Garment Companies</u>						
Strategic Human Resource Competencies	Very low	Low	Moderate	High	Very high	Total
Strategic Contribution						
- Culture Management	0.0	13.2	56.6	27.4	2.8	100.0 (106)
				(30.2)		
- Fast change	5.7	12.3	43.4	35.8	2.8	100.0 (106)
				(38.6)		
- Strategic decision making	3.8	17.9	60.4	15.1	2.8	100.0 (106)
				(17.9)		
Business Knowledge						
- Knowledge of the firm's value chain	3.8	17.0	44.3	32.1	3.0	100.0 (106)
				(35.1)		
Personal Credibility						
- Achieving results	0.0	0.0	32.1	60.4	7.5	100.0 (106)
				(67.9)		
- Effective relationships	0.0	0.0	29.2	49.1	21.7	100.0 (106)
				(70.8)		
- Communication skills	0.0	0.0	32.1	63.2	4.7	100.0 (106)
				(67.9)		
$\bar{X} = 3.41$ S.D. = 0.53 Min = 2.14 Max = 4.57						

Table 4.10 presents the opinions on the level of the strategic human resource competencies of the human resource function in the electronics companies. As revealed by the table, the mean score of strategic human resource competencies is 3.37, indicating an inadequate level of strategic human resource competencies of human resource professionals in the electronics companies.

As revealed by the table, over half of the respondents agree that their human resource professionals have culture management (50.5 percent), effective relationships (57.1 percent), and communication skills (58.1 percent) competencies. In addition, almost 46 percent perceive that their human resource professionals possess result achievement competencies. However, only 19 percent view that their human resource professionals have fast change competencies; merely 23.8 percent acknowledge strategic decision making competencies of their human resource

professionals; and only 27.6 percent view that their human resource professionals have knowledge of the firm's value chain.

Table 4.10 Strategic Human Resource Competencies of the Electronics Companies

<u>Electronics Companies</u>						
Strategic Human Resource Competencies	Very low	Low	Moderate	High	Very high	Total
Strategic Contribution						
- Culture Management	2.9	0.0	46.7	45.7 (50.5)	4.8	100.0 (105)
- Fast change	2.9	1.9	76.2	17.1 (19.0)	1.9	100.0 (105)
- Strategic decision making	2.9	20.0	53.3	21.9 (23.8)	1.9	100.0 (105)
Business Knowledge						
- Knowledge of the firm's value chain	5.7	2.9	63.8	25.7 (27.6)	1.9	100.0 (105)
Personal Credibility						
- Achieving results	0.0	0.0	54.3	38.1 (45.7)	7.6	100.0 (105)
- Effective relationships	0.0	2.9	40.0	43.8 (57.1)	13.3	100.0 (105)
- Communication skills	0.0	7.6	34.3	47.6 (58.1)	10.5	100.0 (105)
$\bar{X} = 3.37$ S.D. = 0.55 Min = 1.71 Max = 4.43						

Tables 4.9 and 4.10 show a few differences in the levels of the strategic human resource competencies between the garment and electronics companies. The level of competencies in the electronics companies (Mean score = 3.37) is a little lower than that of the garment companies (Mean score = 3.41). The results indicate that their human resource professionals in both the garment and electronics companies have a priority task to improve the competencies in the areas of strategic contribution and business knowledge.

4.2.3.2 Technical Human Resource Competencies

Table 4.11 summarizes the opinions regarding the level of technical human resource competencies of the human resource function in the garment firms. These competencies comprise the expertise and skills of all human resource professionals to perform excellently within a traditional human resource management functional department. The possession of technical human resource competencies is indicated by high and very high levels of human resource delivery, human resource technology, and personal credibility competencies.

The data indicate a moderate level of technical human resource competencies (Mean score = 3.43), almost equal to the previous type of competencies—strategic human resource competencies (Mean score = 3.41). The interpretation is that the human resource professionals in the garment companies possess an inadequate level of technical human resource competencies.

As revealed by the table, 57.5 percent of the respondents indicate that their human resource professionals have the competency to deliver training and development activities. Forty-nine percent view that their human resource professionals have the competency to deliver staffing activities. Thirty-eight point seven percent report that their human resource professionals are capable of applying information systems technology to the human resource process. In addition, almost 30 percent view that their human resource professionals are capable of designing and delivering measurement and reward systems that motivate greater performance, designing organizational structures and work processes, and using human resource measurement. The description of the personal credibility competency group is already presented in the strategic human resource competencies (Part 4.2.3.1).

Table 4.11 Technical Human Resource Competencies of the Garment Companies

<u>Garment Companies</u>						
Technical Human Resource Competencies	Very low	Low	Moderate	High	Very high	Total
Human Resource Delivery						
- Staffing	0.0	10.4	40.6	37.7 (49.0)	11.3	100.0 (106)
- Training and development	3.8	4.7	34.0	46.2 (57.5)	11.3	100.0 (106)
- Performance management	1.9	19.8	50.0	25.5 (28.3)	2.8	100.0 (106)
- Organization design	3.8	20.8	49.1	26.4 (26.4)	0.0	100.0 (106)
- Human resource measurement	2.8	23.6	49.1	25.5 (27.4)	1.9	100.0 (106)
Human Resource Technology	0.0	7.5	53.8	34.9 (38.7)	3.8	100.0 (106)
Personal Credibility						
- Achieving results	0.0	0.0	32.1	60.4 (67.9)	7.5	100.0 (106)
- Effective relationships	0.0	0.0	29.2	49.1 (70.8)	21.7	100.0 (106)
- Communication skills	0.0	0.0	32.1	63.2 (67.9)	4.7	100.0 (106)
$\bar{X} = 3.43$ S.D. = 0.58 Min = 2.22 Max = 4.89						

Table 4.12 demonstrates the opinions on the level of technical human resource competencies of the human resource function in the electronics firms. As can be seen, the mean score of the technical human resource competencies of the electronics companies is 3.44, a little higher than strategic human resource competencies (Mean score = 3.37). This also indicates a relatively low level of technical human resource competencies of all human resource professionals in the electronics firms.

As can be seen, sixty percent of the respondents view that their human resource professionals are capable of designing and implementing individual training and organization development activities. However, not over half of the respondents agree that their human resource professionals have competencies in performing staffing, performance management, organization design, and human resource measurement. In addition, only 35.2 percent evaluate that their human resource professionals are capable

of applying information systems technology to the human resource process. The description of the personal credibility competency group is already presented in strategic human resource competencies (Part 4.2.3.1).

Table 4.12 Technical Human Resource Competencies of the Electronics Companies

<u>Electronics Companies</u>						
Technical Human Resource Competencies	Very low	Low	Moderate	High	Very high	Total
Human Resource Delivery						
- Staffing	2.9	2.9	49.5	36.2 (44.8)	8.6	100.0 (105)
- Training and development	2.9	0.0	37.1	41.9 (60.0)	18.1	100.0 (105)
- Performance management	2.9	2.9	61.9	25.7 (32.4)	6.7	100.0 (105)
- Organization design	2.9	5.7	65.7	23.8 (25.7)	1.9	100.0 (105)
- Human resource measurement	2.9	2.9	61.9	24.8 (32.4)	7.6	100.0 (105)
Human Resource Technology	2.9	10.5	51.4	33.3 (35.2)	1.9	100.0 (105)
Personal Credibility						
- Achieving results	0.0	0.0	54.3	38.1 (45.7)	7.6	100.0 (105)
- Effective relationships	0.0	2.9	40.0	43.8 (57.1)	13.3	100.0 (105)
- Communication skills	0.0	7.6	34.3	47.6 (58.1)	10.5	100.0 (105)
$\bar{X} = 3.44$ S.D. = 0.60 Min = 1.67 Max = 4.89						

As revealed by the data, the levels of strategic and technical human resource competencies of the garment and electronics companies are slightly different. Both types of human resource competencies are scored at moderate levels, indicating a relatively low level of human resource competencies. It is obvious that the personal credibility competency group is perceived to be the most proficient human resource competency of the garment and electronics companies in the views of the respondents. Regarding human resource delivery competencies, the competencies in delivering

staffing and training and development are likely to be the proficient areas of human resource professionals in both garment and electronics companies.

4.2.3.3 Human Resource Efficiency

Table 4.13 displays the opinions on the degree of human resource efficiency of the garment companies. The efficiency involves the extent to which the human resource function performs the six types of human resource activities—staffing, training and development, performance appraisal, compensation and benefits, safety and health, and labor relations—without wasting resources. The efficiency of all areas, except performance appraisal, is indicated by either a very low or low level of cost or resource used. The efficiency of the performance appraisal is determined by a high or very high percentage of performance appraisals completed on time.

The mean score of the efficiency of the human resource function is 3.47. This indicates a relatively low level of efficiency. As shown by the data, only 33.3 percent view that their human resource function performs staffing activities in an efficient manner as indicated by very low and low cost per hire. Merely 24.5 percent report that their human resource function efficiently delivers training and development programs, designated by a low level of cost per trainee hour. Almost 35 percent perceive that their human resource function completes performance appraisals on time, implying the efficiency of performance appraisals. In addition, 31.2 percent report that their human resource function manages employee compensation and benefits in an efficient way, indicated by very low and low labor cost per revenue.

Particular interesting are safety and health and labor relations activities. A majority of the respondents, over 80 percent, perceive the efficiency of these areas. About 47 percent report a very low level of injury costs and 34 percent report a low level of costs. Fifty-five point seven percent indicate a very low level of cost per grievance in the garment firms; 31.1 percent report a low level of costs.

Table 4.13 Human Resource Efficiency of the Garment Companies

<u>Garment Companies</u>						
Human Resource Efficiency	Very low	Low	Moderate	High	Very high	Total
Efficiency of Staffing - Cost per hire	3.8	29.2 (33.3)	53.8	8.5	4.7	100.0 (106)
Efficiency of Training and Development - Cost per trainee hour	0.0	24.5 (24.5)	60.4	10.4	4.7	100.0 (106)
Efficiency of Performance Appraisal - Percentage of performance appraisals completed on time	0.0	9.4	55.7	23.6 (34.9)	11.3	100.0 (106)
Efficiency of Compensation and Benefits - Labor cost per revenue	3.8	27.4 (31.2)	45.3	12.3	11.3	100.0 (106)
Efficiency of Safety and Health - Cost of injuries	47.2	34.0 (81.0)	15.1	3.8	0.0	100.0 (106)
Efficiency of Labor Relations - Cost per grievance	55.7	31.1 (86.8)	13.2	0.0	0.0	100.0 (106)
$\bar{X} = 3.47$ S.D. = 0.46 Min = 2.67 Max = 4.67						

Table 4.14 gives the opinions on the level of human resource efficiency of the electronics companies. The mean score of the efficiency of the human resource function is 3.51. This indicates a relatively low level of efficiency in almost all human resource activities.

The results show that only 3.8 percent of the respondents perceive the efficiency of staffing and compensation system as indicated by low cost per hire and low labor cost per revenue. About 11 percent view that their human resource function performs training and development activities in an efficient manner, indicated by low level of cost per trainee hour. Approximately 37 percent perceive the efficiency of the human resource function in the area of performance appraisals, indicated by high and very high percentages of performance appraisals completed on time. However, almost 70 percent of the respondents view that the electronics companies are relatively efficient in delivering safety and health and labor relations activities, shown by low levels of costs.

Table 4.14 Human Resource Efficiency of the Electronics Companies

<u>Electronics Companies</u>						
Human Resource Efficiency	Very low	Low	Moderate	High	Very high	Total
Efficiency of Staffing - Cost per hire	0.0	3.8 (3.8)	82.9	13.3	0.0	100.0 (105)
Efficiency of Training and Development - Cost per trainee hour	0.0	10.5 (10.5)	48.6	41.0	0.0	100.0 (105)
Efficiency of Performance Appraisal - Percentage of performance appraisals completed on time	0.0	0.0	62.9	31.4 5.7 (37.1)		100.0 (105)
Efficiency of Compensation and Benefits - Labor cost per revenue	0.0	3.8 (3.8)	54.3	36.2	5.7	100.0 (105)
Efficiency of Safety and Health - Cost of injuries	21.0	44.8 (65.8)	29.5	4.8	0.0	100.0 (105)
Efficiency of Labor Relations - Cost per grievance	28.6	40.0 (68.6)	28.6	2.9	0.0	100.0 (105)
$\bar{X} = 3.51$ S.D. = 0.43 Min = 2.67 Max = 4.77						

4.2.4 Variables of the Human Resource System

4.2.4.1 High-Performance Work System Adoption

Table 4.15 presents the opinions on the adoption of the high-performance work system in the garment companies. The adoption of this system is indicated by high and very high levels of the use of each practice. The mean score is 3.33, indicating a moderate use of several high-performance work practices in these companies. Thus, the interpretation is that the garment companies are not likely to make broader use of the high-performance work practices in the firms.

As can be seen, 67 percent the respondents agree that their firms have implemented selective hiring practices to find the most suitable persons for the firms. Approximately 47 percent report the use of various means to reduce status differences among employees such as dress codes, language, and office arrangements. However, only 31.1 percent perceive that the firms provide extensive training and development for

employees. In addition, merely 23.6 percent of the respondents view that their firms pay employees contingent on firm performance.

Table 4.15 High-Performance Work System Adoption of the Garment Companies

<u>Garment Companies</u>						
High-Performance Work System Adoption	Very low	Low	Moderate	High	Very high	Total
Selective hiring	0.0	0.0	33.0	63.2 (67.0)	3.8	100.0 (106)
Compensation contingent on organizational performance	4.7	15.1	56.6	23.6 (23.6)	0.0	100.0 (106)
Extensive training	0.0	8.5	60.4	31.1 (31.1)	0.0	100.0 (106)
Reduction of status differences	1.9	9.4	41.5	39.6 (47.1)	7.5	100.0 (106)
	$\bar{X} = 3.33$	S.D. = 0.44	Min = 2.50	Max = 4.25		

The opinions on the adoption of the high-performance work system of the electronics companies are given in Table 4.16. The mean score of high-performance work system adoption in the firms is 3.56, indicating a moderate level of adoption. The electronics companies, thus, are less likely to use the high-performance work practices in a great extent.

As can be seen, almost 63 percent of the respondents perceive that their firms have implemented high-performance work practices in the area of selective hiring. They view that their firms recruit new staff selectively to find the most suitable persons. About 57 percent view that their firms provide extensive training and development to elicit the necessary competencies and behaviors required for business success and use various means to reduce status differences among employees, such as dress codes, language, and office arrangements. Furthermore, 56.2 percent view that their firms pay employees contingent on firm performance.

Table 4.16 High-Performance Work System Adoption of the Electronics Companies

<u>Electronics Companies</u>						
High-Performance Work System Adoption	Very low	Low	Moderate	High	Very high	Total
Selective hiring	0.0	0.0	43.8	56.2 (56.2)	0.0	100.0 (105)
Compensation contingent on organizational performance	0.0	6.7	36.2	57.1 (57.1)	0.0	100.0 (105)
Extensive training	0.0	3.8	33.3	58.1 (62.9)	4.8	100.0 (105)
Reduction of status differences	0.0	8.6	34.3	52.4 (57.2)	4.8	100.0 (105)
$\bar{X} = 3.56$ S.D. = 0.47 Min = 2.44 Max = 5.00						

Overall, the results indicate that the electronics companies make broader use of high performance work practices (Mean score = 3.56) than do the garment companies (Mean score = 3.33.)

4.2.4.2 External Alignment

Table 4.17 provides the opinions on the level of the external alignment of the human resource system of the garment companies. This alignment is the congruence between human resource practices and the firm's strategies. It is indicated by high and very high levels of the fit between each human resource activity and the firm's strategies.

As demonstrated by the data in this table, the mean score of the alignment is 3.40, indicating a moderate level of the alignment between human resource practices and the strategies of the garment companies. Then, the interpretation is that the external alignment of the human resource system of the garment companies has achieved a relatively low level.

The data indicates that more than half of the respondents perceive the alignment between recruitment and selection and the firm's strategies (53.7 percent) and the alignment between organizational communication and the firm's strategies (57.5 percent). Approximately 43 percent report the congruence between training and development activities and the firm's strategies. However, only 25.5 percent of the

respondents indicate the alignment between organization design and the firm's strategies.

Table 4.17 External Alignment of the Human Resource System of the Garment Companies

<u>Garment Companies</u>						
External Alignment	Very low	Low	Moderate	High	Very high	Total
Alignment between recruitment and selection and the firm's strategies	0.0	1.9	44.3	44.3	9.4 (53.7)	100.0 (106)
Alignment between training and development and the firm's strategies	0.0	9.4	47.2	40.6	2.8 (43.4)	100.0 (106)
Alignment between performance appraisal and the firm's strategies	0.0	5.7	57.5	34.0	2.8 (36.8)	100.0 (106)
Alignment between compensation and benefits and the firm's strategies	0.0	10.4	58.5	28.3	2.8 (31.1)	100.0 (106)
Alignment between organization design and the firm's strategies	0.0	5.7	68.9	19.8	5.7 (25.5)	100.0 (106)
Alignment between organization communication and the firm's strategies	0.0	0.0	42.5	54.7	2.8 (57.5)	100.0 (106)
	X = 3.40	S.D. = 0.48	Min = 2.33	Max = 4.83		

The opinions on the level of the external alignment of the human resource system of the electronics companies are provided in Table 4.18. The data show that the level of the alignment between human resource practices and the strategy of the electronics companies is at a moderate level (Mean score = 3.53). This indicates a slightly low level of the external alignment of the human resource system.

As can be seen, over half of the respondents perceive the alignment between training and development and the firm's strategies (63.8 percent), the alignment between performance appraisal and the firm's strategies (57.1 percent), the alignment between compensation and benefits and the firm's strategies (54.3 percent), and the alignment between staffing and the firm's strategies (53.3 percent).

Table 4.18 External Alignment of the Human Resource System of the Electronics Companies

<u>Electronics Companies</u>						
External Alignment	Very low	Low	Moderate	High	Very high	Total
Alignment between recruitment and selection and the firm's strategies	0.0	2.9	43.8	47.6 (53.3)	5.7	100.0 (105)
Alignment between training and development and the firm's strategies	0.0	2.9	33.3	58.1 (63.8)	5.7	100.0 (105)
Alignment between performance appraisal and the firm's strategies	0.0	5.7	37.1	51.4 (57.1)	5.7	100.0 (105)
Alignment between compensation and benefits and the firm's strategies	0.0	15.2	30.5	42.9 (54.3)	11.4	100.0 (105)
Alignment between organization design and the firm's strategies	0.0	12.4	41.9	38.1 (45.7)	7.6	100.0 (105)
Alignment between organization communication and the firm's strategies	0.0	7.6	43.8	42.9 (48.6)	5.7	100.0 (105)
	$\bar{X} = 3.53$	S.D. = 0.62	Min = 2.00	Max = 5.00		

On the whole, the external alignment of the electronics companies (Mean score = 3.53) is higher than that of the garment companies (Mean score = 3.40).

4.2.4.3 Internal Alignment

Table 4.19 presents the opinions on the internal alignment of the human resource system of the garment companies. This alignment indicates the congruence within the human resource system, consisting of the alignments within groups and between groups of human resource practices. The internal alignment of the human resource system is indicated by high and very high scores on each dimension of the alignment. As can be seen, the mean score of the internal alignment is 3.34, indicating a moderate level of congruence within the human resource system. This designates a relatively low level of the internal alignment.

The results also indicate that almost 40 percent of the respondents perceive that staffing activities fit training and development activities and that performance appraisal suits the reward system. In addition, almost 38 percent view that

organization and work design fit organizational communication. These fits show the alignment within groups of human resource practices.

In addition, approximately 37 percent of the respondents indicate that the performance appraisal and reward systems of the firms are consistent with the training and development system and that the training and development system matches organization and work design. However, only 22.6 percent agree that performance appraisal and reward system fit organization and work design. These fits represent the alignment between groups of human resource practices.

Table 4.19 Internal Alignment of Human Resource System of the Garment Companies

<u>Garment Companies</u>						
Internal Alignment	Very low	Low	Moderate	High	Very high	Total
Alignment within groups of HR practices						
- Alignment within the group of competency-generating practices (Recruit. & Select. – Training & Devl.)	0.0	0.0	60.4	34.9 (39.6)	4.7	100.0 (106)
- Alignment within the group of competency-reinforcing practices (Performance Appraisal – Reward)	0.0	7.5	52.8	36.8 (39.6)	2.8	100.0 (106)
- Alignment within the group of competency-sustaining practices (Org. and Work Design – Org.Comm.)	0.0	7.5	54.7	34.9 (37.7)	2.8	100.0 (106)
Alignment between groups of HR practices						
- Alignment between groups of competency-generating and competency-reinforcing practices (Performance Appraisal and Reward – Training & Devl.)	0.0	5.7	57.5	33.0 (36.8)	3.8	100.0 (106)
- Alignment between groups of competency-reinforcing and competency-sustaining practices (Performance Appraisal and Reward – Org. and Work Design)	0.0	7.5	69.8	16.0 (22.6)	6.6	100.0 (106)
- Alignment between groups of competency-sustaining and competency-generating practices (Training & Devl.- Org. and Work Design)	0.0	7.5	55.7	30.2 (36.8)	6.6	100.0 (106)
	$\bar{X} = 3.34$	S.D. = 0.54	Min = 2.00	Max = 4.83		

Table 4.20 presents the opinions on the alignment of the human resource system of the electronics companies. The mean score of the internal alignment is 3.38, indicating a moderate level of congruence within the human resource system. Thus, the results designate a relatively low level of the internal alignment.

As revealed by the table, approximately 57 percent perceive the congruence between performance appraisal and the reward system. Around 46 percent of the respondents view that organization and work design fit organizational communication. Almost 42 percent agree that staffing activities suit training and development activities. All of these fits show the alignment within groups of human resource practices in the electronics companies.

In addition, around 40 percents indicate that performance appraisal and reward systems of the firms fit the training and development system and that the training and development system matches organization and work design. Especially noteworthy is the alignment between performance management system and training and development that a majority of the respondents (91.4 percent) report this fit. All of these fits represent the alignment between groups of human resource practices.

Table 4.20 Internal Alignment of the Human Resource System of the Electronics Companies

<u>Electronics Companies</u>						
Internal Alignment	Very low	Low	Moderate	High	Very high	Total
<u>Alignment within groups of HR practices</u>						
- Alignment within the group of competency-generating practices (Recruit. & Select. – Training & Devl.)	0.0	11.4	46.7	41.9 (41.9)	0.0	100.0 (105)
- Alignment within group of competency-reinforcing practices (Performance Appraisal – Reward)	2.9	8.6	31.4	57.1 (57.1)	0.0	100.0 (105)
- Alignment within group of competency-sustaining practices (Org. Design – Org.Comm.)	0.0	5.7	48.6	45.7 (45.7)	0.0	100.0 (105)
<u>Alignment between groups of HR practices</u>						
- Alignment between groups of competency-generating and competency-reinforcing practices (Performance Appraisal and Reward – Training & Devl.)	0.0	0.0	8.6	43.8 (91.4)	47.6	100.0 (105)
- Alignment between groups of competency-reinforcing and competency-sustaining practices (Performance Appraisal and Reward – Org. and Work Design)	0.0	8.6	49.5	41.9 (41.9)	0.0	100.0 (105)
- Alignment between groups of competency-sustaining and competency-generating practices (Training & Devl.- Org. and Work Design)	0.0	2.9	53.3	43.8 (43.8)	0.0	100.0 (105)
$\bar{X} = 3.38$ S.D. = 0.53 Min = 2.00 Max = 4.00						

Overall, the results indicate that the electronics companies have achieved a higher degree of the internal alignment (Mean score = 3.38), compared to that of the garment companies (Mean score = 3.34). However, the mean scores of both garment and electronics companies designate the possible misalignment within the human resource system.

4.2.5 Variables of Human Resource Outcomes

4.2.5.1 Strategic Human Resource Deliverables

Table 4.21 presents the opinions on the degree of generated strategic human resource deliverables that help execute the strategies of the garment companies. Six human resource outcomes significant for the garment companies include speed, shared mindset, accountability, collaboration, learning, and efficiency. The existence of these deliverables in the firms is indicated by high and very high scores on each deliverable.

The mean score of the strategic human resource deliverables generated in the firm is 3.37, indicating moderate levels of these outcomes. Thus, the interpretation is that these deliverables exist in the garment firms in a relatively low level. Almost 58 percent of the respondents indicate that the employees are able to collaborate in ways that gain efficiency. In addition, around 40 percent perceive that their firms have a culture that reflects the standpoint of the organization shared by employees; that the employees hold disciplines that result in high performance; and that their firms are good at managing costs of operation. Of greater concern of the garment companies is learning capability. Merely 26 percent of the respondents report the existence of learning capability in the firms.

Table 4.21 Strategic Human Resource Deliverables of the Garment Companies

<u>Garment Companies</u>						
Strategic Human Resource Deliverables	Very low	Low	Moderate	High	Very high	Total
Speed	6.6	6.6	50.9	35.8	0.0	100.0 (106)
Shared mindset	0.0	2.8	53.8	33.0	10.4	100.0 (106)
Accountability	0.0	7.5	50.9	35.8	5.7	100.0 (106)
Collaboration	0.0	4.7	37.7	51.9	5.7	100.0 (106)
Learning	0.0	15.1	58.5	23.6	2.8	100.0 (106)
Efficiency	0.0	7.5	51.9	32.1	8.5	100.0 (106)
$X = 3.37$ $S.D. = 0.54$ $Min = 2.00$ $Max = 4.67$						

Table 4.22 shows the opinions on the degree of generated strategic human resource deliverables that help execute the strategies of the electronics companies. A group of human resource outcomes, including speed, shared mindset, accountability, collaboration, learning, and efficiency are considered the strategic human resource deliverables of the electronics companies.

As shown in Table 4.22, the mean score of the strategic human resource deliverables generated in the firm is 3.58, indicating moderate levels of these outcomes existing in the firms. Thus, these strategic human resource deliverables are likely to exist in the electronics companies in a relatively low level.

Over half of the respondents view that the electronics firms have a culture that reflects a standpoint of the organization that is shared by employees (62.9 percent) and that the employees are able to collaborate in ways that gain efficiency (61.9 percent). In addition, approximately 50 percent of the respondents perceive that the employees are good at the disciplines that result in high performance; that the employees are able to generate new ideas with impact; and that the firms are good at managing cost of operation.

Table 4.22 Strategic Human Resource Deliverables of the Electronics Companies

<u>Electronics Companies</u>						
Strategic Human Resource Deliverables	Very low	Low	Moderate	High	Very high	Total
Speed	0.0	5.7	50.5	38.1	5.7	100.0 (105)
Shared mindset	0.0	5.7	31.4	48.6	14.3	100.0 (105)
Accountability	0.0	5.7	43.8	40.0	10.5	100.0 (105)
Collaboration	0.0	0.0	38.1	56.2	5.7	100.0 (105)
Learning	0.0	7.6	41.0	45.7	5.7	100.0 (105)
Efficiency	0.0	0.0	47.5	44.7	7.8	100.0 (103)
X = 3.58 S.D. = 0.49 Min = 2.67 Max = 5.00						

Overall, the results indicate that the electronics companies have achieved a higher degree of generated strategic human resource deliverables (Mean score = 3.58), compared to that of the garment companies (Mean score = 3.37). However, the mean scores designate a relatively low level of strategic human resource deliverables existing in the garment and electronics companies.

4.3 Results of Hypothesis Testing

This section of this study presents the statistical analysis of the research hypotheses of the garment and electronics companies. Evaluations of multicollinearity are first examined, followed by the hypothesis testing of the garment and electronics companies, respectively.

4.3.1 Evaluations of Multicollinearity

Multiple regression procedures assume the absence of multicollinearity. Multicollinearity occurs when two or more of the predictor variables are highly intercorrelated, thus producing an unstable regression equation (Cone and Foster, 1998: 193). Multicollinearity among variables is examined by the correlation of matrix for the independent variables. The presence of a high correlation of above 0.5 is the first identification of multicollinearity (Pichit Pitakthepsombat, 2005: 548). However, Suchart Prasith-Rathsint (1997) and Hair et al. (1998) argue that the presence of a correlation of 0.8 and above indicates multicollinearity problem.

Table 4.23 presents the results of the correlation analysis of the independent variables of the garment companies. It is found that the correlation coefficients range from 0.217 at the 0.05 level of significance to 0.582 at the 0.01 level of significance. Table 4.24 displays the results of the correlation analysis of the predictor variables of the electronics companies. The correlation coefficients range from 0.212 at the 0.05 level of significance to 0.584 at the 0.01 level of significance. The results indicate the correlation of above 0.5 between several independent variables, indicating the possibility of multicollinearity problem. However, all variables in this study are important for explaining strategic human resource management effectiveness. Omission

of variables results in biased coefficient estimates for the remaining variables. All variables are then used for further analysis.

Table 4.23 Correlation Analysis Matrix of Variables: The Garment Companies

	Strategic Human Resource Competencies	Technical Human Resource Competencies	High-Performance Work System Adoption	External Alignment	Internal Alignment	Human Resource Efficiency	Strategic Human Resource Deliverables	Strategic Human Resource Management Effectiveness
Strategic Human Resource Competencies	1.000	.386**	.510**	.509**	.505**	.305**	.386**	.450**
Technical Human Resource Competencies		1.000	.484**	.307**	.409**	.412**	.392**	.235*
High-Performance Work System Adoption			1.000	.313**	.582**	.181	.515**	.359**
External Alignment				1.000	.392**	.114	.433**	.390**
Internal Alignment					1.000	.217*	.324**	.500**
Human Resource Efficiency						1.000	.298**	.408**
Strategic Human Resource Deliverables							1.000	.578**
Strategic Human Resource Management Effectiveness								1.000

Note: ** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

Table 4.24 Correlation Analysis Matrix of Variables: The Electronics Companies

	Strategic Human Resource Competencies	Technical Human Resource Competencies	High-Performance Work System Adoption	External Alignment	Internal Alignment	Human Resource Efficiency	Strategic Human Resource Deliverables	Strategic Human Resource Management Effectiveness
Strategic Human Resource Competencies	1.000	.528**	.481**	.453**	.535**	.353**	.475**	.450**
Technical Human Resource Competencies		1.000	.448**	.260**	.396**	.367**	.236*	.235*
High-Performance Work System Adoption			1.000	.457**	.479**	.394**	.534**	.359**
External Alignment				1.000	.584**	.212*	.455**	.390**
Internal Alignment					1.000	.270**	.581**	.500**
Human Resource Efficiency						1.000	.272**	.408**
Strategic Human Resource Deliverables							1.000	.578**
Strategic Human Resource Management Effectiveness								1.000

Note: ** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

4.3.2 Results of Hypothesis Testing for the Garment Companies

This part examines the relationships of variables proposed in the conceptual framework. Regression analyses were employed to test the six hypotheses. The findings from a series of regression analyses are combined to form a path model of the strategic human resource management effectiveness of the garment companies.

Hypothesis 1: The level of strategic human resource deliverables that help execute the firm’s strategies is more likely to be positively related to the degree of the strategic human resource management effectiveness of the firm.

Table 4.25 presents the results of the regression analysis of the strategic human resource deliverables and strategic human resource management effectiveness of the garment companies. As can be seen, strategic human resource deliverables significantly affect strategic human resource management effectiveness at the 0.05 level of significance. The coefficient of determination, R², is 0.509. The interpretation is that strategic human resource deliverables explain 51 percent of the variation in strategic human resource management effectiveness. The statistical values from the regression analysis can be presented in the following structural equation.

$$\text{SHRMEF} = .714 * \text{SHRDL} \dots\dots\dots \text{Equation 1}$$

where; SHRMEF = Strategic Human Resource Management Effectiveness
 SHRDL = Strategic Human Resource Deliverables

The results show that strategic human resource deliverables positively affect strategic human resource management effectiveness (Beta = 0.714). The direct influence of strategic human resource deliverables on strategic human resource management effectiveness implies that if the garment companies generate more strategic human resource deliverables—speed, shared mindset, learning, accountability, collaboration, and efficiency—that help achieve the firm’s strategies, the firms tend to achieve a higher level of strategic human resource management effectiveness. Examples of strategic human resource management effectiveness include achieving high level of profit per employee and productivity and low levels of turnover and

absenteeism. The results are consistent with the theoretical arguments of the HR scorecard by Becker et al. (2001) and the workforce scorecard by Huselid et al. (2005). Thus, hypothesis one is supported.

Table 4.25 Regression Analysis of the Strategic Human Resource Deliverables and Strategic Human Resource Management Effectiveness of the Garment Companies

Variables	β	T	Significance T
Strategic human resource deliverables	.714	10.390	.000
(Constant)	.618	2.776	.007
R = .714 R ² = .509 Adjusted R ² = .505			

Hypothesis 2: The levels of high-performance work system adoption, the external alignment (the alignment between the human resource system and the firm’s strategies), the internal alignment (the alignment within the human resource system), and human resource efficiency are more likely to be positively related to the degree of generated strategic human resource deliverables that help execute the firm’s strategies.

Table 4.26 displays the results of regressing the four independent factors relating to the human resource function and system against the strategic human resource deliverables of the garment companies. As revealed by the table, the effects of high-performance work system adoption, external alignment, internal alignment, and human resource efficiency significantly affect strategic human resource deliverables at the 0.05 level of significance. The coefficient of determination, R², is 0.538. This means that this model can explain 54 percent of the variance in strategic human resource deliverables. The statistical values from regression analysis are shown in the following structural equation.

$$\text{SHRDL} = .368* \text{HPWSA} + .285* \text{EXTAL} + .270* \text{INTAL} + .265* \text{HREFC} + \dots$$

.....Equation 2

where; SHRDL = Strategic Human Resource Deliverables
 HPWSA = High-Performance Work System Adoption
 EXTAL = External Alignment
 INTAL = Internal Alignment
 HREFC = Human Resource Efficiency

Table 4.26 Regression Analysis of the Factors Affecting the Strategic Human Resource Deliverables of the Garment Companies

Variables	β	T	Significance T
High-Performance Work System Adoption	.368	3.631	.000
External Alignment	.285	2.560	.012
Internal Alignment	.270	2.741	.007
Human Resource Efficiency	.265	3.228	.002
(Constant)	-.533	-1.293	.199
R = .733 R ² = .538 Adjusted R ² = .519			

As can be seen, the results indicate that high-performance work system adoption is found to be positively related to strategic human resource deliverables (Beta = 0.368). When the firms implement high-performance work practices, such as selective hiring and extensive training, it is expected that those human resource outcomes that support the firm's strategy implementation will be generated to a greater degree.

Additionally, the external alignment positively affects strategic human resource deliverables (Beta = 0.285). The interpretation is that if the human resource system is aligned with the firm's strategies, strategic human resource deliverables will be more greatly generated. The internal alignment of the human resource system also positively contributes to strategic human resource deliverables (Beta = 0.270). The congruence of all human resource practices will help generate human resource outcomes that help to achieve the firm's strategies. Likewise, the results show that human resource efficiency significantly affects strategic human resource deliverables (Beta = 0.265). The delivery

of human resource activities in cost and time-efficient manners will contribute to generating strategic human resource deliverables.

Of the four factors, high-performance work system adoption is the most important in explaining the variance in strategic human resource deliverables (Beta = 0.368), followed by external alignment (Beta = 0.285). The results are consistent with the theoretical perspectives of Becker et al. (2001) and Huselid et al. (2005), and the empirical evidence of Huselid et al. (2005). Thus, hypothesis two is substantiated.

Hypothesis 3: The degree of strategic human resource competencies is more likely to be positively related to the degree of high-performance work system adoption.

Table 4.27 shows the results of the regression analysis of the strategic human resource competencies and high-performance work system adoption of the garment companies. As can be seen, strategic human resource competencies significantly affect high-performance work system adoption at the 0.05 level of significance. The coefficient of determination, R^2 , is 0.419. This result means that about 42 percent of the variance in the high-performance work system adoption in the garment firms can be explained by strategic human resource competencies. The structural equation is the following.

$$HPWSA = .647* SHRCP.....Equation 3$$

where; HPWSA = High-Performance Work System Adoption
 SHRCP = Strategic Human Resource Competencies

Table 4.27 Regression Analysis of the Strategic Human Resource Competencies and High-Performance Work System Adoption of the Garment Companies

Variables	β	T	Significance T
Strategic Human Resource Competencies	.647	8.661	.000
(Constant)	1.512	7.096	.000
R = .647 R ² = .419 Adjusted R ² = .413			

As demonstrated by the data, strategic human resource competencies is found to be positively correlated to high-performance work system adoption (Beta = 0.647). This indicates that high-performance work practices aiming to enhance employee knowledge, skills, and abilities, and to increase employee motivation and participation, tend to be implemented in the garment firms whose human resource professionals possess strategic human resource competencies. The findings are consistent with the theoretical perspectives of Becker et al. (2001) and Huselid et al. (2005), and the empirical study of Huselid et al. (1997). Thus, hypothesis three is supported.

Hypothesis 4: The degree of strategic human resource competencies is more likely to be positively related to the degree of the external alignment (the alignment between the human resource system and the firm's strategies).

Table 4.30 presents the results of the regression analysis of the strategic human resource competencies and the alignment between the human resource system and the firm's strategies of the garment companies. As can be seen, strategic human resource competencies significantly affect the external alignment at the 0.05 level of significance. The coefficient of determination, R^2 , is 0.528. The interpretation is that strategic human resource competencies explain about 53 percent of the variation in the alignment between the human resource system and the firm's strategies of the garment companies. The statistical values from the regression analysis can be presented in the following structural equation.

$$\text{EXTAL} = .726 * \text{SHRCP} \dots \dots \dots \text{Equation 4}$$

where; EXTAL = External Alignment
 SHRCP = Strategic Human Resource Competencies

Table 4.28 Regression Analysis of the Strategic Human Resource Competencies and External Alignment of the Garment Companies

Variables	β	T	Significance T
Strategic Human Resource Competencies	.726	10.778	.000
(Constant)	.932	4.085	.000
R = .726 R ² = .528 Adjusted R ² = .523			

As can be seen, the results indicate that strategic human resource competencies are positively related to the alignment between the human resource system and the firm's strategies of the garment companies (Beta = 0.726). Thus, the strategic human resource competencies of the human resource professionals contribute to the design of the human resource system that is integrated with the business strategy. The findings are consistent with the theoretical perspectives of Becker et al. (2001) and Huselid et al. (2005). Therefore, hypothesis four is confirmed.

Hypothesis 5: The level of strategic human resource competencies is more likely to be positively related to degree of the internal alignment (the alignment within the human resource system).

Table 4.29 displays the results of regressing the strategic human resource competencies against the internal alignment of the human resource system of the garment companies. As can be seen, strategic human resource competencies significantly affect the internal alignment at the 0.05 level of significance. The coefficient of determination, R², is 0.607. This means that strategic human resource competencies can explain about 61 percent of the variance in the internal alignment. The statistical values from the regression analysis are shown in the following structural equation.

$$\text{INTAL} = .779* \text{SHRCP} \dots \dots \dots \text{Equation 5}$$

where; INTAL = Internal Alignment
 SHRCP = Strategic Human Resource Competencies

Table 4.29 Regression Analysis of Strategic Human Resource Competencies and Internal Alignment of the Garment Companies

Variables	β	T	Significance T
Strategic Human Resource Competencies	.779	12.674	.000
(Constant)	.635	2.939	.004
R = .779 R ² = .607 Adjusted R ² = .603			

The results indicate that strategic human resource competencies are positively correlated with the internal alignment of the human resource system (Beta = 0.779). The interpretation is that the strategic human resource competencies of human resource professional contribute to the design of human resource practices that fit together in order to produce a coherent human resource system. The results are consistent with the theoretical perspectives of Becker et al. (2001) and Huselid et al. (2005). Thus, hypothesis five is supported.

Hypothesis 6: The level of technical human resource competencies is more likely to be positively related to the level of human resource efficiency.

Table 4.30 provides the results of the regression analysis of technical human resource competencies and human resource efficiency in the garment companies. The regression analysis reveals that technical human resource competencies significantly predict human resource efficiency at a statistically significant level of 0.05. The coefficient of determination, R², is 0.225. This means that technical human resource competencies can explain about 23 percent of the variance in human resource efficiency. The statistical values from regression analysis are shown in the following structural equation.

$$\text{HREFC} = .474 * \text{TECCP} \dots \text{Equation 6}$$

where; HREFC = Human Resource Efficiency
 TECCP = Technical Human Resource Competencies

Table 4.30 Regression Analysis of Technical Human Resource Competencies and Human Resource Efficiency of the Garment Companies

Variables	β	T	Significance T
Technical Human Resource Competencies	.474	5.487	.000
(Constant)	2.137	8.704	.004
R = .474 R ² = .225 Adjusted R ² = .217			

As can be seen, technical human resource competencies are positively related to human resource efficiency (Beta = 0.474). The higher the level of technical human resource competencies of human resource professionals, the higher level of the efficiency of the human resource functions in delivering human resource activities. The findings are consistent with the study of Huselid et al. (1997). Thus, hypothesis six is substantiated.

In addition, the correlation analysis matrix in Table 4.23 indicates the relationships of various variables and strategic human resource management effectiveness. These results are the first identification of possible direct effects of these variables on strategic human resource management effectiveness, apart from the direct effects of the strategic human resource deliverables on strategic human resource management effectiveness based on the literature. Thus, more regression analyses were employed to examine whether the six variables—high-performance work system adoption, external alignment, internal alignment, human resource efficiency, strategic human resource competencies, and technical human resource competencies produce the direct effects on the effectiveness.

High-Performance Work System Adoption and Strategic Human Resource Management Effectiveness

Table 4.31 presents the results of the regression analysis of high-performance work system adoption and the strategic human resource management effectiveness of the garment companies. As can be seen, high-performance work system adoption significantly affects strategic human resource management effectiveness at the 0.05 level of significance. The coefficient of determination, R^2 , is 0.150. The interpretation is that strategic human resource deliverables explain 15 percent of the variation in strategic human resource management effectiveness. The statistical values from the regression analysis can be presented in the following structural equation.

$$\text{SHRMEF} = .388 * \text{HPWSA} \dots\dots\dots \text{Equation 7}$$

where; SHRMEF = Strategic Human Resource Management Effectiveness
 HPWSA = High-Performance Work System Adoption

Table 4.31 Regression Analysis of High-Performance Work System Adoption and Strategic Human Resource Management Effectiveness of the Garment Companies

Variables	β	T	Significance T
High-Performance Work System Adoption	.388	4.291	.000
(Constant)	1.228	3.133	.000
R = .388 $R^2 = .150$ Adjusted $R^2 = .142$			

The results show that high-performance work system adoption positively affects strategic human resource management effectiveness (Beta = 0.388). The implementation of a bundle of human resource practices designed to maximize the performance of employees will contribute to the achievement of the strategic human resource management effectiveness of the garment companies. Thus, the results of

correlation and regression analyses indicate the direct impact of high-performance work system adoption on strategic human resource management effectiveness.

External Alignment and Strategic Human Resource Management Effectiveness

Table 4.32 exhibits the results of the regression analysis of the external alignment and the strategic human resource management effectiveness of the garment companies. As revealed by the table, the alignment between human resource practices and the firm's strategies significantly affects strategic human resource management effectiveness at the 0.05 level of significance. The coefficient of determination, R^2 , is 0.079. The external alignment can explain about eight percent of the variation in strategic human resource management effectiveness. The statistical values from the regression analysis can be presented in the following structural equation.

$$\text{SHRMEF} = .282 * \text{EXTAL} \dots\dots\dots \text{Equation 8}$$

where; SHRMEF = Strategic Human Resource Management Effectiveness
 EXTAL = External Alignment

Table 4.32 Regression Analysis of External Alignment and Strategic Human Resource Management Effectiveness of the Garment Companies

Variables	β	T	Significance T
External Alignment	.282	2.994	.003
(Constant)	1.837	5.375	.000
R = .282	$R^2 = .079$	Adjusted $R^2 = .070$	

The results indicate that the external alignment is positively correlated to strategic human resource management effectiveness (Beta = 0.282). Thus, the alignment between human resource practices and the firm's strategies helps facilitate the achievement of the strategic human resource management effectiveness of the garment companies. The results of correlation and regression analyses indicate the direct impact of the external alignment on strategic human resource management effectiveness.

Internal Alignment and Strategic Human Resource Management Effectiveness

Table 4.33 presents the results of the regression analysis of the internal alignment and the strategic human resource management effectiveness of the garment companies. As can be seen, the congruence within the human resource system significantly affects strategic human resource management effectiveness at the 0.05 level of significance. The coefficient of determination, R^2 , is 0.106. The internal alignment can explain about 11 percent of the variation in strategic human resource management effectiveness. The statistical values from the regression analysis can be presented in the following structural equation.

$$\text{SHRMEF} = .326 * \text{INTAL} \dots\dots\dots \text{Equation 9}$$

where; SHRMEF = Strategic Human Resource Management Effectiveness
 INTAL = Internal Alignment

Table 4.33 Regression Analysis of Internal Alignment and Strategic Human Resource Management Effectiveness of the Garment Companies

Variables	β	T	Significance T
Internal Alignment	.326	8.075	.000
(Constant)	2.334	3.513	.001
R = .326 $R^2 = .106$ Adjusted $R^2 = .097$			

The results show that the internal alignment is positively related to strategic human resource management effectiveness (Beta = 0.326). The interpretation is that if all elements of the human resource system of the garment companies support each other, the firms tend to achieve a higher level of strategic human resource management effectiveness. The results of correlation and regression analyses, thus, indicate the direct effects of the internal alignment on strategic human resource management effectiveness.

Human Resource Efficiency and Strategic Human Resource Management Effectiveness

Table 4.34 shows the results of the regression analysis of human resource efficiency and the strategic human resource management effectiveness of the garment companies. As can be seen, the efficiency of the human resource function significantly affects strategic human resource management effectiveness at the 0.05 level of significance. The coefficient of determination, R^2 , is 0.082. Human resource efficiency can explain about eight percent of the variation in strategic human resource management effectiveness. The statistical values from the regression analysis can be presented in the following structural equation.

$$\text{SHRMEF} = .286 * \text{HREFC} \dots\dots\dots \text{Equation 10}$$

where; SHRMEF = Strategic Human Resource Management Effectiveness
 HREFC = Human Resource Efficiency

Table 4.34 Regression Analysis of Human Resource Efficiency and Strategic Human Resource Management Effectiveness of the Garment Companies

Variables	β	T	Significance T
Human Resource Efficiency	.286	3.049	.003
(Constant)	1.837	5.228	.000
R = .286 $R^2 = .082$ Adjusted $R^2 = .073$			

The results indicate that human resource efficiency is positively related to strategic human resource management effectiveness (Beta = 0.286). The level of the efficiency of delivering human resource services contributes to the level the strategic human resource management effectiveness of the garment companies. The results of correlation and regression analyses indicate the direct effects of human resource efficiency on strategic human resource management effectiveness.

Strategic Human Resource Competencies and Strategic Human Resource Management Effectiveness

Table 4.35 presents the results of the regression analysis of strategic human resource competencies and the strategic human resource management effectiveness of the garment companies. As can be seen, strategic human resource competencies significantly affect strategic human resource management effectiveness at the 0.05 level of significance. The coefficient of determination, R^2 , is 0.192. Strategic human resource competencies can explain about 20 percent of the variation in strategic human resource management effectiveness. The statistical values from the regression analysis can be presented in the following structural equation.

$$\text{SHRMEF} = .483 * \text{SHRCP} \dots\dots\dots \text{Equation 11}$$

where; SHRMEF = Strategic Human Resource Management Effectiveness
 SHRCP = Strategic Human Resource Competencies

Table 4.35 Regression Analysis of Strategic Human Resource Competencies and Strategic Human Resource Management Effectiveness of the Garment Companies

Variables	β	T	Significance T
Strategic Human Resource Competencies	.483	4.975	.000
(Constant)	1.304	4.025	.000
R = .483	$R^2 = .192$	Adjusted $R^2 = .184$	

The results indicate that strategic human resource competencies are positively related to strategic human resource management effectiveness (Beta = 0.438). The possession of strategic human resource competencies of human resource professionals is likely to contribute to the achievement of the strategic human resource management effectiveness of the garment companies. The results of correlation and regression

analyses indicate the direct effects of strategic human resource competencies on strategic human resource management effectiveness.

Technical Human Resource Competencies and Strategic Human Resource Management Effectiveness

Table 4.36 exhibits the results of the regression analysis of the technical human resource competencies and the strategic human resource management effectiveness of the garment companies. The results indicate that technical human resource competencies significantly affect strategic human resource management effectiveness at the 0.05 level of significance. The coefficient of determination, R^2 , is 0.218; technical human resource competencies can explain about 21 percent of the variation in strategic human resource management effectiveness. The statistical values from the regression analysis can be presented in the following structural equation.

$$\text{SHRMEF} = .467 * \text{TECCP} \dots\dots\dots \text{Equation 12}$$

where; SHRMEF = Strategic Human Resource Management Effectiveness
 TECCP = Technical Human Resource Competencies

Table 4.36 Regression Analysis of Technical Human Resource Competencies and Strategic Human Resource Management Effectiveness of the Garment Companies

Variables	β	T	Significance T
Technical Human Resource Competencies	.467	5.387	.000
(Constant)	1.271	4.157	.000
R = .467 $R^2 = .218$ Adjusted $R^2 = .211$			

The results show that technical human resource competencies are positively related to strategic human resource management effectiveness (Beta = 0.467). The garment firms tend to achieve a higher level of strategic human resource management

effectiveness if their human resource professionals possess technical human resource competencies. The results of correlation and regression analyses, thus, indicate the direct effects of technical human resource competencies on strategic human resource management effectiveness.

Furthermore, the relationships between strategic human resource competencies and technical human resource competencies were further examined.

Strategic and Technical Human Resource Competencies

Table 4.37 presents the results of the regression analysis of technical human resource competencies and strategic human resource competencies of human resource professionals in the garment companies. As can be seen, technical human resource competencies significantly affect strategic human resource competencies at the 0.05 level of significance. The coefficient of determination, R^2 , is 0.102. Technical human resource competencies can explain about 10 percent of the variation in strategic human resource management effectiveness. The statistical values from the regression analysis can be presented in the following structural equation.

$$\text{SHRCP} = .319* \text{TECCP} \dots\dots\dots \text{Equation 13}$$

where; SHRCP = Strategic Human Resource Competencies
 TECCP = Technical Human Resource Competencies

Table 4.37 Regression Analysis of Technical Human Resource Competencies and Strategic Human Resource Competencies of the Garment Companies

Variables	β	T	Significance T
Technical Human Resource Competencies	.319	3.436	.001
(Constant)	2.153	9.628	.000
R = .319 $R^2 = .102$ Adjusted $R^2 = .093$			

The results indicate that technical human resource competencies are positively related to strategic human resource competencies (Beta = 0.319). The possession of technical human resource competencies of human resource professionals is likely to contribute to the achievement of the strategic human resource competencies. The results of correlation and regression analyses indicate the direct effects of technical human resource competencies on strategic human resource competencies.

Analysis of Results

The results from a series of multiple regressions are integrated to form a path model of the factors affecting the strategic human resource management effectiveness of the garment companies, shown in Figure 4.1.

As can be seen, seven variables produce direct effects on strategic human resource management effectiveness. The effects of each variable on strategic human resource management effectiveness vary. Strategic human resource deliverables (Beta = 0.714) produce the strongest direct effects on the effectiveness, followed by strategic human resource competencies (Beta = 0.483), technical human resource competencies (Beta = 0.467), and high-performance work system adoption (Beta = 0.388).

Direct Effects	Effects
SHRDL → SHRMEF	
0.714	0.714
HPWSA → SHRMEF	
0.388	0.388
EXTAL → SHRMEF	
0.282	0.282
INTAL → SHRMEF	
0.326	0.326
HREFC → SHRMEF	
0.286	0.286
SHRCP → SHRMEF	
0.483	0.483
TECCP → SHRMEF	
0.467	0.467

where;	SHRMEF	=	Strategic Human Resource Management Effectiveness
	SHRDL	=	Strategic Human Resource Deliverables
	HPWSA	=	High-Performance Work System Adoption
	EXTAL	=	External Alignment
	INTAL	=	Internal Alignment
	HREFC	=	Human Resource Efficiency
	SHRCP	=	Strategic Human Resource Competencies
	TECCP	=	Technical Human Resource Competencies

The remainder of the model displays the indirect effects of variables on strategic human resource management effectiveness. The four intervening variables—high-performance work system adoption, external alignment, internal alignment, and human resource efficiency—exert indirect effects on strategic human resource management effectiveness via strategic human resource deliverables. The decomposition and calculation of the indirect effects of these four variables on strategic human resource management effectiveness are the following.

Indirect Effects	Effects
HPWS → SHRDL → SHRMEF	
0.368 x 0.714 =	0.263
EXTAL → SHRDL → SHRMEF	
0.285 x 0.714 =	0.203
INTAL → SHRDL → SHRMEF	
0.270 x 0.714 =	0.193
HREFC → SHRDL → SHRMEF	
0.265 x 0.714 =	0.189

where;	SHRMEF	=	Strategic Human Resource Management Effectiveness
	SHRDL	=	Strategic Human Resource Deliverables
	HPWSA	=	High-Performance Work System Adoption
	EXTAL	=	External Alignment
	INTAL	=	Internal Alignment
	HREFC	=	Human Resource Efficiency

In addition, strategic human resource competencies also have indirect effects on strategic human resource management effectiveness via other variables. Three paths exist from the model. The first path precedes from strategic human resource competencies to strategic human resource management effectiveness, via high-performance work system adoption and strategic human resource deliverables. The second path also precedes from strategic human resource competencies to strategic human resource management effectiveness, via external alignment and strategic human resource deliverables. The third path goes from strategic human resource competencies to strategic human resource management effectiveness, via internal alignment and strategic human resource deliverables. The decomposition and calculation of indirect effects of strategic human resource competencies on strategic human resource management effectiveness are the following.

Indirect Effects	Effects
SHRCP → HPWS → SHRDL → SHRMEF	
0.647 x 0.368 x 0.714 =	0.170
SHRCP → EXTAL → SHRDL → SHRMEF	
0.726 x 0.285 x 0.714 =	0.148
SHRCP → INTAL → SHRDL → SHRMEF	
0.779 x 0.270 x 0.714 =	0.150
Total effects =	0.468

where;

- SHRMEF = Strategic Human Resource Management Effectiveness
- SHRDL = Strategic Human Resource Deliverables
- HPWSA = High-Performance Work System Adoption
- EXTAL = External Alignment
- INTAL = Internal Alignment
- SHRCP = Strategic Human Resource Competencies

Finally, technical human resource competencies indirectly produce effects on strategic human resource management effectiveness via other variables. Four paths exist from the model. The first path precedes from technical human resource competencies to strategic human resource management effectiveness, via human resource efficiency and strategic human resource deliverables. The second path starts from technical human resource competencies to strategic human resource management effectiveness, via strategic human resource competencies, high-performance work system adoption, and strategic human resource deliverables.

The next path precedes from technical human resource competencies to strategic human resource management effectiveness, via strategic human resource competencies, external alignment, and strategic human resource deliverables. The last path goes from technical human resource competencies to strategic human resource management effectiveness, via strategic human resource competencies, internal alignment, and strategic human resource deliverables. The decomposition and calculation of the indirect effects of technical human resource competencies on strategic human resource management effectiveness are the following.

Indirect Effects	Effects
TECCP → HREFC → SHRDL → SHRMEF	
0.474 x 0.265 x 0.714	= 0.090
TECCP → SHRCP → HPWS → SHRDL → SHRMEF	
0.319 x 0.647 x 0.368 x 0.714	= 0.054
TECCP → SHRCP → EXTAL → SHRDL → SHRMEF	
0.319 x 0.726 x 0.285 x 0.714	= 0.047
TECCP → SHRCP → INTAL → SHRDL → SHRMEF	
0.319 x 0.779 x 0.270 x 0.714	= 0.048
Total effects =	0.239

where;	SHRMEF	=	Strategic Human Resource Management Effectiveness
	SHRDL	=	Strategic Human Resource Deliverables
	HPWSA	=	High-Performance Work System Adoption
	EXTAL	=	External Alignment
	INTAL	=	Internal Alignment
	HREFC	=	Human Resource Efficiency
	SHRCP	=	Strategic Human Resource Competencies
	TECCP	=	Technical Human Resource Competencies

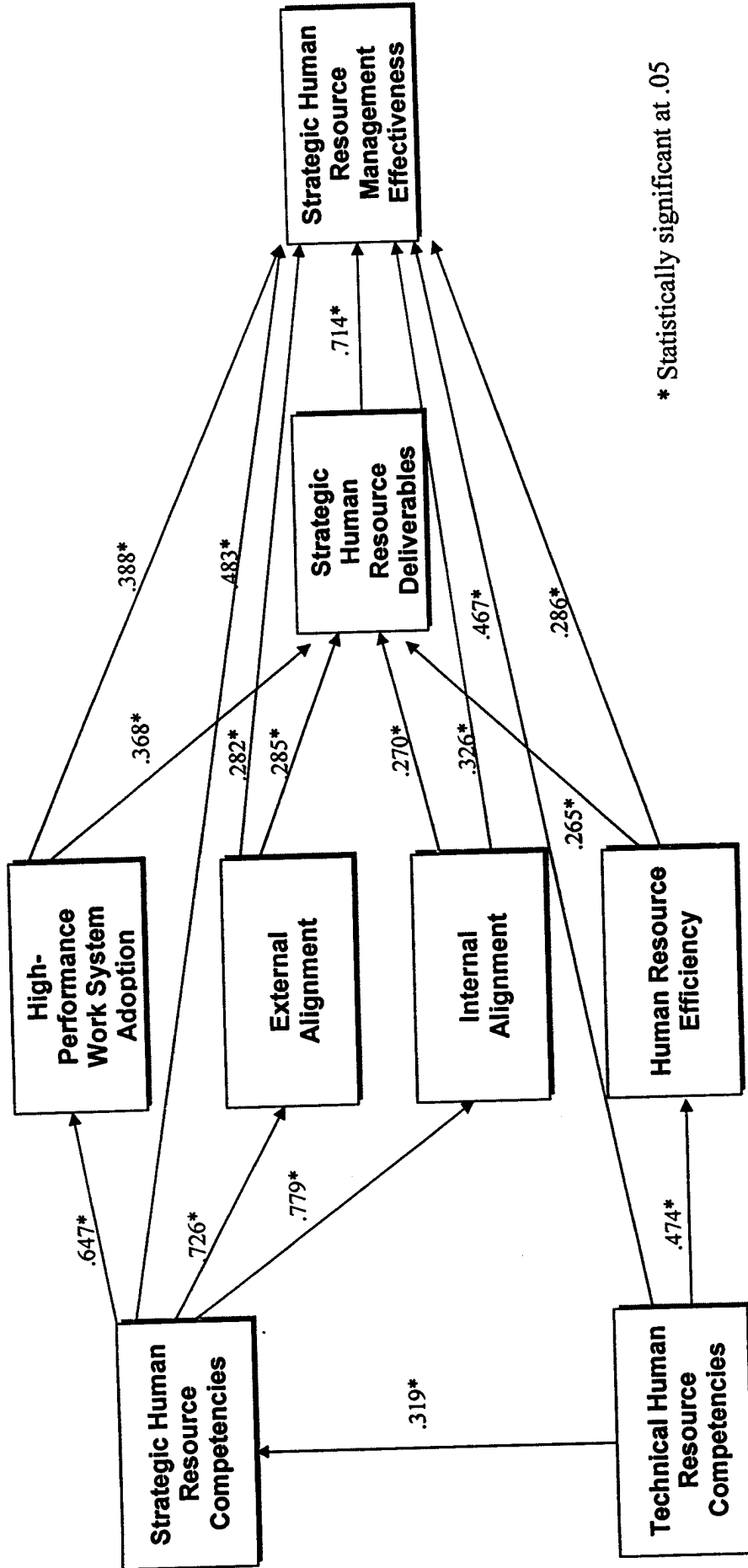
Table 4.38 summarizes the forms of effects of various variables on strategic human resource management effectiveness. Regarding the total effects, strategic human resource competencies possess the strongest impact on strategic human resource management effectiveness (Beta = 0.951), followed by strategic human resource deliverables (Beta = 0.714), and technical human resource competencies (Beta = 0.706). The total effects of the factors affecting strategic human resource management effectiveness are 4.501.

With regard to the direct effects, strategic human resource deliverables exert the highest impacts on the effectiveness (Beta = 0.714), followed by strategic human resource competencies (Beta = 0.483), and technical human resource competencies (Beta = 0.467). External alignment shows the weakest effects of 0.282. The total of direct effects of variables on strategic human resource management effectiveness is 2.946.

With regard to the indirect effects, strategic human resource competencies have the most indirect and strongest impacts on strategic human resource management effectiveness (Beta = 0.468), followed by high-performance work system adoption (Beta = 0.263), and technical human resource competencies (Beta = 0.239). Human resource efficiency produces the weakest effects of 0.189. The total of indirect effects of variables on strategic human resource management effectiveness is 1.555.

Table 4.38 Summary of Direct, Indirect, and Total Effects of Factors Influencing Strategic Human Resource Management Effectiveness of the Garment Companies

Variables	Sources of Effect		
	Direct	Indirect	Total
Strategic human resource deliverables	0.714		0.714
High-performance work system adoption	0.388	0.263	0.651
External alignment	0.282	0.203	0.485
Internal alignment	0.326	0.193	0.519
Human resource efficiency	0.286	0.189	0.475
Strategic human resource competencies	0.483	0.468	0.951
Technical human resource competencies	0.467	0.239	0.706
Total	2.946	1.555	4.501



* Statistically significant at .05

Figure 4.1 Path Coefficients of the Structural Equation for Hypothesis Testing: The Garment Companies

4.3.2 Results of Hypothesis Testing for the Electronics Companies

This part examines the relationships of variables proposed in the conceptual framework. Regression analyses were employed to test the six hypotheses. The findings from a series of regression analyses are combined to form a path model of the strategic human resource management effectiveness of the electronics companies.

Hypothesis 1: The level of strategic human resource deliverables that help execute the firm’s strategies is more likely to be positively related to the degree of the strategic human resource management effectiveness of the firm.

Table 4.39 shows the results of the regression analysis of strategic human resource deliverables and strategic human resource management effectiveness of the electronics companies. As can be seen, strategic human resource deliverables significantly affect strategic human resource management effectiveness at the 0.05 level of significance. The coefficient of determination, R², is 0.260. This model indicates that strategic human resource deliverables explain 26 percent of the variation in strategic human resource management effectiveness. The statistical values from the regression analysis can be presented in the following structural equation.

$$\text{SHRMEF} = .510 * \text{SHRDL} \dots\dots\dots \text{Equation 1}$$

where; SHRMEF = Strategic Human Resource Management Effectiveness
 SHRDL = Strategic Human Resource Deliverables

The results indicate that strategic human resource deliverables are positively related strategic human resource management effectiveness (Beta = 0.510). If the electronics companies generate more strategic human resource deliverables—speed, shared mindset, learning, accountability, collaboration, and efficiency—the firms tend to achieve a higher level of strategic human resource management effectiveness: employee quality, employee productivity, employee stability, and good relationships between employees and employer. The results are consistent with the theoretical arguments of the HR scorecard by Becker et al. (2001) and the workforce scorecard by Huselid et al. (2005). Therefore, hypothesis one is supported.

Table 4.39 Regression Analysis of the Strategic Human Resource Deliverables and Strategic Human Resource Management Effectiveness of the Electronics Companies

Variables	β	T	Significance T
Strategic human resource deliverables	.510	6.016	.000
(Constant)	.932	6.511	.000
R = .510 R ² = .260 Adjusted R ² = .253			

Hypothesis 2: The levels of high-performance work system adoption, the external alignment (the alignment between the human resource system and the firm's strategies), the internal alignment (the alignment within the human resource system), and human resource efficiency are more likely to be positively related to the degree of generated strategic human resource deliverables that help execute the firm's strategies.

Table 4.40 provides the results of the regression analysis of the four independent factors relating to the human resource function and system against strategic human resource deliverables of the electronics companies. As can be seen, high-performance work system adoption, external alignment, internal alignment, and human resource efficiency significantly affect strategic human resource deliverables at the 0.05 level of significance. The coefficient of determination, R², is 0.664. The results indicate that this model can explain 66 percent of the variance in strategic human resource deliverables. The statistical values from the regression analysis are shown in the following structural equation.

$$\text{SHRDL} = .303* \text{HPWSA} + .420* \text{EXTAL} + .310* \text{INTAL} + .147* \text{HREFC} \dots\dots$$

.....Equation 2

where; SHRDL = Strategic Human Resource Deliverables
 HPWSA = High-Performance Work System Adoption
 EXTAL = External Alignment
 INTAL = Internal Alignment
 HREFC = Human Resource Efficiency

Table 4.40 Regression Analysis of Factors Affecting Strategic Human Resource Deliverables of the Electronics Companies

Variables	β	T	Significance T
High-Performance Work System Adoption	.303	4.722	.000
External Alignment	.420	4.840	.000
Internal Alignment	.310	3.772	.000
Human Resource Efficiency	.147	2.406	.018
(Constant)	.873	2.676	.009

R = .815 R² = .664 Adjusted R² = .651

The results indicate that all four variables are positive related to strategic human resource deliverables. High-performance work system adoption is positively related to strategic human resource deliverables (Beta = 0.303). The interpretation is that if the electronics firms implement human resource practices such as selective hiring and extensive training, the human resource outcomes supporting the firm's strategy implementation will be more greatly generated.

Both types of alignment show positive relationships with strategic human resource deliverables. The external alignment has a positive relationship with strategic human resource deliverables (Beta = 0.420). The internal alignment of the human resource system is also positively related to strategic human resource deliverables (Beta = 0.310). The interpretation is that if the human resource system fits the firm's strategies and the system supports each other, strategic human resource deliverables will be more generated to a greater extent.

Of the four factors, external alignment (Beta = 0.420) is the most important in explaining the variance in strategic human resource deliverables, followed by internal alignment (Beta = 0.310), high-performance work system adoption (Beta = 0.303), and human resource efficiency (Beta = 0.147). The results are consistent with the theoretical perspectives of Becker et al. (2001) and Huselid et al. (2005), and the empirical evidence of Huselid et al. (2005). Thus, hypothesis two is substantiated.

Hypothesis 3: The degree of strategic human resource competencies is more likely to be positively related to the degree of high-performance work system adoption.

Table 4.41 shows the results of the regression analysis of the strategic human resource competencies and high-performance work system adoption of the electronics companies. As can be seen, strategic human resource competencies significantly affect high-performance work system adoption at the 0.05 level of significance. The coefficient of determination, R^2 , is 0.124. The result means that about 12 percent of the variance in high-performance work system adoption in the electronics firms can be explained by strategic human resource competencies. The structural equation is the following.

$$HPWSA = .353 * SHRCP \dots \dots \dots \text{Equation 3}$$

where; HPWSA = High-Performance Work System Adoption
 SHRCP = Strategic Human Resource Competencies

Table 4.41 Regression Analysis of Strategic Human Resource Competencies and High-Performance Work System Adoption of the Electronics Companies

Variables	β	T	Significance T
Strategic Human Resource Competencies	.353	3.827	.000
(Constant)	2.595	10.160	.000
R = .353 $R^2 = .124$ Adjusted $R^2 = .116$			

As can be seen, strategic human resource competencies are found to be positively correlated with high-performance work system adoption (Beta = 0.353). This indicates that high-performance work practices are likely to be implemented in the firms whose human resource professionals possess strategic human resource competencies. The findings are consistent with the theoretical perspectives of Becker et al. (2001) and Huselid et al. (2005), and the empirical study of Huselid et al. (1997). Thus, hypothesis three is supported.

Hypothesis 4: The degree of strategic human resource competencies is more likely to be positively related to the degree of the external alignment (the alignment between the human resource system and the firm's strategies).

Table 4.42 presents the results of the regression analysis of the strategic human resource competencies and the alignment between the human resource system and the firm's strategies of the electronics companies. As can be seen, strategic human resource competencies significantly affect the external alignment at the 0.05 level of significance. The coefficient of determination, R^2 , is 0.294. The interpretation is that strategic human resource competencies explain about 29 percent of the variation in the external alignment of the electronics companies. The statistical values from the regression analysis can be presented in the following structural equation.

$$\text{EXTAL} = .542 * \text{SHRCP} \dots \dots \dots \text{Equation 4}$$

where; EXTAL = External Alignment
 SHRCP = Strategic Human Resource Competencies

As can be seen, the results indicate that strategic human resource competencies are positively related to the alignment between the human resource system and the firm's strategies of the electronics companies (Beta = 0.542). Thus, the strategic human resource competencies of human resource professionals contribute to the design of the human resource system that is integrated with the business strategy. The findings are consistent with the theoretical perspectives of Becker et al. (2001) and Huselid et al. (2005). Therefore, hypothesis four is confirmed.

Table 4.42 Regression Analysis of Strategic Human Resource Competencies and External Alignment of the Electronics Companies

Variables	β	T	Significance T
Strategic Human Resource Competencies	.542	6.542	.000
(Constant)	1.469	4.603	.000
R = .542	R ² = .294	Adjusted R ² = .287	

Hypothesis 5: The level of strategic human resource competencies is more likely to be positively related to degree of the internal alignment (the alignment within the human resource system).

Table 4.43 displays the results of the regression analysis of the strategic human resource competencies against the internal alignment of the human resource system of the electronics companies. As can be seen, strategic human resource competencies significantly affect the internal alignment at the 0.05 level of significance. The coefficient of determination, R², is 0.288. This means that strategic human resource competencies can explain about 29 percent of the variance in the internal alignment. The statistical values from regression analysis are shown in the following structural equation.

$$\text{INTAL} = .537* \text{SHRCP} \dots \dots \dots \text{Equation 5}$$

where; INTAL = Internal Alignment
 SHRCP = Strategic Human Resource Competencies

Table 4.43 Regression Analysis of the Strategic Human Resource Competencies and Internal Alignment of the Electronics Companies

Variables	β	T	Significance T
Strategic Human Resource Competencies	.537	6.461	.000
(Constant)	1.624	5.905	.000
R = .537	R ² = .288	Adjusted R ² = .281	

The results indicate that strategic human resource competencies are positively related to the internal alignment of the human resource system (Beta = 0.537). The interpretation is that the strategic human resource competencies of human resource professionals contribute to the design of human resource practices that fit together in order to produce a coherent human resource system. The results are consistent with the theoretical perspectives of Becker et al. (2001) and Huselid et al. (2005). Thus, hypothesis five is supported.

Hypothesis 6: The level of technical human resource competencies is more likely to be positively related to the level of human resource efficiency.

Table 4.44 provides the results of the regression analysis of technical human resource competencies and human resource efficiency in the electronics companies. The regression analysis reveals that technical human resource competencies significantly predict human resource efficiency at the statistically significant level of 0.05. The coefficient of determination, R², is 0.418. This means that technical human resource competencies can explain about 42 percent of the variance in human resource efficiency. The statistical values from the regression analysis are shown in the following structural equation.

$$\text{HREFC} = .646* \text{TECCP} \dots \dots \dots \text{Equation 6}$$

where; HREFC = Human Resource Efficiency
 TECCP = Technical Human Resource Competencies

Table 4.44 Regression Analysis of Technical Human Resource Competencies and Human Resource Efficiency of the Electronics Companies

Variables	β	T	Significance T
Technical Human Resource Competencies	.646	8.598	.000
(Constant)	1.571	6.899	.000
R = .646 R ² = .418 Adjusted R ² = .412			

As can be seen, technical human resource competencies are positively related to human resource efficiency (Beta = 0.646). The higher the level of technical human resource competencies of human resource professionals, the higher the level of the efficiency of the human resource functions in delivering human resource activities. The results are consistent with the study of Huselid et al. (1997). Thus, hypothesis six is substantiated.

Additionally, the correlation analysis matrix in Table 4.24 presents the relationships of various variables and strategic human resource management effectiveness. These results are the first identification of possible direct effects of these variables on strategic human resource management effectiveness, apart from the direct effects of the strategic human resource deliverables on strategic human resource management effectiveness based on the literature. Additional regression analyses were employed to examine whether the six variables—high-performance work system adoption, external alignment, internal alignment, human resource efficiency, strategic human resource competencies, and technical human resource competencies—produce the direct effects on the effectiveness.

High-Performance Work System Adoption and Strategic Human Resource Management Effectiveness

Table 4.45 presents the results of the regression analysis of high-performance work system adoption and the strategic human resource management effectiveness of the electronics companies. As can be seen, high-performance work system adoption significantly affects strategic human resource management effectiveness at the 0.05 level of significance. The coefficient of determination, R^2 , is 0.107. The interpretation is that strategic human resource deliverables explain only 10 percent of the variation in strategic human resource management effectiveness. The statistical values from the regression analysis can be presented in the following structural equation.

$$\text{SHRMEF} = .327 * \text{HPWSA} \dots\dots\dots \text{Equation 7}$$

where; SHRMEF = Strategic Human Resource Management Effectiveness
 HPWSA = High-Performance Work System Adoption

Table 4.45 Regression Analysis of High-Performance Work System Adoption and Strategic Human Resource Management Effectiveness of the Electronics Companies

Variables	β	T	Significance T
High-Performance Work System Adoption	.327	3.509	.000
(Constant)	2.506	2.506	.001
R = .327 $R^2 = .107$ Adjusted $R^2 = .098$			

The results indicate that high-performance work system adoption is positively correlated to strategic human resource management effectiveness (Beta = 0.327). The use of various high-performance work practices will lead to the strategic human resource management effectiveness of the electronics companies. Thus, the results of correlation and regression analyses indicate the direct impact of high-performance work system adoption on strategic human resource management effectiveness.

External Alignment and Strategic Human Resource Management Effectiveness

Table 4.46 exhibits the results of the regression analysis of the external alignment and the strategic human resource management effectiveness of the electronics companies. As revealed by the table, the alignment between human resource practices and the firm's strategies significantly affects strategic human resource management effectiveness at the 0.05 level of significance. The coefficient of determination, R^2 , is 0.361. The interpretation is that the external alignment can explain about 36 percent of the variation in strategic human resource management effectiveness. The statistical values from the regression analysis can be presented in the following structural equation.

$$\text{SHRMEF} = .601 * \text{EXTAL} \dots\dots\dots \text{Equation 8}$$

where; SHRMEF = Strategic Human Resource Management Effectiveness
 EXTAL = External Alignment

Table 4.46 Regression Analysis of External Alignment and Strategic Human Resource Management Effectiveness of the Electronics Companies

Variables	β	T	Significance T
External Alignment	.601	7.636	.000
(Constant)	2.063	9.473	.000
R = .601 $R^2 = .361$ Adjusted $R^2 = .355$			

The results indicate that the external alignment is positively related to strategic human resource management effectiveness (Beta = 0.601). Thus, the alignment between human resource practices and the firm's strategies helps facilitate the achievement of the strategic human resource management effectiveness of the electronics companies. The results of correlation and regression analyses indicate the direct impact of the external alignment on strategic human resource management effectiveness.

Internal Alignment and Strategic Human Resource Management Effectiveness

Table 4.47 presents the results of the regression analysis of the internal alignment and the strategic human resource management effectiveness of the garment companies. As can be seen, the congruence within the human resource system significantly affects strategic human resource management effectiveness at the 0.05 level of significance. The coefficient of determination, R^2 , is 0.389. The internal alignment can explain about 39 percent of the variation in strategic human resource management effectiveness. The statistical values from the regression analysis can be presented in the following structural equation.

$$\text{SHRMEF} = .624 * \text{INTAL} \dots\dots\dots \text{Equation 9}$$

where; SHRMEF = Strategic Human Resource Management Effectiveness
 INTAL = Internal Alignment

Table 4.47 Regression Analysis of Internal Alignment and Strategic Human Resource Management Effectiveness of the Electronics Companies

Variables	β	T	Significance T
Internal Alignment	.624	8.104	.000
(Constant)	1.828	7.816	.000
R = .624 $R^2 = .389$ Adjusted $R^2 = .383$			

The results indicate that the internal alignment of the human resource system is positively related to strategic human resource management effectiveness (Beta = 0.624). Providing that the subsystems of the human resource system of the electronics companies fit together, the firms are likely to achieve strategic human resource management effectiveness. The results of correlation and regression analyses, thus, indicate the direct effects of the alignment within the human resource system on strategic human resource management effectiveness.

Human Resource Efficiency and Strategic Human Resource Management Effectiveness

Table 4.48 presents the results of the regression analysis of human resource efficiency and the strategic human resource management effectiveness of the electronics companies. As can be seen, the efficiency of the human resource function significantly affects strategic human resource management effectiveness at the 0.05 level of significance. The coefficient of determination, R^2 , is 0.272. Human resource efficiency can explain about 27 percent of the variation in strategic human resource management effectiveness. The statistical values from the regression analysis can be presented in the following structural equation.

$$\text{SHRMEF} = .521 * \text{HREFC} \dots\dots\dots \text{Equation 10}$$

where; SHRMEF = Strategic Human Resource Management Effectiveness
 HREFC = Human Resource Efficiency

Table 4.48 Regression Analysis of Human Resource Efficiency and Strategic Human Resource Management Effectiveness of the Electronics Companies

Variables	β	T	Significance T
Human Resource Efficiency	.521	6.199	.000
(Constant)	2.032	7.465	.000
R = .521 $R^2 = .272$ Adjusted $R^2 = .265$			

The results indicate that human resource efficiency is positively related to strategic human resource management effectiveness (Beta = 0.521). The level of the efficiency of delivering human resource activities contributes to the level the strategic human resource management effectiveness of the electronics companies. The results of correlation and regression analyses indicate the direct effects of human resource efficiency on strategic human resource management effectiveness.

Strategic Human Resource Competencies and Strategic Human Resource Management Effectiveness

Table 4.49 presents the results of the regression analysis of strategic human resource competencies and the strategic human resource management effectiveness of the electronics companies. As can be seen, strategic human resource competencies significantly affect strategic human resource management effectiveness at the 0.05 level of significance. The coefficient of determination, R^2 , is 0.197. Strategic human resource competencies can explain about 20 percent of the variation in strategic human resource management effectiveness. The statistical values from the regression analysis can be presented in the following structural equation.

$$\text{SHRMEF} = .444 * \text{SHRCP} \dots\dots\dots \text{Equation 11}$$

where; SHRMEF = Strategic Human Resource Management Effectiveness
 SHRCP = Strategic Human Resource Competencies

Table 4.49 Regression Analysis of Strategic Human Resource Competencies and Strategic Human Resource Management Effectiveness of the Electronics Companies

Variables	β	T	Significance T
Strategic Human Resource Competencies	.444	5.034	.000
(Constant)	2.441	9.623	.000
R = .444 $R^2 = .197$ Adjusted $R^2 = .190$			

The results indicate that strategic human resource competencies are positively related to strategic human resource management effectiveness (Beta = 0.444). The possession of strategic human resource competencies of human resource professionals is likely to contribute to the achievement of the strategic human resource management effectiveness of the electronics companies. The results of correlation and regression

analyses indicate the direct effects of strategic human resource competencies on strategic human resource management effectiveness.

Technical Human Resource Competencies and Strategic Human Resource Management Effectiveness

Table 4.50 exhibits the results of the regression analysis of the technical human resource competencies and the strategic human resource management effectiveness of the electronics companies. The results indicate that technical human resource competencies significantly affect strategic human resource management effectiveness at the 0.05 level of significance. The coefficient of determination, R^2 , is 0.116; technical human resource competencies can explain about 12 percent of the variation in strategic human resource management effectiveness. The statistical values from the regression analysis can be presented in the following structural equation.

$$\text{SHRMEF} = .340 * \text{TECCP} \dots\dots\dots \text{Equation 12}$$

where; SHRMEF = Strategic Human Resource Management Effectiveness
 TECCP = Technical Human Resource Competencies

Table 4.50 Regression Analysis of Technical Human Resource Competencies and Strategic Human Resource Management Effectiveness of the Electronics Companies

Variables	β	T	Significance T
Technical Human Resource Competencies	.340	3.675	.000
(Constant)	2.731	10.200	.000
R = .340 $R^2 = .116$ Adjusted $R^2 = .107$			

The results show that technical human resource competencies are positively related to strategic human resource management effectiveness (Beta = 0.340). The electronics firms tend to achieve a higher level of strategic human resource management

effectiveness if their human resource professionals possess technical human resource competencies. The results of correlation and regression analyses, thus, indicate the direct effects of technical human resource competencies on strategic human resource management effectiveness.

Additionally, the relationships between strategic human resource competencies and technical human resource competencies were further examined.

Strategic and Technical Human Resource Competencies

Table 4.51 presents the results of the regression analysis of technical human resource competencies and strategic human resource competencies of human resource professionals in the electronics companies. As can be seen, technical human resource competencies significantly affect strategic human resource competencies at the 0.05 level of significance. The coefficient of determination, R^2 , is 0.279. Technical human resource competencies can explain about 28 percent of the variation in strategic human resource management effectiveness. The statistical values from the regression analysis can be presented in the following structural equation.

$$\text{SHRCP} = .528* \text{TECCP} \dots\dots\dots \text{Equation 13}$$

where; SHRCP = Strategic Human Resource Competencies
 TECCP = Technical Human Resource Competencies

Table 4.51 Regression Analysis of Technical Human Resource Competencies and Strategic Human Resource Competencies of the Electronics Companies

Variables	β	T	Significance T
Technical Human Resource Competencies	.528	6.307	.000
(Constant)	1.620	5.501	.000
R = .528	$R^2 = .279$	Adjusted $R^2 = .272$	

The results indicate that technical human resource competencies are positively related to strategic human resource competencies (Beta = 0.528). The possession of technical human resource competencies of human resource professionals is likely to contribute to the achievement of the strategic human resource competencies. The results of correlation and regression analyses indicate the direct effects of technical human resource competencies on strategic human resource competencies.

Analysis of Results

As can be seen in Figure 4.2, the results from a series of multiple regressions are integrated with form a path model of the factors affecting strategic human resource management effectiveness of the electronics companies. Seven variables exert direct effects on strategic human resource management effectiveness. Internal alignment (Beta = 0.624) produce the strongest direct effects on the effectiveness, followed by external alignment (Beta = 0.601), and human resource efficiency (Beta = 0.521).

Direct Effect	Effects
SHRDL → SHRMEF	
0.510	0.510
HPWSA → SHRMEF	
0.327	0.327
EXTAL → SHRMEF	
0.601	0.601
INTAL → SHRMEF	
0.624	0.624
HREFC → SHRMEF	
0.521	0.521
SHRCP → SHRMEF	
0.444	0.444
TECCP → SHRMEF	
0.340	0.340

where;

SHRMEF	=	Strategic Human Resource Management Effectiveness
SHRDL	=	Strategic Human Resource Deliverables
HPWSA	=	High-Performance Work System Adoption
EXTAL	=	External Alignment
INTAL	=	Internal Alignment
HREFC	=	Human Resource Efficiency
SHRCP	=	Strategic Human Resource Competencies
TECCP	=	Technical Human Resource Competencies

The remainder of the model displays the indirect effects of variables on strategic human resource management effectiveness. The four intervening variables— high-performance work system adoption, external alignment, internal alignment, and human resource efficiency—exert indirect effects on strategic human resource management effectiveness via strategic human resource deliverables. The decomposition and calculation of the indirect effects of these four variables to strategic human resource management effectiveness are the following.

Indirect Effects	Effects
$\text{HPWS} \rightarrow \text{SHRDL} \rightarrow \text{SHRMEF}$ $0.303 \quad \times \quad 0.510 \quad = \quad 0.155$	
$\text{EXTAL} \rightarrow \text{SHRDL} \rightarrow \text{SHRMEF}$ $0.420 \quad \times \quad 0.510 \quad = \quad 0.214$	
$\text{INTAL} \rightarrow \text{SHRDL} \rightarrow \text{SHRMEF}$ $0.310 \quad \times \quad 0.510 \quad = \quad 0.158$	
$\text{HREFC} \rightarrow \text{SHRDL} \rightarrow \text{SHRMEF}$ $0.147 \quad \times \quad 0.510 \quad = \quad 0.075$	

where;

SHRMEF	=	Strategic Human Resource Management Effectiveness
SHRDL	=	Strategic Human Resource Deliverables
HPWSA	=	High-Performance Work System Adoption
EXTAL	=	External Alignment
INTAL	=	Internal Alignment
HREFC	=	Human Resource Efficiency

Furthermore, strategic human resource competencies also have indirect effects on strategic human resource management effectiveness via other variables. Three paths exist from the model. The first path precedes from strategic human resource competencies to strategic human resource management effectiveness, via high-performance work system adoption and strategic human resource deliverables. The second path also precedes from strategic human resource competencies to strategic human resource management effectiveness, via external alignment and strategic human resource deliverables. The third path goes from strategic human resource competencies to strategic human resource management effectiveness, via internal alignment and strategic human resource deliverables. The decomposition and calculation of the indirect effects of strategic human resource competencies on strategic human resource management effectiveness are the following.

Indirect Effects	Effects
$\text{SHRCP} \rightarrow \text{HPWS} \rightarrow \text{SHRDL} \rightarrow \text{SHRMEF}$ $0.353 \times 0.303 \times 0.510 = 0.005$	
$\text{SHRCP} \rightarrow \text{EXTAL} \rightarrow \text{SHRDL} \rightarrow \text{SHRMEF}$ $0.542 \times 0.420 \times 0.510 = 0.116$	
$\text{SHRCP} \rightarrow \text{INTAL} \rightarrow \text{SHRDL} \rightarrow \text{SHRMEF}$ $0.537 \times 0.310 \times 0.510 = 0.008$	
Total effects =	0.129

where;

- SHRMEF = Strategic Human Resource Management Effectiveness
- SHRDL = Strategic Human Resource Deliverables
- HPWSA = High-Performance Work System Adoption
- EXTAL = External Alignment
- INTAL = Internal Alignment
- SHRCP = Strategic Human Resource Competencies

Finally, technical human resource competencies indirectly produce effects on strategic human resource management effectiveness via other variables. Four paths exist from the model. The first path precedes from technical human resource competencies to strategic human resource management effectiveness, via human

resource efficiency and strategic human resource deliverables. The second path starts from technical human resource competencies to strategic human resource management effectiveness, via strategic human resource competencies, high-performance work system adoption, and strategic human resource deliverables.

The next path precedes from technical human resource competencies to strategic human resource management effectiveness, via strategic human resource competencies, external alignment, and strategic human resource deliverables. The last path goes from technical human resource competencies to strategic human resource management effectiveness, via strategic human resource competencies, internal alignment, and strategic human resource deliverables. The decomposition and calculation of the indirect effects of technical human resource competencies on strategic human resource management effectiveness are the following.

Indirect Effects	Effects
TECCP → HREFC → SHRD L → SHRMEF	
0.646 x 0.147 x 0.510	= 0.048
TECCP → SHRCP → HPWS → SHRD L → SHRMEF	
0.528 x 0.353 x 0.303 x 0.510	= 0.029
TECCP → SHRCP → EXTAL → SHRD L → SHRMEF	
0.528 x 0.542 x 0.420 x 0.510	= 0.061
TECCP → SHRCP → INTAL → SHRD L → SHRMEF	
0.528 x 0.537 x 0.310 x 0.510	= 0.044
Total effects =	0.182

where;

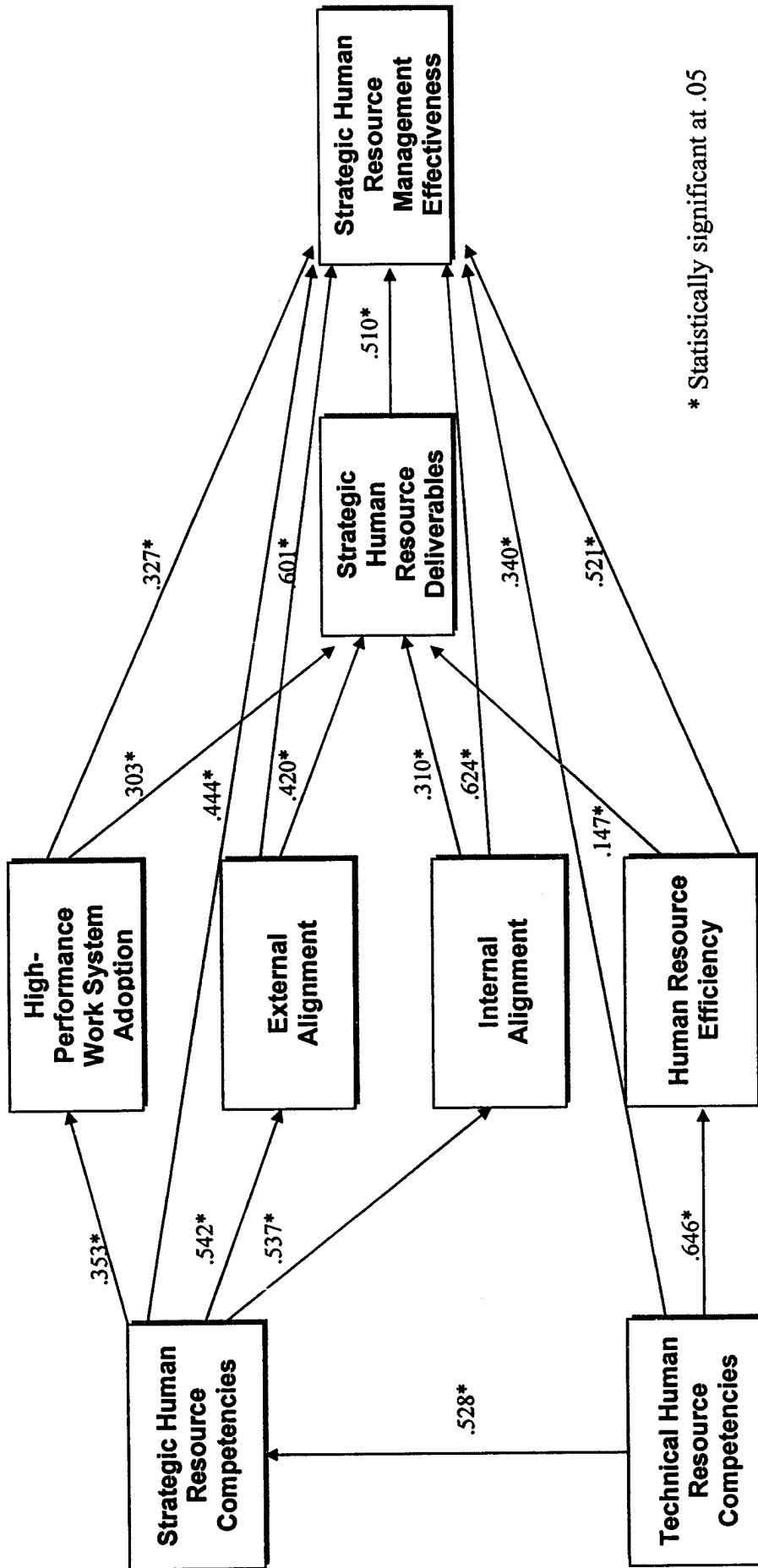
- SHRMEF = Strategic Human Resource Management Effectiveness
- SHRD L = Strategic Human Resource Deliverables
- HPWSA = High-Performance Work System Adoption
- EXTAL = External Alignment
- INTAL = Internal Alignment
- HREFC = Human Resource Efficiency
- SHRCP = Strategic Human Resource Competencies
- TECCP = Technical Human Resource Competencies

Table 4.52 summarizes the forms of effects of various variables on strategic human resource management effectiveness. Regarding the total effects, external alignment possess the strongest impact on strategic human resource management effectiveness (Beta = 0.815), followed by human resource efficiency (Beta = 0.596), and strategic human resource competencies (Beta = 0.573). The total effects of the factors affecting strategic human resource management effectiveness are 4.044.

According to the direct effects, internal alignment (Beta = 0.624) exert the highest impacts on the effectiveness, followed by external alignment (Beta = 0.601), and human resource efficiency (Beta = 0.521). High-performance work system adoption shows the weakest effects of 0.327. The total of direct effects of variables on the effectiveness is 3.131. With regard to the indirect effects, external alignment has the most indirect and strongest impacts on strategic human resource management effectiveness (Beta = 0.214), followed by technical human resource competencies (Beta = 0.182), and internal alignment (Beta = 0.158). Human resource efficiency produces the weakest effects of 0.075. The total of indirect effects of variables on strategic human resource management effectiveness is 0.913.

Table 4.52 Summary of Direct, Indirect, and Total Effects of the Factors Influencing Strategic Human Resource Management Effectiveness of the Electronics Companies

Variables	Sources of Effect		
	Direct	Indirect	Total
Strategic human resource deliverables	0.510		0.510
High-performance work system adoption	0.327	0.155	0.482
External alignment	0.601	0.214	0.815
Internal alignment	0.624	0.158	0.782
Human resource efficiency	0.521	0.075	0.596
Strategic human resource competencies	0.444	0.129	0.573
Technical human resource competencies	0.340	0.182	0.522
Total	3.367	0.913	4.280



* Statistically significant at .05

Figure 4.2 Path Coefficients of the Structural Equation for Hypothesis Testing: The Electronics Companies

4.3.4 Comparative Results of the Hypothesis Testing of the Garment and Electronics Companies

The findings of the hypothesis testing of the garment and electronics companies are relatively similar. All six hypotheses are substantiated at the 0.05 level of significance, confirming the applicability of the conceptual framework of strategic human resource management effectiveness proposed in this study. However, the effects of variables on the strategic human resource management effectiveness differ between the garment and electronics firms.

In the garment companies, strategic human resource deliverables have a direct effect of 0.714 on strategic human resource management effectiveness, higher than that of 0.510 of the electronics firms. Strategic human resource deliverables can explain 51 percent of the variation in the strategic human resource management effectiveness of the garment companies ($R^2 = 0.509$), while these deliverables can explain only 26 percent of the variation in the strategic human resource management effectiveness of the electronics companies ($R^2 = 0.260$). The interpretation is that the strategic human resource deliverables in this study—speed, shared mindset, accountability, collaboration, learning, and efficiency—are relatively appropriate for explaining the strategic human resource management effectiveness of the garment companies ($R^2 = 0.509$), as there are 49 percent left that can be explained by some other variables not included in this study. However, there are some other variables of strategic human resource deliverables excluded from this study which can explain the rest of the 74 percent of the variation in the strategic human resource management effectiveness of the electronics companies. Further analysis should be conducted.

In addition, strategic human resource management effectiveness of the garment companies is more relevant to “people” or human resource professionals and function rather than the “system” of human resource practices. The results indicate that the variables relating to the human resource function—strategic human resource competencies, technical human resource competencies, and human resource efficiency—exert the total effects of 2.132 ($0.951 + 0.706 + 0.475$) on strategic human resource management effectiveness, compared to the 1.655 ($0.651 + 0.485 + 0.519$) effects of the three variables relating to human resource practices: high-performance work system adoption, external alignment, and internal alignment.

On the other hand, the strategic human resource management effectiveness of the electronics companies is more relevant to the “system” of human resource practices than “people” or human resource professionals and function. The variables relating to the human resource system produce total effects of 2.079 ($0.482 + 0.815 + 0.782$) on effectiveness, compared to the 1.691 ($0.573 + 0.522 + 0.596$) effects of variables relating to the human resource function.

In addition, the strategic human resource competencies of the garment and electronics companies show a stronger impact on strategic human resource management effectiveness than do technical human resource competencies. The findings are consistent with the previous studies of Huselid (1997) and the University of Michigan Business School (2002) that strategic areas of human resource competencies create greater influence on business performance.

However, based on the interpretation of path coefficients in this study (shown in table 3.10), part of the results indicate a relatively low level of effects (below 0.3) of variables of the garment and electronics companies. For example, human resource efficiency exerts the effects of only 0.147 on strategic human resource deliverables of the electronics companies. Likewise, the results of the garment companies also show low levels of effects of the relationships such as the relationship between external alignment and strategic human resource deliverables (Beta = 0.285) and the relationship between internal alignment and strategic human resource deliverables (Beta = 0.270).

In this regard, De Vaus (2002: 258) argues that the strength of a relationship in the social sciences is to some extent relative. No two variables are likely to be strongly related as there are many complicating factors contributing to the outcomes. A low value of path coefficients is not adequate to conclude that there is low or no relationship between variables. For theoretical purposes, it is the relative importance of factors that matters more than the absolute one. Thus, these relationships still include in the model as they are important relationships for explaining the strategic human resource management effectiveness in this study. However, the issue of low correlation between variables is acknowledged in this study.

Table 4.53 Comparison of Effects of Factors Influencing the Strategic Human Resource Management Effectiveness of the Garment and Electronics Companies

Variable	Total Effects	
	Garment Companies	Electronics Companies
Strategic human resource deliverables	0.714	0.510
High-performance work system adoption	0.651	0.482
External alignment	0.485	0.815
Internal alignment	0.519	0.782
Human resource efficiency	0.475	0.596
Strategic human resource competencies	0.951	0.573
Technical human resource competencies	0.706	0.522
Total	4.501	4.280

Table 4.54 Comparison of Group of Factors Influencing the Strategic Human Resource Management Effectiveness of the Garment and Electronics Companies

Variables	Effects	
	Garment Companies	Electronics Companies
People Factors		
1) Strategic human resource competencies	0.951	0.573
2) Technical human resource competencies	0.706	0.522
3) Human resource efficiency	<u>0.475</u>	<u>0.596</u>
Total effects	<u>2.132</u>	<u>1.691</u>
System Factors		
1) High-performance work system adoption	0.651	0.482
2) External alignment	0.485	0.815
3) Internal alignment	<u>0.519</u>	<u>0.782</u>
Total effects	<u>1.655</u>	<u>2.079</u>

4.4 Summary of Results from the Hypothesis Testing

Table 4.55 Summary of the Results from the Hypothesis Testing and Comparative Results of the Garment and Electronics Companies

Hypotheses	Garment Companies	Electronics Companies
H1: The level of strategic human resource deliverables that help execute the firm's strategies is more likely to be positively related to the degree of the strategic human resource management effectiveness of the firm.	Supported	Supported
H2: The levels of high-performance work system adoption , the external alignment (the alignment between the human resource system and the firm's strategies), the internal alignment (the alignment within the human resource system), and human resource efficiency are more likely to be positively related to the degree of generated strategic human resource deliverables that help execute the firm's strategies.	Supported	Supported
H3: The degree of strategic human resource competencies is more likely to be positively related to the degree of high-performance work system adoption .	Supported	Supported
H4: The degree of strategic human resource competencies is more likely to be positively related to the degree of the external alignment (the alignment between the human resource system and the firm's strategies).	Supported	Supported
H5: The level of strategic human resource competencies is more likely to be positively related to degree of the internal alignment (the alignment within the human resource system).	Supported	Supported
H6: The level of technical human resource competencies is more likely to be positively related to the level of human resource efficiency .	Supported	Supported

4.5 Chapter Summary

This chapter presents the results of the quantitative study. Two hundred and fifty-eight respondents from 106 garment companies and 243 respondents from 105 electronics companies participated in this study. The examination of strategic human resource management adoption indicates that the respondents' firms have implemented strategic human resource management in their firms. Therefore, these firms were used for hypothesis testing.

The findings of the garment and electronics companies support all hypotheses. The results from the statistical analysis are combined to form path models (Figure 4.1 and 4.2) for both types of companies. Strategic human resource deliverables, high-performance work system adoption, external alignment, internal alignment, human resource efficiency, strategic human resource competencies, and technical human resource competencies—produce both direct and indirect effects on the effectiveness. The direct, indirect, and total effects of variables on the strategic human resource management effectiveness of the garment and electronics companies are presented in Table 4.38 and 4.52, respectively.

CHAPTER 5

RESEARCH RESULTS (QUALITATIVE APPROACH)

This chapter presents the results of the qualitative method. The first part presents the introduction to the approach. The second part involves the results of the study of a garment company. The next part presents the results from the study of an electronics firm. The last part consists of the conclusions and discussions regarding the qualitative approach.

5.1 The Introduction to the Approach

The purposes of the qualitative approach in this study are twofold. First, this study aims at gaining an in-depth understanding of strategic human resource management effectiveness in both garment and electronics companies by focusing on two selected companies from each industry. Second, this study uncovers the factors affecting strategic human resource management effectiveness of both types of companies. The results might be consistent or inconsistent with the quantitative approach. In addition, the results might reveal factors and conditions unrecognized in the quantitative approach.

Case study one involves a garment company. Case study two relates to an electronics company. Both are large-sized firms with a relatively well-organized human resource function and system. Based on the preliminary interviews and documentary data, the results indicate the adoption and implementation of strategic human resource management as an underlying approach to managing the human resources in these firms. Thus, these two firms are purposively selected as case studies.

In-depth interviews were the primary means of collecting data. The informants in each company consist of a top executive (director), a line manager (production manager) and a human resource manager. The aggregation of the interview results from these informants represents the data of a single company. As some human resource issues are treated as internal matters and usually kept confidential, the researcher and the

informants agreed to retain the anonymity of the informants in order to gain adequate and valid data. Supplementing the interview results, documentary data were also used to gather information about the company profile, and past, current, and future human resource policies and practices in those firms. This information also reflects the company's direction and top management's vision of their employees.

5.2 Case Study One (Thai Wacoal Public Company Limited)

Thai Wacoal Public Company Limited is a leading garment manufacturer in Thailand, founded in 1970 as joint-venture between Saha Pathanapibul Company Limited and Wacoal Corporation of Japan. The number of the workforce is about 5,000, working in the Bangkok headquarters and four other provincial subsidiaries in Chonburi, Lumphun, and Prachinburi. Major products include lingerie, ladies' outerwear, and children's wear. The company has been selling its products in the domestic and export markets. In 2007, the proportion of domestic to export sales was 75 and 25 percent.

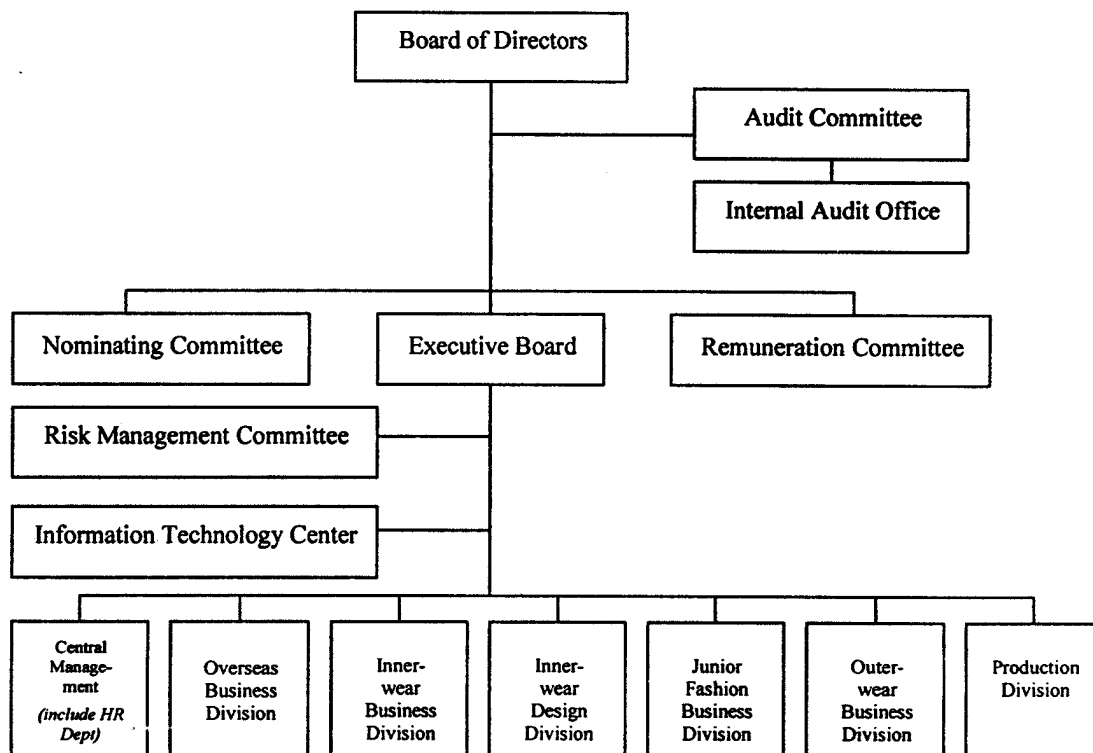


Figure 5.1 Organizational Structure of Thai Wacoal Public Company Limited

Source: Thai Wacoal Public Company Limited, 2007: 27.

The results from the in-depth interviews and documentary data indicate that this company is likely to adopt strategic human resource management as a basis for managing its employees. Since the 1990s, the challenges of the company's environment, both internally and externally, have been major factors accelerating its transition from the personnel management to a strategic approach to human resource management. These challenges include high competition in the local and global garment markets, volatile economic conditions, skilled labor shortages, and other business operation problems.

Both top management and the human resource department agree that strategic human resource management is a 'must' for the company to survive and increase the competitive level. A top manager of this garment company agrees that employees are one of the most important assets of the firm. Without their commitment and determination, the firm cannot succeed. The company attempts to develop the employees in all functions to perform above-average. The better the employees, the better the company.

The distinct characteristics of human resource management in this garment company are the following.

- 1) An inclusion of multiple-year strategic plans for human resource management.
- 2) Human resource policies and practices relatively integrated with the firm's strategies.
- 3) Top management support for implementing various human resource practices.
- 4) Participation of the human resource executive in the company's weekly and monthly strategic meetings and in business decision making.
- 5) The devolution of responsibilities for human resource management to line management. However, inclusion of line managers in the human resource management policy-making process is rare.
- 6) Two types of HR organizations: Corporate and business unit HR functions.
- 7) Multiple roles of human resource professionals—administrative experts, change agents, employee champions, and strategic partners.

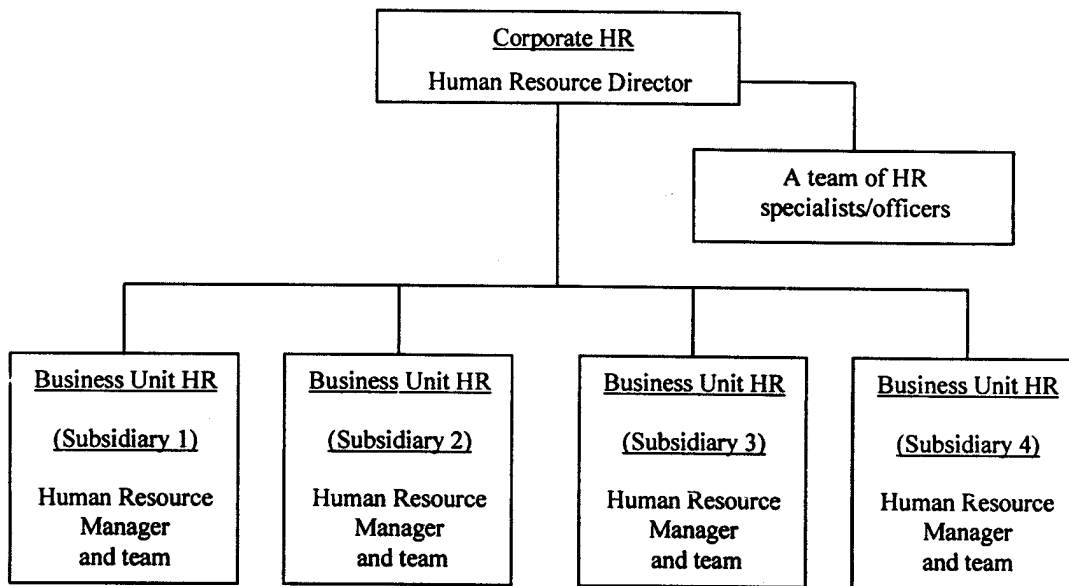


Figure 5.2 Human Resource Function Organization

Source: Interview with Human Resource Manager

Thai Wacoal has four subsidiaries that operate independently. Therefore, each of the independent companies has its own human resource function, with a leader that directs its human resource policies and practices. The corporate human resource organization has major responsibilities in setting overall direction by crafting a general human resource value framework and by linking all human resource functions with the overall corporate vision. Each human resource function employs a traditional human resource function structure. It is structured around the basic human resource management subfunctions such as staffing, training, compensation, appraisal, and labor relations. All subfunctions have division heads that report to the human resource manager/director.

In sum, to some extent, this company has attempted to implement strategic human resource management. However, top executives and department heads have two major concerns. First, they are in doubt as to whether the overall human resource department is a real “business partner.” Second, they wonder how the company can measure employee contribution in producing business value to the firm.

5.2.1 Strategic Human Resource Management Effectiveness

The perspectives on strategic human resource management effectiveness of various informants were relatively diverse.

5.2.1.1 Top Executive's Views

A top executive pointed out that strategic human resource management effectiveness refers to the outcomes—employee knowledge, skills, and abilities—of human resource management work which help the firm execute business plans and ultimately have an impact on business operation, customer satisfaction, and the financial status of the firm. He believes that the major force of the firm's success in expanding its garment markets and in retaining existing customers is the knowledge, skills, and abilities of employees—not the system, technology, or facilities of the firm.

Strategic human resource management effectiveness is beyond cost-saving in human resource work, but the effectiveness is a result of good human resource management, represented by employee behaviors, competencies, and effort that support business strategy execution. Based on the top executive's view, the level of strategic human resource management effectiveness of this company is relatively high.

Utilization of quantitative measures is a way to score the level of strategic human resource management effectiveness of Thai Wacoal. Examples of the measures used in the firm include profits per employee, sales per employee, market value per employee, employee productivity, employee turnover, and other indicators. These measures are not only for the human resource professionals, but for everyone in the firm.

Furthermore, the top executive agreed that, to some extent, strategic human resource management effectiveness has an impact on firm performance. Although the top executive was reluctant to confirm that strategic human resource management effectiveness produces better financial outcomes for the firm, he is confident that it has significant impacts on the firm's better operation and customer satisfaction. As long as the firm has both manufacturing and non-manufacturing employees with required behaviors and competencies, their contribution will affect better business processes, such as achieving short cycle times in operating processes and high-quality internal processes. Thus, an improved business process is expected to lead a high degree of customer loyalty and on-time delivery. All of these relationships can be viewed as cause and effect.

5.2.1.2 Production Manager's Views

A senior production manager of one subsidiary of Thai Wacoal views strategic human resource management effectiveness somewhat differently from the top executive. The senior production manager refers to strategic human resource management effectiveness as the measurement of the efficiency and effectiveness of the human resource function in organizations.

The efficiency of the human resource function involves the delivery of human resource activities by utilizing minimum resources, especially budget and time, for maximum results, while the effectiveness of the function assesses the achievement of human resource work according to predefined goals. Time to fill an open position and human resource expenses per employee are examples of measures of human resource efficiency. Employee performance and skill improvement are also indicators of human resource effectiveness. The focus of strategic human resource management effectiveness is thus placed on the human resource department's costs and performance.

The production manager realized that the human resource function is a significant part of the firm, but this function has placed too much emphasis on administrative work that produces minimal contributions to the firm. It has used an excessive amount of money whose worthiness is questioned. In addition, a majority of the human resource staff members in the firm possess an extensive knowledge of human resource management, but minimal knowledge of the firm's business and its operations. Based on the production manager's perception, the level of strategic human resource management effectiveness of Thai Wacoal is only moderate.

Measurements are tools that allows the human resource function to gauge its efficiency and effectiveness and that communicates with other functions in "business language" they understand. The pressures in using measurements include ensuring accountability, calculating the return on investment, and making a bottom-line contribution. The pressures come mainly from the demand of top executives that expect positive results from the tremendous investment in human resources. However, production managers have little information about the current practices of measuring human resources in the firm.

Furthermore, the production manager believed that strategic human resource management in relation to the efficiency and effectiveness of the human resource function adds value. This value can be represented by the Baht savings due to

an improvement in human resource processes. For every process improvement in human resource activities, the result should be better. For example, if, through the human resource function's competencies, the time required to fill a job is shortened, human resource expenses will be lowered. Not only does the company save its operating expense, but the production cost is also lowered and the delivery time of products is shortened. Finally, the company can increase its market share and create a competitive advantage for the firm.

5.2.1.3 Human Resource Manager's Views

Strategic human resource management effectiveness is defined as how well the human resource function strategically develops and utilizes the pool of human resources to serve business needs. The effectiveness indicates the performance of the human resource function through employee contributions, namely their skills and abilities, to drive business performance. Strategic human resource management effectiveness denotes both the "business partner" role of the human resource function and the overall contribution of employees to the firm.

High competition in the world garment market and increasing production costs stimulate all functions in the firm, including the human resource department, to make necessary preparations to respond to these challenges. The manager further argued that the effectiveness of human resource management today should be linked to the success of the firm's strategies rather than to the cost control of human resource activities. It is the human resource function's responsibility for delivering a range of human resource services, both basic and innovative practices, to elicit strategic employee behaviors and competencies aligned with the firm's strategic requirements.

Currently, the company has utilized human resource effectiveness indicators as a method to track the level of strategic human resource management effectiveness in the firm. Six measures of effectiveness consist of the following:

- 1) Human resource expenses/total operating expenses
- 2) Total compensation/total operating expenses
- 3) Training and development expenses/total employees
- 4) Turnover rate
- 5) Absenteeism rate
- 6) Employee productivity

In addition, the human resource manager has attempted to implement the HR scorecard as a tool for measuring the human resource function performance, identifying best practices, communicating performance to the top management, and ultimately measuring employee performance of the firm. Then, the HR scorecard can be used as a measure of strategic human resource management effectiveness.

Strategic human resource management effectiveness is related to better firm performance. When employees in all functions behave consistently with business plans and embrace organizational culture and mind-sets, through the implementation of strategic human resource management throughout the firm, this will affect the firm's operation as a whole.

In conclusion, the fundamental concerns of the strategic human resource management effectiveness of Thai Wacoal are summarized in Table 5.1.

Table 5.1 Perspectives on Strategic Human Resource Management Effectiveness: Thai Wacoal Public Company Limited

Strategic Human Resource Management Effectiveness	Top Management	Line Manager	Human Resource Manager
Meaning	The outcomes of human resource management work that help the firm execute business plans and ultimately have an impact on the business operation, customer satisfaction, and financial status of the firm.	The measurement of the efficiency and effectiveness of the human resource function in organizations.	How well the human resource function strategically develops and utilizes the pool of human resources to serve business needs.
Focus of Effectiveness	<ul style="list-style-type: none"> - Employee knowledge, skills, and abilities as the outcomes - Link to business strategy execution - Business results-oriented 	<ul style="list-style-type: none"> - The contribution of the human resource function to the firm - Cost control and results of human resource work 	<ul style="list-style-type: none"> - The role of the human resource function and employee knowledge, skills, and abilities - Link to the success of the firm's strategies
Perception of the Level of the Strategic Human Resource Management Effectiveness of the Firm	Relatively high	Moderate	Relatively high

5.2.2 Determinants of the Strategic Human Resource Management Effectiveness of Thai Wacoal Public Company Limited

5.2.2.1 Top Management's View

The top management perceived that the company needs employee behaviors, knowledge, skills, abilities, and characteristics that are consistent with business requirements in order to achieve business objectives. These behaviors, knowledge, skills, abilities, and characteristics are considered the outcomes of good human resource management: the higher the degree of these outcomes, the higher the level of strategic human resource management effectiveness.

At Thai Wacoal, the top executive expects three main outcomes: employee competency, employee productivity, and employee commitment. In a fast-changing business environments employee competencies, representing the knowledge, skills, and abilities of employees, are the first priority to achieve. Competencies are the foundation of all strategic employee behaviors required by the firm and these competencies will lead to another behavioral outcome: employee productivity. Employee productivity is an important characteristic of all manufacturing companies. The more productive the employees are, the lower the operating cost and the faster the product delivery to the market. Above all, employee commitment is considered the jewel in the crown of the company. Commitment is the most desired outcome, but it is the most difficult to achieve. Currently, the company possesses a relatively high level of employee competency and productivity, indicated by the satisfaction level of order fulfillment (on-time delivery, complete order, accurate product selection, damage-free, and accurate invoice). In addition, the top executive perceived that the degree of employee commitment is at a moderate level.

The top executive agreed that the expected outcomes can be achieved through the assistance of the human resource function, together with the support from other functions in rendering good human resource management. Good human resource management begins with good human resource function, which consists of competent people and appropriate structure. The executive mentioned that there is a need to reposition the role of the human resource department and professionals from one focusing on transactional activities to one that works as a business partner that are much closer to the business. Competent human resource professionals must possess core competencies as the following:

- 1) Knowledge of the business—understand the business in which company operates, and the internal and external environments of the firm
- 2) Change management skills
- 3) Strategic thinking
- 4) Innovation
- 5) Interpersonal skills
- 6) Delivery of human resource activities

Regarding the structure of the human resource department, the top executive argued that the current trend is for organizations to have a small corporate human resource function at the headquarters whose role is to provide overall strategy and policy advice and develop standards for all human resource activities. The headquarters has to decentralize the power to each subsidiary to hire, promote, and fire employees. Each subsidiary should have specialists in all key human resource areas, except those that consume tremendous time and money, such as outdoor training and development programs. Such resource-intensive activities should be outsourced to companies that specialize in these services. In addition, the human resource department should introduce self-service for transactional activities by employees and managers in the areas of employee information management and attendance. This can reduce the costs of human resource transactions by automating and streamlining processes.

The top executive viewed that the human resource department has effectively assumed the roles of administrative expert, change agent, and employee champion. Overall, human resource professionals in the firm are competent in designing and implementing human resource services, especially human resource training and development. They also listen to and understand the needs and problems of employees. Furthermore, they are capable of initiating change with impact within the firm. However, the human resource function has not completely transformed itself to be a real strategic partner. It seems that the human resource professionals sometimes develop human resource policies and practices without considering business needs. The top executive also wonders whether human resource professionals really understand how the firm operates.

The top executive pointed out that human resource polices and practices are an element of good human resource management, apart from the human resource function. The company has always been committed to developing both knowledge and

skills of employees in a consistent and diverse manner with an aim to achieving the individual and the company's target. In addition, the company seeks to provide job security and advancement opportunity for all employees according to their potentials. The company has also placed much emphasis on employees' safety, sanitation, and the work environment for employees. At the same time, fair and reasonable remuneration is provided to employees based on their capabilities, responsibilities, and performance.

5.2.2.2 Line Manager's View

As strategic human resource management effectiveness relates to the efficiency and effectiveness of the human resource department, the factors affecting the effectiveness mainly relate to its department and members.

The production manager viewed that, basically, the human resource function must be the representatives of both employees and employers in order to reach strategic human resource management effectiveness. On the employer side, the human resource function should invest in employee issues economically and wisely in order to motivate employees to perform well for business-oriented results. On the employee side, the human resource function should design and implement human resource policies and practices that concern the potential of and opportunity for employees.

In order to achieve these ends, the human resource department does not need to have a large number of staff in a complex structure, but only competent human resource professionals with good attitudes towards the firm and employees in a simple human resource organization. The human resource function should reposition itself from a function focusing on transactional activities to one that acts as a business partner that is much closer to the business. Many activities can be empowered to line management or outsourced to other specialized companies. It is apparent that the current ratio of total employees to human resource professionals in some subsidiaries is relatively low, indicating low productivity of the function as well as inadequate competencies of the human resource professionals.

In addition, the production manager argued that managers at all levels also have an influence on the effectiveness of human resource management by increasing ownership of the human resource function. The human resource function should empower line managers to perform such human resource activities as interviewing, training, appraisal, and disciplining their subordinates while human resource representatives administer and coordinate them. Managers are those that are

working more closely and are acquainted with their subordinates than human resource professionals. However, the production manager's experience has been that few line managers in the firm appear eager to get involved in human resource issues because of the perception of the "cop role" of the human resource function. In addition, many managers do not understand the human resources role for themselves or perceive it as irrelevant to them.

5.2.2.3 Human Resource Manager's View

As strategic human resource management effectiveness in the view of the human resource manager relates to the performance of the human resource function in developing and utilizing the pool of human resources to serve business needs, the human resource manager mentioned three major factors relating to effectiveness, including top management support, line manager participation, and human resource competencies.

First, the human resource manager argued that top management support for human resource management in the firm is a fundamental and critical factor affecting the performance of the human resource function in developing and utilizing the firm's employees effectively. Support from top management includes the acceptance of the human resource director's participation in business decision making, the allocation of an adequate budget, the participation of the management in employee activities, and priority given to employee issues. Support from top management reflects their recognition of employee importance and the understanding of human resource issues. Top management support is considered a "visa" for the human resource function in designing and delivering a variety of innovative human resource activities in the firm to develop employees' skills and behaviors. It is expected that the human resource function gets cooperation from other managers and employees providing that top executives demonstrate support.

Second, the participation of line managers also contributes to strategic human resource management effectiveness. Psychologically, top management supports the human resource function; other managers tend to give attentions to human resource management. Line managers are important actors in delivering human resource activities, as they are much closer to employees than human resource professionals. Specifically, managers are responsible for interviewing, training, appraising, and disciplining their subordinates. Human resource professionals act only

as administrators, supporters, and coordinators in implementing those activities. However, the human resource manager mentioned that most of the line managers lack knowledge of human resource management and place less emphasis on human resource activities.

Finally, the human resource manager proposed that the competencies of human resource professionals involve strategic human resource management effectiveness. However, the human resource manager was reluctant to say that these human resource competencies directly influence on strategic human resource management effectiveness. He agreed that human resource professionals help create effective human resource practices, which have effects on employee behaviors and finally on firm performance. Effective human resource practices in this context mean practices that are aligned with business strategy and support each other. The critical competencies of human resource professionals required in a highly competing business environment include general business knowledge, strategic management, change management, and information technology. However, the competencies in delivering basic human resource activities such as staffing, training and development, performance appraisal, and labor relations cannot be ignored.

5.2.3 Analysis of the Strategic Human Resource Management Effectiveness of Thai Wacoal Public Company Limited

From the above perspectives, the strategic human resource management effectiveness of Thai Wacoal in the views of all informants shows both similarities and differences, as presented in Table 5.1. The strategic human resource management effectiveness of this company can be analyzed in relation to the two foci: (1) the performance of the human resource function in delivering human resource activities and (2) the performance of employees, represented by their behaviors and competencies in helping the firm execute business plans. Based on the interview results, the levels of strategic human resource management effectiveness, perceived by various informants, ranges from moderate to relatively high.

The results from the in-depth interviews demonstrate that all informants of Thai Wacoal perceive strategic human resource management effectiveness in terms of causal relationships. The strategic human resource management effectiveness of Thai Wacoal explicitly shows the link between human resource management and business outcomes.

For instance, the top management viewed that employee knowledge, skills, and abilities contribute to better business processes, leading to customer loyalty and satisfaction. In addition, the line manager viewed that improvement in human resource processes, such as shortened time in filling a job leads to reducing human resource expenses, thus lowering the production cost and shortening the delivery time of products. In this way, the firm can increase its market share and create a competitive advantage.

Utilization of quantitative measures is a way to score the level of the strategic human resource management effectiveness of Thai Wacoal. These measures can be categorized into two types: human resource outcome and firm outcome measures. Examples of the human resource outcome measures include human resource expenses/total operating expenses, total compensation/total operating expenses, and time to fill a job. Examples of the firm outcome measures are profits per employee, sales per employee, market value per employee, and employee productivity.

The perspectives on the determinants of strategic human resource management effectiveness of the top management, the line manager, and the human resource manager are summarized in Table 5.2. These perspectives show both similarities and differences. The determinants can be categorized into the three dimensions of the human resource function, the human resource system, and human resource outcomes, consistent with the strategic human resource management effectiveness model proposed in the quantitative study. The results of in-depth interviews also reveal additional factors affecting, and conditions supporting, the effectiveness unrecognized in the quantitative study, such as top management support and line manager participation in human resource management.

Table 5.2 Summary of Determinants of Strategic Human Resource Management Effectiveness: Thai Wacoal Plc.

Dimensions of Determinant	Determinants of Strategic Human Resource Management Effectiveness	
	Top Management	Line Manager
Human Resource Function	<ul style="list-style-type: none"> - Strategic and technical human resource competencies (competent HR professionals) - Simple human resource organization (employing a simple structure with appropriate number of staff) - Human resource efficiency (cost-effective HR activities and outsourcing) 	<ul style="list-style-type: none"> - Strategic and technical human resource competencies
Human Resource System	<ul style="list-style-type: none"> - High-performance work practices (HR policies and practices concerning the ability, motivation, and opportunity of employees) - External alignment (HR practices aligned with the firm's strategies) - Employee competency - Employee productivity - Employee commitment - Support from other functions in the firm 	<ul style="list-style-type: none"> - High-performance work practices (HR policies and practices concerning the potential and opportunity of employees) - External alignment (HR practices aligned with the firm's strategies) - Internal alignment (Consistency of all HR practices) - Employee performance and skill improvement - Participation of line managers in human resource management
Human Resource Outcomes		
Other Factors or Conditions		

5.3 Case Study Two: Benchmark Electronics (Thailand) Public Company Limited

Benchmark Electronics (Thailand) Public Company Limited is a leading electronics company in Thailand, serving customers in the electronics manufacturing services marketplace since 1985. The number of workforce is approximate 4,500, working in the Ayudhaya and Korat factories. The corporate headquarters is located in Angleton, Texas. The nature of their business involves manufacturing electronics and providing services to original equipment manufacturers (OEMs) of telecommunication equipment, computers and related products for business enterprises, industrial control equipment, testing and instrumentation products, and medical devices.

The in-depth interviews reveal the distinct characteristics of the human resource management of Benchmark Electronics, which indicates the adoption of strategic human resource management in many areas. Their principles, strategies, policies, and practices relevant to managing the human resources are the following.

1. Employees are viewed as resources to be managed toward the achievement of the firm's strategies.
2. Human resource strategies are business-driven towards organizational effectiveness, rather than individual outcomes.
3. Human resource strategies are formal and clearly defined.
4. Human resource policies and practices are designed specifically to fit the firm's strategies, the organizational structure, and other environments.
5. The human resource executive usually participates in top management meetings, but his/her roles and contributions are unclear.
6. The human resource department encourages line managers to involved in human resource management responsibility. However, the cooperation from line managers is at a moderate level.
7. Human resource professionals work as both a strategic contributor and administrative expert.

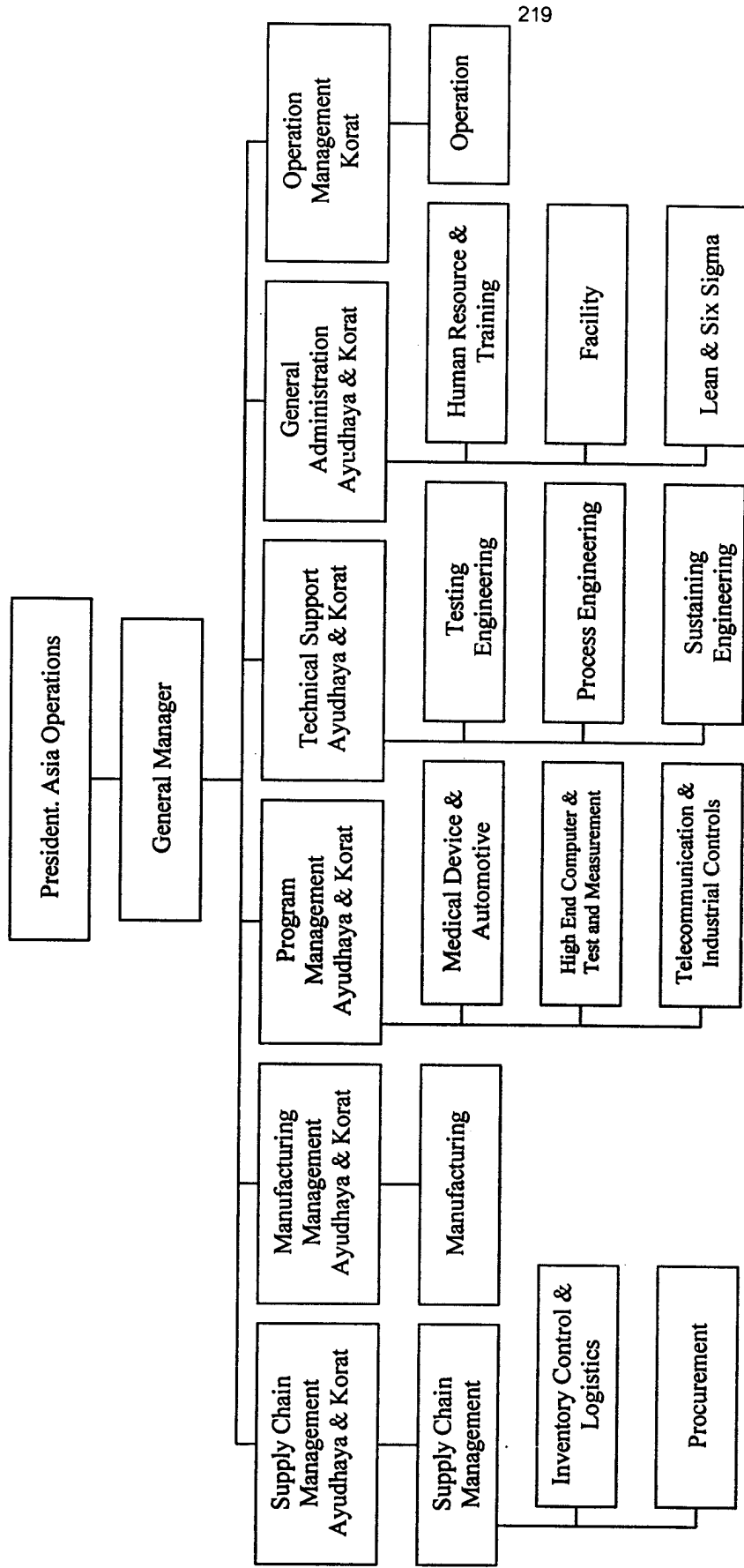


Figure 5.3 Organizational Structure of Benchmark Electronics (Thailand) Plc.

Source: Benchmark Electronics (Thailand) Plc., 2006. Reprinted with Permission from the Company.

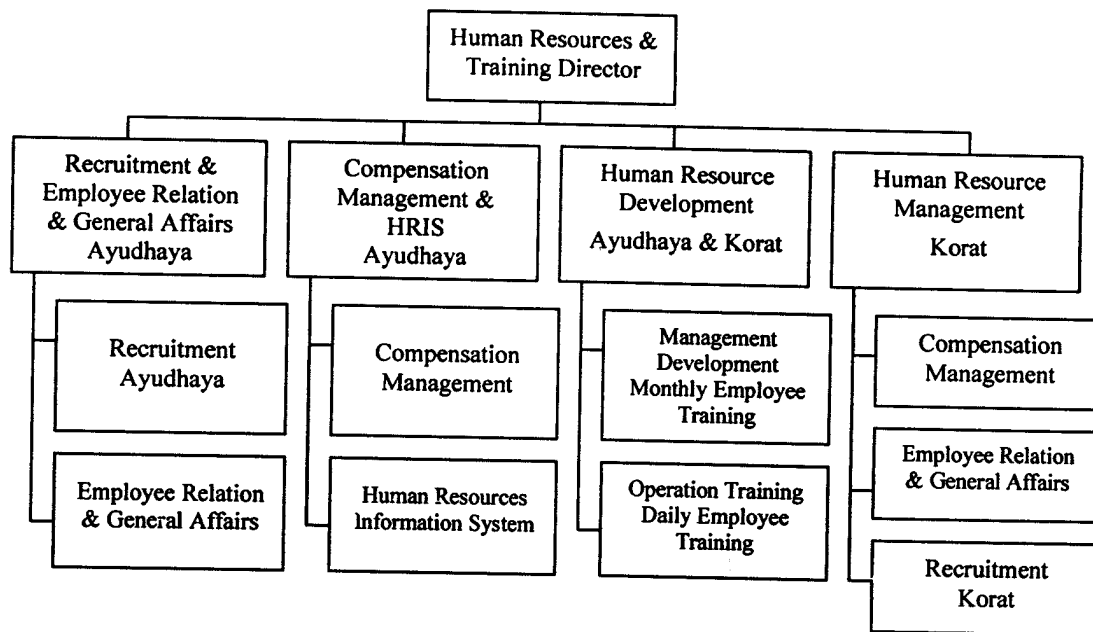


Figure 5.4 Human Resource Organizational Chart

Source: Benchmark Electronics (Thailand) Plc., 2006. Reprinted with Permission from the Company.

The Ayudhaya and Korat factories have their own human resource department. The human resource functions are structured around the functional areas, including recruitment, compensation management, training and development, employee relations and general affairs, and the human resources information system. The Ayudhaya human resource department has major responsibilities in setting the overall direction of human resource policies. However, the Ayudhaya human resource department has empowered the Korat department to recruit employees, administer the compensation system, and manage employee relations. The number of human resource staff members working at Ayudhaya is about 40, accounting for the ratio of employees to human resource professionals of 1:95. At Korat, there are three human resource professionals, accounting for the ratio of employees to human resource staff of 1:233.

Although human resource management at Benchmark Electronics reflects a strategic perspective, all informants agree that, practically, Benchmark Electronics' human resource management is still in the transition stage, from traditional to strategic human resource management; there is room for improvement in the human resource work. In addition, these informants viewed that human resource management needs to

be more future oriented, broad in focus, and serve the business needs. These challenges inevitably become the responsibility of the human resource departments.

5.3.1 Perspectives on Strategic Human Resource Management Effectiveness

5.3.1.1 Top Executive's Views

A top executive of this electronics firm refers to strategic human resource management effectiveness as how well the human resource function performs human resource activities in ways that support the firm's operation. Effectiveness in this meaning focuses on the effects of the human resource work on the firm, evaluated by various organizational stakeholders, such as top management, managers, and other employees. The human resource function and human resource activities are thus the foci of the effectiveness.

Three questions that the human resource function should keep in mind in order to achieve strategic human resource management effectiveness are:

- 1) What are the right human resource activities for particular situations?
- 2) How are these activities carried out?
- 3) What are their impacts on the firm?

The top executive believed that if the human resource department has the right answers for these questions and takes action, the firm will have an effective human resource management system that produces high quality employees to serve customers' expectations of world class quality, flexible manufacturing, product delivery, leading edge technology, financial strength, and managerial integrity.

In addition, the top executive pointed out that the effectiveness of human resource management today needs to refocus from achieving the goals of the human resource function to reaching business and corporate goals. Human resource management today must be aligned with the company's vision, mission, and objectives. The executive asserted that Benchmark Electronics' mission is to maintain a global leadership position in the high technology electronics manufacturing services industry; thus the human resource function needs to brainstorm how the human function can contribute to helping the firm to be a global leader in the electronics

industry. Based on this view, the top executive perceived that the strategic human resource management effectiveness of Benchmark Electronics is relatively high.

5.3.1.2 Line Manager's View

A manufacturing director views strategic human resource management effectiveness as the success of the employee management system in producing the workforce that matches the needs of various functions in the firm. Success in this meaning is determined by the employee efforts that contribute to the achievement of the firm's strategic goals and department's objectives. In order to have such contributions, the firm requires a well-designed human resource system and proficient people in human resource management.

He asserted that strategic human resource management effectiveness is considered a health check of the performance of the firm's employees, the human resource function, human resource professionals, and the overall organization. It allows the firms to monitor whether the employees are competent in performing their jobs. It allows the firms to evaluate whether the human resource function and its people are capable of managing the firm's employees. Ultimately, it allows the firm to ensure that they are moving in the right direction. These health checks are examined by a performance appraisal system performed by the human resource function. Everyone will be appraised by their superiors, subordinates, and peers. The results of this performance appraisal represent the level of strategic human resource management effectiveness. Based on this perspective, the manufacturing director viewed that the overall strategic human resource management effectiveness of Benchmark Electronics is at a moderate level.

However, the manufacturing director pointed out that many line managers in the firm seem to have little understanding of what is meant by the success of the employee management system. They even never think about it. At worst, they seem to have inadequate knowledge of basic human resource management such as recruitment and selection, training and development, and compensation and benefits. They understand human resource activities in terms of pieces, not as a whole picture. In fact, they are involved in employee management issues every day as they work with their subordinates.

5.3.1.3 Human Resource Manager's View

A human resource manager views the effectiveness of strategic human resource management in relation to the performance of the human resource function in driving the firm's success. The performance of the human resource function is indicated by the quality of employees as well as the adherence to Benchmark's values regarding employees, which have effects on the quality of products and services, customer satisfaction, and profits. The human resource manager argued that the effectiveness of human resource management results in organizational effectiveness.

The human resource manager viewed that strategic human resource management effectiveness is considered the assessment of the human resource function, framed in terms of human resource audits. At Benchmark Electronics, the audits currently focus on human resource professionals, the overall human resource function, and human resource practices.

Auditing human resource professionals requires doing a 360-degree feedback on the extent to which they demonstrate competency. The human resource manager argued that the competencies for working as business partners include not only those of human resource professionals, but also those of line managers. Human resource professionals should possess both technical competencies for delivering basic human resource activities, and the strategic competencies of the firm's business knowledge. The assessment of the overall human resource function can be achieved by summing individual competencies as well as by evaluating the function's operation against plans. Furthermore, auditing human resource practices focuses on three dimensions of what the human resource function does, the perception of users of human resource services, and costs/benefits. Above all, the criteria of assessment must be aligned with the firm's strategic requirements.

The human resource manager believed that the human resource audits keep the human resource function on the right track and enable the function to be a business partner with top executives and line managers. Based on this view, the human resource manager evaluated that the overall strategic human resource management effectiveness of the firm currently reaches a moderate level.

Table 5.3 Perspectives on Strategic Human Resource Management Effectiveness: Benchmark Electronics (Thailand) Plc.

Strategic Human Resource Management Effectiveness	Top Management	Line Manager	Human Resource Manager
Meaning	How well the human resource function performs human resource activities in ways that support the firm's operation.	The success of the employee management system in producing a workforce that matches the needs of various functions in the firm.	The performance of the human resource function in driving the firm's success.
Focus of Effectiveness	<ul style="list-style-type: none"> - Human resource function - Human resource activities - Business results-oriented 	<ul style="list-style-type: none"> - Human resource system - Human resource function - Employee contributions - Link to the success of the firm's strategies 	<ul style="list-style-type: none"> - Human resource audits of human resource professionals, functions, and practices - Business results-oriented
Perception of the Level of the Strategic Human Resource Management Effectiveness of the Firm	Relatively high	Moderate	Moderate

5.3.2 Determinants of Strategic Human Resource Management Effectiveness of Benchmark Electronics (Thailand) Public Company Limited

5.3.2.1 Top Executive's View

As the top executive viewed strategic human resource management effectiveness as the performance of the human resource function in delivering human resource practices that support the firm's operation, the determinants of strategic human resource management effectiveness relate to the human resource function and human resource practices.

The top executive pointed out that the most important factor in achieving strategic human resource management effectiveness at Benchmark Electronics is the performance of the human resource departments. This performance of the human resource departments result from the contribution of all human resource staff members working in the Ayudhaya and Korat factories. The human resource departments have major responsibilities in designing, implementing, and evaluating value-creating human resource practices, which generate and sustain the employee competencies and behaviors required to execute the firm's strategies. Thus, human resource professionals are major players in human resource management, which require ongoing development for human resource knowledge and understanding of the firm's business operations. The top executive further argued that the human resource function should be a proactive function that operates in strategic rather than in administrative ways. Human resource practitioners must move beyond technical professionals to becoming true human resource leaders and strategic change agents.

The top executive further argued that the human resource function must design and deliver an effective human resource system. The human resource function must acquire competent employees to fill vacant positions while developing the existing employees to have knowledge, skills, and abilities to work on current and future jobs. Furthermore, the human resource function must effectively administer the compensation and benefits system in ways that increase employee productivity, promote employee morale, build company's image, and persuade qualified job applicants. The human resource function should design these practices as a coherent system rather than as individual practices, in order to produce a greater impact on the firm.

In addition, the human resource function should help strengthen and sustain Benchmark's corporate culture of integrity, flexibility, and execution in order to differentiate the company from competitors. The executive viewed that integrity is fundamental in all dealings with customers, suppliers, investors, and employees. It is an attitude that has served the firm well. Thus, the human resource function should take part in promoting this culture through extensive human resource training and development and performance management. Flexibility also allows the firm to react rapidly to customer changes. It is the joint responsibility of top management, line managers, and human resource managers in designing an effective organization structure that supports flexibility in manufacturing processes. Benchmark Electronics also offers customers excellent execution in operational performance, from production design to the manufacturing phases. This requires qualified employees to meet and exceed customers' expectations. The entire human resource system can help promote this culture. All of these are the expectations of the top executive for the human resource function in building an effective human resource system that serves business needs.

5.3.2.2 Line Manager's View

Strategic human resource management effectiveness in the view of the line manager relates to the success of the employee management system in producing a workforce that matches the needs of various functions in the firm; the factors influencing this success include the human resource system, the human resource function, and business environments.

The line manager argued that Benchmark Electronics demands a well-planned human resource system that fits the firm's objectives. This can be achieved by formulating the human resource strategies that match the needs of various functional departments. Apart from human resource managers, top management and line managers should become involved in this process by providing information and feedback for formulating and reviewing human resource strategies.

However, an effective system without proficient people controlling it does not exist. The line manager opposed the belief that anyone can work in the human resource function. He argued that the firm should hire proficient people that have experience in human resource management and that have a background in the

electronics industry to run the human resource function. These people should be more than administrative experts that update employee records—they should be business consultants specialized in human resource management.

The efficiency of the human resource function is another concern of the line manager. He mentioned that a high level of human resource expenses for the firm's operating expenses and revenue diminishes the trustworthiness of the human resource function in times of economic downturn. High investments in human resource management during these periods should be well-deliberated. The worthiness of human resource work should be measured and communicated to the public.

Furthermore, the line manager argued that the firm's environments have impacts on strategic human resource management effectiveness. In economic downturn periods, even if the firm has well-designed human resource practices that are integrated with the firm's strategies and has highly proficient human resource professionals, it is difficult for the human resource function to take action that produces the expected outcomes for the firm. The volatility of the economies of Thailand and the world have challenged the overall electronics industry to be more highly competitive; the top management seems to give high attention to sales, revenues, profits, and losses rather than employees. The importance of the human resource function is likely to be ignored during such a period. This situation diminishes the effect of human resource practices and obstructs the strategic human resource management effectiveness of the firm.

5.3.2.3 Human Resource Manager's View

As the human resource manager views strategic human resource management effectiveness as being relevant to the audits of the human resource function in driving the firm's success, the factors affecting the strategic human resource management effectiveness of Benchmark Electronics include the following.

The human resource manager argued that the most significant factor in achieving the strategic human resource management effectiveness of Benchmark Electronics is top management support for human resource management. Support from top management means more than budgets approved for implementing various human resource activities and time dedicated to employee activities. Support should include the recognition of the importance of the human resource function, the priorities

given to human resource issues, and the understanding of human resource work. Support from top management affects the performance of the human resource function in ways that facilitate the effectiveness of human resource activities and the efficiency of the human resource function. On the other hand, lack of support inhibits this effectiveness.

The human resource manager also asserted that top management is considered the head of the human resource function. Top management should lead the human resource function, not the function leading top management. However, it seems that most of the top management in the firm have given inadequate attention to the human resource function and possessed minimal knowledge of human resource management.

In addition, the human resource manager pointed out that the participation of line managers in human resource activities, or at least the understanding of human resource management, is very critical. Every line manager is a human resource manager. Although human resource professionals take major responsibility for designing human resource policies and practices to serve various needs of the firms, line managers are those that actually implement these policies and practices. Thus, the success or failure of human resource management involves the actions of line managers. He further argued that human resource professionals now are line managers that possess business knowledge of the firm, but line managers have knowledge of human resource management in a very limited scope. This circumstance reduces the performance of the human resource function in driving the firm's success.

The human resource manager asserted that, in times of recession now, it is difficult for the human resource function to work proactively as the company needs to save costs and reduce unnecessary expenses. However, the human resource function's jobs never end. The human resource function still has the critical responsibility of increasing the level of employee quality and strengthening Benchmark's core values throughout the firm by using various well-designed and cost-effective human resource policies and practices. The success proves the effectiveness of strategic human resource management.

Various types of human resource practices are currently employed in the firm in order to promote the performance of employees such as selective staffing,

comprehensive training, use of formal performance appraisal, compensation based on performance appraisal, and merit-based promotions. Importantly, these practices are designed to fit the firm's strategies and are consistent with each other. The human resource manager believed that the uses of these practices will produce a great impact on firm performance.

The competencies for delivering both strategic and traditional human resource activities are a must for "professionals" of human resource management and for contributing to the effectiveness of human resource management. The success of any human resource activities largely depends on human resource professionals' efforts. This indicates that human resource professionals require more than traditional human resource competencies for delivering staffing, training and development, performance management, and compensation and benefits. Human resource professionals today must possess new competencies for managing talent, leadership, organizational development, teamwork, and organization design.

Table 5.4 Summary of Determinants of Strategic Human Resource Management Effectiveness: Benchmark Electronics (Thailand) Plc.

Dimensions of Determinant	Determinants of Strategic Human Resource Management Effectiveness	
	Top Management	Human Resource Manager
Human Resource Function	<ul style="list-style-type: none"> - Performance of the human resource function (contribution of HR staff) - Strategic and technical human resource competencies (an ongoing development for knowledge of HR and the firm's operation) 	<ul style="list-style-type: none"> - Strategic and technical human resource competencies (competencies for working as business partners)
Human Resource System	<ul style="list-style-type: none"> - High-performance work practices (selective training, extensive training and development, competitive compensation and benefits system) - External alignment (the alignment between human resource management and the firm's vision, mission, and objectives) 	<ul style="list-style-type: none"> - Human resource efficiency (cost-effective HR practices) - High-performance work practices (Motivation and hiring selectivity) - External alignment (HR practices aligned with the firm's strategies) - Internal alignment (consistency of HR practices)
Human Resource Outcomes	<ul style="list-style-type: none"> - Internal alignment (coherent system of practices) - Employee competencies and behaviors required for the firm's strategy implementation 	<ul style="list-style-type: none"> - Employee quality - Employee adherence to the firm's values
Other Factors or Conditions	<ul style="list-style-type: none"> - Employee contributions - Top management support - Line manager's participation - Economic conditions 	<ul style="list-style-type: none"> - Top management support - Line manager's participation - Economic conditions

5.3.3 Analysis of the Strategic Human Resource Management Effectiveness of Benchmark Electronics (Thailand) Public Company Limited

Table 5.3 summarizes the various opinions on the strategic human resource management effectiveness of the top executive, the line manager, and the human resource manager. The results demonstrate moderate to relatively high levels of the strategic human resource management effectiveness of Benchmark Electronics.

The strategic human resource management effectiveness of Benchmark Electronics relates to the three dimensions of the human resource function, the human resource system, and human resource outcomes. The effectiveness in relation to the human resource function focuses on the performance of human resource professionals in delivering human resource work that supports business needs. The effectiveness in relation to the human resource system emphasizes the effects of human resource practices on employees and firm performance. Finally, the effectiveness in relation to human resource outcomes involves employee contributions that match the firm's strategic needs. In addition, all informants agreed that strategic human resource management effectiveness must show a link to business outcomes.

Table 5.4 summarizes the perspectives on the determinants of strategic human resource management effectiveness of the top management, the human resource manager, and the line manager. These determinants can be categorized into three dimensions of the human resource function, the human resource system, and human resource outcomes, consistent with the strategic human resource management effectiveness model proposed in the quantitative study. The results of the in-depth interviews also revealed additional determinants of and conditions supporting the effectiveness unrecognized in the quantitative study such as top management support, line manager participation in human resource management, and the economic conditions of the firm.

5.4 Alignment of the Quantitative and Qualitative Approaches

Tables 5.5 and 5.6 present the alignment of the results from the hypothesis testing and the in-depth interviews of the garment and electronics companies, respectively. Most of the results from the in-depth interviews support the findings from the hypothesis testing. The common theme existing from the case studies of the garment and electronic companies is that the strategic human resource management effectiveness is perceived to be causally occurred. The informants agreed that the competencies of the human resource function in managing the firm's employees help to produce an effective system of human resource practices. Then, these practices generate the strategic human resource outcomes for implementing the firm's strategies. Thus, the results support the human resource architecture model of Becker et al. (2001) used in the development of the conceptual framework in this study.

Furthermore, the results from the in-depth interviews provide a coherent picture of the strategic human resource management effectiveness of the garment and electronics companies, which the hypothesis testing in this study does not provide. The in-depth interviews provide greater depth of understanding of the strategic human resource management effectiveness in terms of the meaning, the measurements, the determinants, the deterrents, and the conditions supporting strategic human resource management effectiveness.

Table 5.5 Alignment of Results of the Quantitative and Qualitative Approaches: The Garment Companies

Dimension of Determinants	Determinants	Results of Hypothesis Testing (Quantitative Approach)				Results of In-Depth Interviews (Qualitative Approach)		
		Support	Support	Support	Support	Top Executive	Line Manager	Human Resource Manager
Human Resource Function	1) Strategic human resource competencies	Support	Support	Support	Support	Support	Support	Support
	2) Technical human resource competencies	Support	Support	Support	Support	Support	Support	Support
	3) Human resource efficiency	Support	Support	Support	Support	Support	Support	Support
	4) High-performance work system adoption	Support	Support	Support	Support	Support	Support	Support
	5) External alignment	Support	Support	Support	Support	Support	Support	Support
	6) Internal alignment	Support	Support	Support	Support	Support	Support	Support
Human Resource Outcomes	7) Strategic human resource deliverables	Support	Support	Support	Support	Support	Support	Support
Level of Strategic Human Resource Management Effectiveness		Moderate	Relatively high	Moderate	Relatively high	Moderate	Relatively High	High

Table 5.6 Alignment of Results of the Quantitative and Qualitative Approaches: The Electronics Companies

Dimension of Determinants	Determinants	Results of In-Depth Interviews			
		Results of Hypothesis Testing (Quantitative Approach)	Top Executive	Line Manager	Human Resource Manager
Human Resource Function	1) Strategic human resource competencies	Support	Support	Support	Support
	2) Technical human resource competencies	Support	Support	Support	Support
Human Resource System	3) Human resource efficiency	Support	Support	Support	Support
	4) High-performance work system adoption	Support	Support	Support	Support
Human Resource Outcomes	5) External alignment	Support	Support	Support	Support
	6) Internal alignment	Support	Support	Support	Support
	7) Strategic human resource deliverables	Support	Support	Support	Support
Level of Strategic Human Resource Management Effectiveness		Moderate	Relatively high	Moderate	Moderate

5.5 Chapter Summary

This chapter presents the results of the qualitative study of the garment and electronic companies. Two case studies of Thai Wacoal Public Company Limited and Benchmark Electronics (Thailand) Public Company Limited were employed in order to gain an in-depth understanding of their strategic human resource management effectiveness. The results from the in-depth interviews with top executives, line managers, and human resource managers revealed the information regarding the adoption of the strategic human resource management in these firms, the perspectives on strategic human resource management effectiveness, and the factors enhancing or deterring from the effectiveness of these firms. Most of the results support the hypothesis testing. In addition, the results reveal other factors or conditions supporting strategic human resource management effectiveness unrecognized in the hypothesis testing.

CHAPTER 6

CONCLUSION AND DISCUSSION

The last chapter consists of five sections. The first section presents the summary and conclusions concerning the quantitative and qualitative studies of the garment and electronics companies. The next section discusses the results of the studies. The third section provides the theoretical, research, and applied implications of the findings. The fourth section then discusses the limitations of this study in terms of its design, generalizability, and measurement. The last section provides suggestions for future study.

6.1 Summary and Conclusion

The quantitative study aimed at examining the determinants of the strategic human resource management effectiveness of the garment and electronics companies in Thailand. The determinants can be viewed in terms of the three dimensions: the human resource functions, the human resource systems, and strategic employee behaviors. The seven determinants in this study include strategic human resource competencies, technical human resource competencies, human resource efficiency, high-performance work system adoption, external alignment, internal alignment, and strategic human resource deliverables. The six hypotheses were tested in this study.

This study argued that in order to achieve strategic human resource management effectiveness, these companies should have the proper human resource function and system, for producing the proper strategic human resource deliverables for the successful strategy implementation of the firms. In order to have the proper human resource functions, the human resource professionals should possess the strategic and technical human resource competencies necessary for delivering, efficiently and effectively, traditional and strategic human resource activities. In addition, the proper human resource system consists of the use of high-performance

work practices, the alignment of the system with the firm's strategies, and consistency within the human resource system. Consequently, the proper human resource outcomes for implementing the firm's strategies—strategic human resource deliverables—will be generated. These strategic human resource deliverables contribute to the strategic human resource management effectiveness of the firms.

Furthermore, the qualitative study provides an in-depth understanding of strategic human resource management effectiveness in terms of the meanings, the contexts, the determinants, and the obstacles of effectiveness. The quantitative approach provides the dominant paradigm, while the qualitative approach is a supplementary component of this study.

6.1.1 The Garment Companies

The results from the survey research indicate that the garment companies have achieved overall strategic human resource management effectiveness at a relatively low level. The garment companies are likely to confront the problems relating to employee quality, employee productivity, and employee stability. The social climate between employer and employees is the only satisfactory dimension.

The results show that all of the six hypotheses are supported by the data from the garment companies.

Hypothesis 1: (supported) The level of strategic human resource deliverables that help execute the firm's strategies is more likely to be positively related to the degree of the strategic human resource management effectiveness of the firm.

This study found a strong, positive relationship between the level of strategic human resource deliverables and that of strategic human resource management effectiveness in the garment companies. These firms tend to achieve a higher level of strategic human resource management effectiveness if they can generate more human resource outcomes that help to achieve the firm's strategies. The results from the in-depth interviews also support this argument. Overall, the results are consistent with the theoretical perspectives of the HR scorecard of Becker et al. (2001) and the workforce scorecard of Huselid et al. (2005) whereby the workforce helps to execute the firm's strategies through the human resource deliverables—the workforce mindset, culture, competencies, and behaviors.

Hypothesis 2: (supported) The levels of high-performance work system adoption, the external alignment (the alignment between the human resource system and the firm's strategies), the internal alignment (the alignment within the human resource system), and human resource efficiency are more likely to be positively related to the degree of generated strategic human resource deliverables that help execute the firm's strategies.

This study found that the levels of high-performance work system adoption, external alignment, the internal alignment, and human resource efficiency are found to be positively related to the level of strategic human resource deliverables. The results from the in-depth interviews also confirm this argument. In order to produce the strategic human resource deliverables, the firms need to adopt high-performance work practices that fit the firm's strategies and that support each other. In addition, the human resource function must be managed efficiently. The results are consistent with the theoretical perspectives of Becker et al. (2001) and Huselid et al. (2005), and the empirical evidence of Huselid et al. (2005).

The strengths of the effects range from low to moderate levels. High-performance work system adoption produces the highest effects on strategic human resource deliverables, followed by external alignment, internal alignment, and human resource efficiency.

Hypothesis 3: (supported) The degree of strategic human resource competencies is more likely to be positively related to the degree of high-performance work system adoption.

The results show that the level of strategic human resource competencies of human resource professionals produces a strongly positive effect on the level of high-performance work system adoption in the garment firms. High-performance work practices are likely to be implemented in the firms in which the human resource professionals possess strategic human resource competencies. The findings from the in-depth interviews support the importance of strategic human resource competencies for the adoption of a high-performance work system. The results are consistent with the theoretical perspectives of Becker et al. (2001) and Huselid et al. (2005), and the empirical study of Huselid et al. (1997).

Hypothesis 4: (supported) The degree of strategic human resource competencies is more likely to be positively related to the degree of the external alignment (the alignment between the human resource system and the firm's strategies).

This study found a strong, positive relationship between the level of the strategic human resource competencies of human resource professionals and the level of the alignment between the human resource system and the firm's strategies. The strategic human resource competencies of human resource professionals significantly contribute to the design of the human resource system that is integrated with business strategies. The findings from the in-depth interviews also support the importance of strategic human resource competencies for creating external alignment. These results are consistent with the theoretical perspectives of Becker et al. (2001) and Huselid et al. (2005).

Hypothesis 5: (supported) The level of strategic human resource competencies is more likely to be positively related to degree of the internal alignment (the alignment within the human resource system).

This study also found a strong, positive relationship between the level of the strategic human resource competencies of human resource professionals and the level of the congruence of the human resource system. The strategic human resource competencies of human resource professionals significantly contribute to the design of human resource practices that fit together. The results from the in-depth interviews confirm this argument. These results are consistent with the theoretical perspectives of Becker et al. (2001) and Huselid et al. (2005).

Hypothesis 6: (supported) The level of technical human resource competencies is more likely to be positively related to the level of human resource efficiency.

The results indicate that the level of the technical human resource competencies of human resource professionals produces a moderately positive effect on the level of human resource efficiency. The efficiency of the human resource function tends to be achieved if the human resource professionals possess technical human resource competencies for delivering human resource activities. The results

from the in-depth interviews support this argument. These results are consistent with the study of Huselid et al. (1997).

In addition, more regression analyses were employed to examine the direct effects of the six variables—high-performance work system adoption, external alignment, internal alignment, human resource efficiency, strategic human resource competencies, and technical human resource competencies—on the effectiveness. The results from a series of regression analyses were combined to form a path model of the strategic human resource management effectiveness of the garment companies.

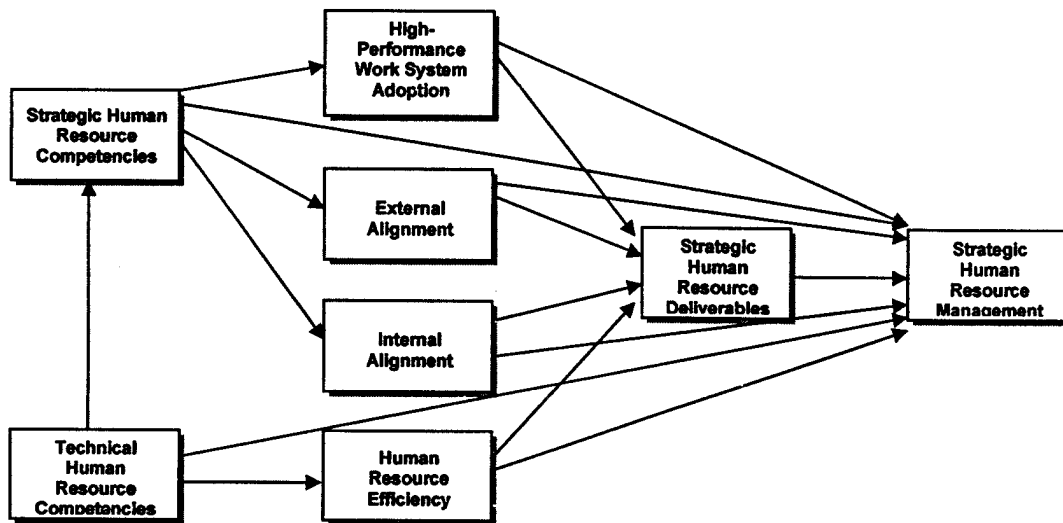


Figure 6.1 The Strategic Human Resource Management Effectiveness Model of the Garment Companies

6.1.2 The Electronics Companies

The findings from the survey research reveal a relatively low level of the strategic human resource management effectiveness of the electronics companies. Of the four dimensions of strategic human resource management effectiveness, the social climate between employer and employees is the only satisfactory dimension. However, the electronics companies are required to improve the levels of employee stability, employee productivity, and employee quality.

The results demonstrated that all of the hypotheses are supported by the data from the electronics companies.

Hypothesis 1: (supported) The level of strategic human resource deliverables that help execute the firm's strategies is more likely to be positively related to the degree of the strategic human resource management effectiveness of the firm.

This study found a strong, positive relationship between the level of strategic human resource deliverables and the level of strategic human resource management effectiveness in the electronics companies. The electronics firms are likely to achieve a higher degree of strategic human resource management effectiveness, providing that these firms can produce more human resource outcomes that support the firm's strategies. The findings from the in-depth interviews support this argument. These results are consistent with the theoretical perspectives of the HR scorecard of Becker et al. (2001) and the workforce scorecard of Huselid et al. (2005).

Hypothesis 2: (supported) The levels of high-performance work system adoption, the external alignment (the alignment between the human resource system and the firm's strategies), the internal alignment (the alignment within the human resource system), and human resource efficiency are more likely to be positively related to the degree of generated strategic human resource deliverables that help execute the firm's strategies.

This study found that the levels of high-performance work system adoption, external alignment, internal alignment, and human resource efficiency are found to be positively related to the level of strategic human resource deliverables. The firms need to adopt high-performance work practices that match the firm's strategies and that support each other, and to manage the human resource function efficiently in order to produce the strategic human resource deliverables. The strengths of the effects range from low to moderate levels. The external alignment produces the highest effects on the strategic human resource deliverables, followed by internal alignment, high-performance work system adoption, and human resource efficiency. The in-depth interview results also support this argument. These results are consistent with the theoretical perspectives of Becker et al. (2001) and Huselid et al. (2005), and the empirical evidence of Huselid et al. (2005).

Hypothesis 3: (supported) The degree of strategic human resource competencies is more likely to be positively related to the degree of high-performance work system adoption.

The results reveal that the level of strategic human resource competencies of human resource professionals produces a positive effect on the level of high-performance work system adoption in the electronics firms. High-performance work practices are likely to be implemented in the firms in which their human resource professionals possess strategic human resource competencies. The findings from the in-depth interviews also support the importance of strategic human resource competencies for the adoption of a high-performance work system. These results are consistent with the theoretical perspectives of Becker et al. (2001) and Huselid et al. (2005), and the empirical study of Huselid et al. (1997).

Hypothesis 4: (supported) The degree of strategic human resource competencies is more likely to be positively related to the degree of the external alignment (the alignment between the human resource system and the firm's strategies).

This study found a strong, positive relationship between the level of the strategic human resource competencies of human resource professionals and the level of the alignment between the human resource system and the firm's strategies. The alignment between human resource practices and the firm's strategies results from the strategic human resource competencies of human resource professionals. In addition, the findings from the in-depth interviews support the importance of strategic human resource competencies for the external alignment. The results are consistent with the theoretical perspectives of Becker et al. (2001) and Huselid et al. (2005).

Hypothesis 5: (supported) The level of strategic human resource competencies is more likely to be positively related to degree of the internal alignment (the alignment within the human resource system).

This study also found a strong, positive relationship between the level of the strategic human resource competencies of human resource professionals and the level of the congruence of the human resource system. The alignment within the human resource system is likely to be achieved in firms in which their human resource

professionals possess strategic human resource competencies. The in-depth interview results also confirm this argument. These results are consistent with the theoretical perspectives of Becker et al. (2001) and Huselid et al. (2005).

Hypothesis 6: (supported) The level of technical human resource competencies is more likely to be positively related to the level of human resource efficiency.

The study found that the level of technical human resource competencies of human resource professionals produces a strong, positive effect on the level of human resource efficiency. If human resource professionals possess technical human resource competencies for delivering human resource activities, the human resource function tends to achieve efficiency. The results from the in-depth interviews also support this argument. These results are consistent with the study of Huselid et al. (1997).

In addition, more regression analyses were employed to examine the direct effects of the six variables—high-performance work system adoption, external alignment, internal alignment, human resource efficiency, strategic human resource competencies, and technical human resource competencies—on the effectiveness. The results from a series of regression analyses were combined to form a path model of the strategic human resource management effectiveness of the garment companies.

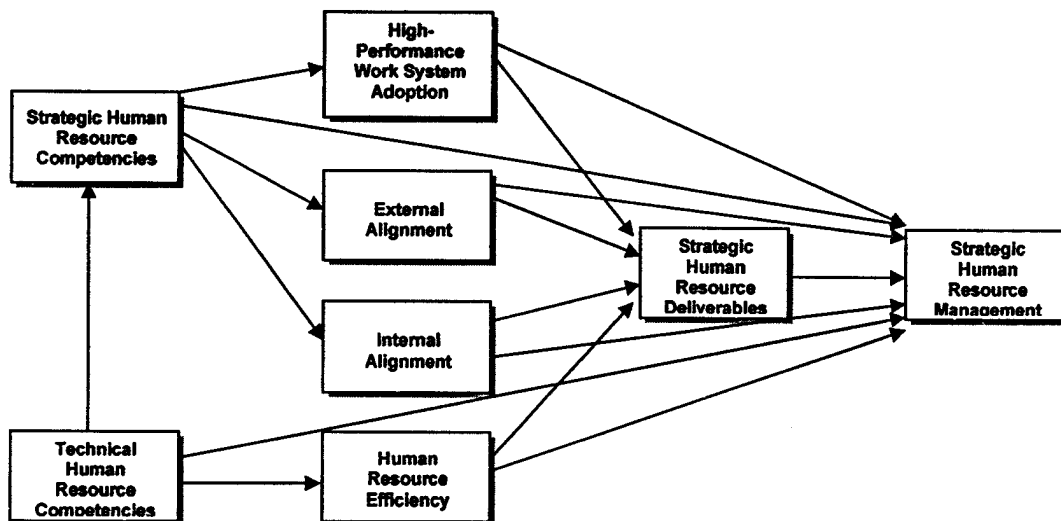


Figure 6.2 The Strategic Human Resource Management Effectiveness Model of the Electronics Companies

Overall, the findings demonstrate that both garment and electronics firms have reached a relatively low level of strategic human resource management effectiveness. Based on the data, the electronics companies have achieved a higher level of effectiveness than the garment companies. The results are discussed in the next section. The effects of each determinant on the strategic human resource management effectiveness differ between the garment and electronics companies.

6.2 Discussions and Suggestions on Findings

6.2.1 Strategic Human Resource Management Adoption in the Garment and Electronics Companies

The results of this study found the adoption of strategic human resource management in the garment and electronics companies. Strategic human resource management has been adopted in these firms to different degrees—from moderately to extensively. The results also revealed that the electronics companies have adopted this approach to a greater extent than the garment companies.

In general, these firms have attempted to implement human resource practices that are likely to be integrated with business strategies and that support each other, such as recruitment and selection, training and development, performance appraisal, and compensation. These firms have also encouraged the human resource executives to participate in top-level business strategy sessions, while delegating part of the human resource-related responsibilities to line managers. In addition, human resource professionals have attempted to play multiple roles in human resource management—as strategic partners, functional experts, employee champions, human capital developers, and human resource leaders. However, the results indicate that there is room for improvement for the human resource professionals. Human resource professionals need to master these roles and acquire the competencies for executing strategic and technical issues in order to add value for the firms.

These results are consistent with the theoretical and empirical literature that indicate that strategic human resource management is more likely to be adopted in large firms due to their formal operating and control systems, their resource adequacy, and the recognition of the importance of the employees and the human resource

functions (e.g. Duberley and Walley, 1995; Ram, 1999; Heneman, Tansky and Camp, 2000; Cornelius, 2001; Marlow, 2002; Danai Thieanphut, 2003).

In general, these results are the first identification of the strategic human resource management adoption in these firms. Although the results of adoption might be altered after examining them deliberately, the results indicate the advances in the development of the strategic approach to human resource management in Thailand.

6.2.2 Strategic Human Resource Management Effectiveness in the Garment Companies

6.2.2.1 Strategic Human Resource Deliverables as the Enablers of Strategic Human Resource Management Effectiveness

The findings indicate that the strategic human resource management effectiveness of the garment companies is a result of the set of the strategic human resource deliverables—speed, shared mindset, learning, accountability, collaboration, and efficiency. Based on the questionnaire survey, the preliminary interviews, and the in-depth interviews, these deliverables are organizational capabilities that guide employees to think and behave in ways that accomplish the firm's strategies.

In a highly competitive garments market, speed is important, as it enables the garment firms to recognize opportunities, neutralize threats, and act quickly in response to new markets, new products, or new business processes. A shared mindset is also required to ensure that the firm's employees have positive and consistent images of, and experiences with, the firms. Furthermore, organizational and individual learning help to generate new ideas with impacts and continuous improvement in order to build value addition to the products in response to the increasing demand for upgrading the entire garment industry, from a traditional one to an innovative one. Accountability is also a crucial organizational capability for obtaining high performance from employees; employees will perform their jobs based on the discipline that it is unacceptable if their performance does not meet the requirements of the firm's strategic goals. In addition, collaboration is required to ensure that employees are able to collaborate in ways that gain efficiency of operation through the pooling of services, technologies, or economies of scale or through the sharing of ideas and talent throughout the firms. Finally, efficiency in managing costs

of operation is a must for the garment companies in order to strengthen their competitiveness in the world garments market.

However, this set of organizational capabilities is not a universal or complete list for every garment company; it only represents the general capabilities that well-managed garment companies should possess. Other capabilities can be added in order to fit each company's circumstances. The ideal capabilities of each firm depend on the firm's strategies. It is the responsibility of human resource and line managers to identify, build, and review the organizational capabilities that suit their own circumstances.

6.2.2.2 Understanding the Factors Generating the Strategic Human Resource Deliverables of the Garment Companies: a People vs. a System Emphasis

The results indicate that the factors contributing to the strategic human resource deliverables of the garment firms are more closely related to "people" or human resource professionals and function rather than to the "system" of human resource practices. The people factors exerted higher effects on the strategic human resource deliverables of the garment companies than did the system factors.

In this study, the people factors include the competencies of human resource professionals and the efficiency of the human resource function. The strategic human resource competencies, such as business knowledge and strategic management help to generate strategic human resource deliverables through the design and implementation of a strategically-aligned, congruent high-performance work system. Additionally, the technical human resource competencies for delivering human resource services also help to generate the strategic human resource deliverables through managing the human resource function efficiently and strengthening the strategic human resource competencies.

Thus, the results indicate the importance of human resource professionals and the human resource function in terms of creating strategic human resource deliverables in the garment firms. The results imply the business partner role of human resource professionals and the demands for human resource competencies. In this way, the human resource professionals should master the strategic human resource competencies to a greater extent than the technical human resource competencies, as the findings indicate the stronger effect of the strategic type of

competency on strategic human resource deliverables and strategic human resource management effectiveness.

The system factors include the adoption of a high-performance work system, alignment between the human resource and the firm's strategies, and alignment within the human resource system. These factors directly help to generate the strategic human resource deliverables. The results indicate that the adoption of a high-performance work system is likely to generate strategic human resource deliverables to a greater extent than do the alignment between the human resource and firm's strategies and the alignment within the human resource system. These findings imply that the garment companies are likely to rely on the "best practice" or "one best way" approach of managing human resources in order to improve firm performance, more extensively than the "best fit" approach. In this way, the garment companies are likely to agree that there are sets of best human resource practices that firms in all organizational environments should follow.

High-performance work systems denote the best practice approach in that all firms will gain performance improvements in all organizational contexts if only they identify and implement the best practice in the way in which they manage people (Boxall and Purcell, 2003: 611; Torrington et al., 2005:32). Each element of the high-performance work system in this study was designed to maximize the overall quality of the human resources throughout the firms by (1) linking the selection and promotion decisions to validated competency models, (2) developing training and development strategies that provide timely and effective support for the skills demanded by the firm's strategy implementation, and (3) enacting compensation and performance management policies that attract, retain, and motivate high-performance employees, and (4) reducing status differences and barriers among employee.

However, the results indicate that the alignment between the human resource and firm's strategies and the alignment within the human resource system also help to create the strategic human resource deliverables in the garment companies. The two types of alignment denote best fit approach in that all firms will gain performance improvements if they align the human resource system that produces key human resource deliverables with the requirements of the firm's strategy implementation system and if various human resource practices within a system work together harmoniously.

Of all the factors directly affecting strategic human resource deliverables, human resource efficiency exerts the least effect on the deliverables. The findings are consistent with the theoretical arguments of Becker et al. (2001), in which the efficiency of the human resource function plays a limited role in creating strategic human resource contributions. Human resource efficiency is presented in the form of human resource “doables,”—emphasizing how activities are performed rather than human resource deliverables—focusing on the value created from those activities.

6.2.3 Strategic Human Resource Management Effectiveness in the Electronics Companies

6.2.3.1 Strategic Human Resource Deliverables as the Enablers of Strategic Human Resource Management Effectiveness

The results reveal that the strategic human resource management effectiveness of the electronics companies partly results from the set of strategic human resource deliverables—speed, shared mindset, learning, accountability, collaboration, and efficiency. The results indicate that there are some other strategic human resource deliverables that were not included in this study that help to generate the strategic human resource deliverables of the electronics companies.

The other five organizational capabilities proposed by Ulrich and Smallwood (2003a) might be able to explain the strategic human resource deliverables of the electronics companies which operate in a high-technological, complex environment. These comprise talent, leadership, strategic unity, customer connectivity, and innovation. Talent reflects the capability of organizations to attract, motivate, and retain competent and committed employees. High-performing employees that have the skills for today’s and tomorrow’s business requirements and that deploy these skills regularly help the firm to achieve its objectives. Apart from building a foundation of competent and committed employees, leadership is another important capability. Electronics firms should build their own leadership brand in order to direct current and future leaders regarding what results to deliver and how to deliver them. Furthermore, strategic unity capability is required for articulating and sharing a strategic point of view throughout the firms. The firm’s employees then can understand what the firm’s strategies are and why they are important.

As a majority of the electronics companies in Thailand provide services to original equipment manufacturers (OEMs), the loss of major customers adversely affect the firms. Thus, customer connectivity is important for building and maintaining close, long-term relationships of trust with targeted customers. Lastly, as electronics companies operate in high-technological environments, innovation in both content (product and strategy) and processes (administrative work) is critical.

As there is no universal or best list of organizational capabilities, the electronics companies should select the capabilities that help the firms to strengthen their strengths, diminish the weaknesses, increase their opportunities, and neutralize threats. In other words, the appropriate organizational capabilities should support the successful strategy implementation of the firms.

6.2.3.2 Understanding the Factors Generating the Strategic Human Resource Deliverables of the Electronics Companies: People vs. System Factors

The results indicate that the factors contributing to the strategic human resource deliverables of the electronics firms are more relevant to the “system” of human resource practices than to “people” or human resource professionals and function. The system factors exerted higher effects on the strategic human resource deliverables than did the people factors.

The system factors affecting the strategic human resource deliverables consist of high-performance work system adoption, the alignment between the human resource and the firm’s strategies, and the alignment within the human resource system. The results indicate that the alignment between the human resource and firm’s strategies is likely to generate the strongest effects on strategic human resource deliverables, followed by the alignment within the human resource system, and the adoption of a high-performance work system. Thus, the human resource system of the electronics companies tends to adopt the “best fit” approach in managing the relationships between human resources and firm performance, more extensively than does the “best practice” approach. In this way, the electronics companies are likely to accept that the firm’s strategies come first, and that all organization systems and practices follow. Different types of human resource strategies will be suitable for different types of business strategies.

In order to produce the strategic human resource deliverables, the firms are required to align the human resource system that generates strategic human

resource deliverables with the firm's strategies. For example, based on Porter's (1980) business unit strategies, a cost leadership strategy requires human resource policies and practices that focus on efficient production, such as explicit job descriptions, detailed work planning, technical qualifications and skills-based recruitment, job-specific training, job-based pay, and use of performance appraisals, as control tools (Gómez-Mejía et al. 2004: 30). On the other hand, firms with a differentiation strategy requires human resource policies and practices that emphasize innovation and flexibility, such as broad job classes, loose work planning, external recruitment, team-based training, individual-based pay, and use of performance appraisals as development tool (Gómez-Mejía et al. 2004: 30). In addition, it should be noted that all human resource practices should reinforce each other rather than work at cross-purposes. For example, if the firms rely on structuring work in teams, these organizations should not evaluate employees individually.

The people factors affecting the strategic human resource deliverables of the electronics companies include strategic and technical human resource competencies, and human resource efficiency. Strategic human resource competencies, such as business knowledge and strategic management, help to produce the strategic human resource deliverables through the design and implementation of a high-performance work system that is integrated with business strategies that support each other. Technical human resource competencies also help to generate these deliverables through the efficiency of the human resource function and the strategic human resource competencies.

6.3 Implications of Findings

6.3.1 Theoretical Implications

Based on the theoretical models of Becker et al. (2001) and Huselid et al. (2005), the strategic human resource management effectiveness model in this study describes a specific process of creating strategic human resource management effectiveness through the human resource architecture—the human resource function, the human resource system, and human resource outcomes. Rather than relying on the meta-theories of other disciplines, this model applies the theories of strategic human

resource management to explain how strategic human resource management effectiveness occurs.

The previous theoretical and empirical studies on the relationship between human resource management and firm outcomes have been criticized as borrowing meta-theories from other disciplines, such as the resource-based view of the firm, the behavioral perspective, open-systems theory, and control theory, to describe the relationship (Wright and Haggerty, 2005: 4-6). These theories provide only broad rationales for why human resource management and firm outcomes should be linked; however, these theories fail to describe how this linkage occurs.

Much progress has been made to propose middle-level process theories which specifically articulate the processes through which the relationship occurs. The theoretical models of Becker et al. (2001) and Huselid et al. (2005) are examples of those presenting the process of how the human resource function, the human resource system, and human resource outcomes drive the firm's success. The process begins with the competencies of the human resource function in developing a strategically aligned high-performance work system in order to produce the strategic human resource outcomes for successful strategy implementation.

6.3.2 Research Implications

In order to demonstrate the strategic contribution of human resources to the firms, human resource measurement systems should focus on two dimensions: value creation and cost control (Becker et al., 2001: 23). The value creation dimension is required to ensure that the human resource architecture supports the strategy implementation process. The cost control focuses on minimizing costs in the human resource function. Traditional human resource measures have been criticized as being inadequate and misleading, many of which reflect only the cost control dimension. These measures emphasize the audits of the human resource function, of human resource professionals, and of human resource activities and do not focus on business impact or stimulating change for business improvement. Focusing on cost reduction as the primary measure will ultimately result in human resources being managed like a commodity rather than as a strategic asset. However, the measures driven by paying attention only to benefits while ignoring the costs ultimately create a mistake: an undisciplined strategic focus.

This study balances the value creation and cost control aspects. The strategic human resource management effectiveness in this study directly measures the outcomes, results, or value of human resource work to the firm in the four dimensions of employee quality, employee productivity, employee stability, and social climate between employees and employer. This study also includes the measure of human resource efficiency which reflects the cost control dimension in evaluating the human resource function.

Furthermore, there has been no universal definition of strategic human resource management effectiveness, as different views of the scope, focus, criteria, and level of analysis of effectiveness exist among researchers and practitioners. Studies of (strategic) human resource management effectiveness provide the conceptual and operational definitions of this concept differently. Thus, the strategic human resource management effectiveness in this study means only the level of employee quality, employee productivity, employee stability, and social climate between employees and employer, not something else. Firms with a high level of strategic human resource management effectiveness in this study might be those with a low level of effectiveness, according to other studies. The levels of strategic human resource management effectiveness of the firms in this study might not be able to be compared directly to that of other studies. The results of this study should therefore be cautiously interpreted.

6.3.3 Applied Implications

Measuring and managing human resource contributions for firm performance have consistently emerged as key themes challenging the human resource functions. However, it seems that this challenge has created the human resource measurement paradox. Although abundant human resource measures exist, these measures are less systematic, less accepted, and less likely to guide key decisions compared to financial, marketing, and production measures (Boudreau and Ramstad, 1997: 343). One major reason is that these measures, such as cost per hire, time to fill a job, and human resource expense per employee fail to exhibit a linkage to the firm's strategy implementation and/or the firm's outcomes in ways that top executives and line managers understand and respect. These measures are unable to reflect the value of human resources to the firms.

This study measures the strategic human resource management effectiveness in ways that reflect the value of human resources to successful strategy implementation. The four dimensions of strategic human resource management effectiveness—employee quality, employee productivity, employee stability, and social climate between employees and employer, are the measures that exhibit the value or contributions of human resources to the firm's strategy implementation.

Additionally, in order to achieve strategic human resource management effectiveness, the firms need to refocus attention from a single focus of the human resource elements—the human resource function, the human resource system, or human resource outcomes—to multiple focuses: the human resource architecture. As organizational performance is a function of both the people and the system, top executives, line manager, and human resource managers need to focus on the human resource architecture as the organizational logic of making human resources a strategic asset. As architecture, various elements of human resource management can create synergies or complementarities which enhance strategic human resource management effectiveness.

6.4 Limitations of the Study

The limitations of this study relate to three major areas.

The first area lies in the design of the study and involves the problem in attributing causality. The relationships between variables do not meet the criteria of establishing causality: temporal order and the elimination of plausible alternatives.

This study is cross-sectional. The quantitative approach uses a single, fixed time point to examine strategic human resource management effectiveness. The qualitative approach focuses on two cases during a limited time period. Although the findings of this study are consistent with the conceptual framework in which the relationships between variables are presumed to be causally related, lack of time precedence of the cause in the cross-sectional study does not allow the causal inferences.

In addition, this study does not test for a reverse causal order according to which effectiveness leads to the effective human resource function, system, and

outcomes rather than effective human resource function, system, and outcomes leading to strategic human resource management effectiveness. A dual causality relationship might exist in this study. Thus, this study fails to eliminate alternative explanations for a possible reverse causation.

The second area lies in the generalizability of the findings. This limitation relates to the characteristics of the population. This study focuses only on large garment and electronics companies, with at least 500 employees, thus limiting the generalizability of the findings to small and medium-sized companies. Furthermore, this study selects garment companies as the representative of low-technologically intensive companies and electronics companies as the representative of high-technologically intensive ones. The findings of this study might not be able to be generalized to other high- and low-technological companies in different industries.

The last area of limitations lies in the area of measurement issues. The subjectivity of some measures may create problems associated with the validity of the constructs. Although this study adopts sets of objective measures for strategic human resource management effectiveness (e.g. profit per employee, employee productivity, employee turnover, employee absenteeism, and frequency of complaints and grievances), and for human resource efficiency (e.g. cost per hire, labor cost per revenue, and cost per trainee hour), only a few firms in this study have complete information on these measures. Consequently, the measures of strategic human resource management effectiveness and human resource efficiency are rather subjective measures asking the respondents to indicate “the extent to which” each dimension of effectiveness and efficiency exists on a Likert-type scale.

6.5 Suggestions for Future Research

Much progress has been made with regard to theory building and application in the field of strategic human resource management. However, the empirical studies of strategic human resource management effectiveness have been few. This study serves as an essential starting point for building a more robust empirical base that will significantly increase the knowledge of strategic human resource management effectiveness and its relationship to firm performance.

The suggestions for future research lie in four areas: the use of a longitudinal approach, the use of predictive design, the inclusion of environmental factors, and the replication of study.

Future study might employ a longitudinal study. Although longitudinal studies are more complex and time-consuming, they are powerful in the sense that they are able to capture strategic human resource management effectiveness in terms of processes and changes, which a cross-sectional study cannot provide. The use of longitudinal studies would resolve the problem of causality in cross-sectional studies.

In addition, the temporal lag between creating a human resource architecture and strategic human resource management effectiveness becomes another concern for future research. Many studies on the relationships between strategic human resource management and firm outcomes, including this study, are “post-predictive” or exhibit “retrospective” designs. These studies measure the human resource function and system after the performance period or they ask the respondents to recall the human resource function and system that existed prior to the performance period. Many theorists (e.g. Wright, Gardner, Moynihan, Park, Gerhart and Delery, 2001; Wright and Haggerty, 2005) have suggested that “predictive” studies are appropriate as they explore the human resource function and system at one point in time and the subsequent firm outcomes. Future study should attempt to use this predictive design.

The future study of strategic human resource management effectiveness might include the organizational and external contexts of strategic human resource management in the strategic human resource management effectiveness model. The interesting organizational factors are those relating to the multiple constituency of strategic human resource management, such as top management support and the line manager’s involvement. The important external factors are relevant to economic, technological, and sociocultural environment.

Finally, future study might be conducted in other low and high-technologically intensive industries in order to examine whether the results are consistent with the findings of this study: that the strategic human resource management effectiveness of high and low-technologically intensive companies differs. The replication increases the confidence in the strategic human resource management effectiveness model of this study.

6.6 Chapter Summary

This chapter first summarizes the findings from the hypothesis testing and in-depth interviews of the garment and electronics companies. The results indicate that the levels of the strategic human resource management effectiveness of the garment and electronics companies have reached a relatively low level. The major determinants of strategic human resource management effectiveness consist of three dimensions: the human resource function, the human resource system, and human resource outcomes. The relationships between variables are combined to form a strategic human resource management effectiveness model of the garment and electronics companies.

Next, a discussion on the findings is carried out regarding strategic human resource management adoption as well as the determinants of strategic human resource management effectiveness. A comparative discussion of the results from the garment and electronics firms is also provided. This chapter then provides the theoretical, research, and applied implications of the findings. Additionally, the limitations of this study regarding its design, the generalizability of the findings, and measurement issues are discussed, together with suggestions for future research.

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APPENDICES

APPENDIX A

Questionnaire (English Version)

Questionnaire

Study of Determinants of Strategic Human Resource Management Effectiveness of Companies in the Garment and Electronics industries in Thailand

General Instruction

Strategic human resource management refers to the application of strategic management approach to human resource management in order to help the firm achieve its strategy.

1. Questions relate to human resource management in your organization.
2. The questionnaire is divided into six parts and taken about 15-20 minutes to finish. Please answer all of the questions by marking ✓ only one response for each question that best describes your answer. For the questions with blank spaces, please fill in the number or content that best describes your answer.
3. Please be assured that your response in this study is **strictly confidential** and will be used only for this study. Only aggregate results are reported.

Thank you for your co-operation.

Part 1 General information about yourself and your organization

General information about yourself

1.1 Gender

- Male Female

1.2 Ageyears

1.3 What is your highest level of education?

- | | |
|--|--|
| <input type="checkbox"/> High School/Vocational Certificate | <input type="checkbox"/> Master |
| <input type="checkbox"/> Diploma/Higher Vocational Certificate | <input type="checkbox"/> Doctorate |
| <input type="checkbox"/> Bachelor | <input type="checkbox"/> Others, please specify..... |

1.4 What is your current position?

- President, Owner, Chief Executive, Managing Director, Deputy Managing Director, General Manager
- Department Head, Vice President, Assistant Vice President, Manager
- HR Director, HR Manager, HR Department Head
- Others, please specify.....

1.5 How long have you been at this company?

..... years months

General information about your company

1.6 What is the type of ownership?

- | | |
|---|---|
| <input type="checkbox"/> Partnership | <input type="checkbox"/> Company Limited |
| <input type="checkbox"/> Public Company Limited | <input type="checkbox"/> Others , please specify..... |

1.7 What province is your company located?

1.8 How long has your company been established? years

1.9 How many employees are there in your company? years

1.10 How many people are employed in the human resource department?

Part 2 Strategic human resource management adoption in your organization.

Statement	Not At All	Very Low	Low	Moderate	High	Very High
2.1 Your organization matches the characteristics of managers to the strategic plan of the firm.						
2.2 Your organization identifies managerial characteristics necessary to run the firm in the long term.						
2.3 Your organization has the compensation system to encourage managers to achieve long-term strategic objectives.						
2.4 Your organization has staffing patterns to help implement business or corporate strategies.						
2.5 Your organization evaluates key personnel based on their potential for carrying out strategic goals.						
2.6 Your organization conducts development programs designed to support strategic changes.						
2.7 Human resource executives in your organization participate in top-level business strategy sessions.						
2.8 Human resource executives work cooperatively with their line counterparts in formulating and reviewing human resource strategies.						
2.9 Your organization delegates part of human resource-related responsibility to line managers.						

Part 3 The human resource function in your organization.

Human resource function means the human resource executive/director and professionals in the firm.

1) The competencies of human resource executive/director and professionals in your organization.

Statement	Very Low	Low	Moderate	High	Very High
3.1 HR professionals are able to design an HR strategy that links the internal culture to the business strategy.					
3.2 HR professionals are able to implement large-scale interventions that make change happen.					
3.3 HR professionals are able to contribute to business decision making.					
3.4 HR professionals have knowledge of the firm's business value chain and its components.					
3.5 HR professionals are able to perform work accurately.					
3.6 HR professionals have a good relationship with employees based on respect and confidence.					
3.7 HR professionals effectively communicate with others in writing and in speaking.					

Statement	Very Low	Low	Moderate	High	Very High
3.8 HR professionals are able to design and deliver staffing cycles that include hiring, promoting, transferring, and firing people.					
3.9 HR professionals are able to design and deliver developmental agendas that integrate individual and organizational learning and development.					
3.10 HR professionals are able to design and deliver measurement and reward systems that motivate greater performance.					
3.11 HR professionals are able to design organizational structures and work processes.					
3.12 HR professionals are able to use HR measurements to measure results of HR value contributions to the firm.					
3.13 HR professionals are able to apply information systems technology to HR processes.					

2) The efficiency of the human resource function in delivering human resource activities.

Statement	Very Low	Low	Moderate	High	Very High
3.14 Cost per hire					
3.15 Cost per trainee hour					
3.16 Percentage of performance appraisal completed on time					
3.17 Labor cost per revenue					
3.18 Cost of injuries					
3.19 Cost per grievance					

Part 4 The human resource system in your organization.

1) Human resource practices in your organization.

Statement	Very Low	Low	Moderate	High	Very High
4.1 Your organization hires new personnel selectively to find the most suitable persons for the organization.					
4.2 Your organization pays employees contingent on organizational performance.					
4.3 Your organization provides extensive training and development for employees.					
4.4 Your organization uses various practices to reduce status distinctions and barriers among employees. (e.g. dress codes, language, office arrangements, and wage).					

2) The alignment between the human resource system and the firm's strategies.

Statement	Very Low	Low	Moderate	High	Very High
4.5 Your organization delivers staffing activities (hiring, promoting, transferring, and firing people) in a way that consistent with the requirement of the firm's strategies.					
4.6 Your organization provides employee training and development that are consistent with the requirement of the firm's strategies.					
4.7 Your organization evaluates employee behaviors based on the targets determined by the firm's strategies.					
4.8 Your organization provides compensation and benefits to employees in a way that supports successful strategy implementation.					
4.9 Your organization designs overall structure and work in a way that supports successful strategy implementation.					
4.10 Your organization has a communication process that facilitates the achievement of the firm's strategies.					

3) The internal alignment of the human resource system (the degree to which the various human resource activities fit together).

Statement	Very Low	Low	Moderate	High	Very High
4.11 Staffing activities in your organizations fit training and development activities.					
4.12 Performance appraisal activities in your organization fit reward systems.					
4.13 Organization structure and work design match organizational communication systems.					
4.14 Performance appraisal and reward system fit training and development activities.					
4.15 Performance appraisal and rewards are consistent with organization and work design.					
4.16 Training and development activities fit organization and work design.					

APPENDIX B

Questionnaire (Thai Version)

แบบสอบถามการวิจัย

เรื่อง “ปัจจัยที่ส่งผลกระทบต่อความมีประสิทธิภาพของการบริหารทรัพยากรมนุษย์เชิงกลยุทธ์
ในอุตสาหกรรมเครื่องนุ่งห่ม และอุตสาหกรรมอิเล็กทรอนิกส์ในประเทศไทย”

คำอธิบาย

การบริหารทรัพยากรมนุษย์เชิงกลยุทธ์ หมายถึง การประยุกต์แนวความคิดการจัดการเชิงกลยุทธ์มาใช้ในการบริหารทรัพยากรมนุษย์ในองค์กร โดยมีจุดมุ่งหมายเพื่อช่วยองค์กร ในการบรรลุวัตถุประสงค์และเป้าหมายของบริษัท

1. คำถามในแบบสอบถามนี้เกี่ยวข้องกับการจัดการทรัพยากรมนุษย์ภายในบริษัทของท่าน
2. แบบสอบถามนี้ประกอบด้วย 6 กลุ่มคำถาม ซึ่งจะใช้เวลาในการตอบคำถามทั้งสิ้น 15-20 นาที กรุณาตอบทุกข้อคำถามโดยทำเครื่องหมาย ✓ ในช่องที่เลือก หรือ กรอกข้อความ หรือ ตัวเลข สำหรับข้อคำถามที่เว้นว่างไว้
3. คำตอบทุกข้อจะถูกเก็บ เป็นความลับ และจะนำไปใช้ในการวิจัยครั้งนี้เท่านั้น เฉพาะผลวิจัยที่แสดงถึงภาพรวมของอุตสาหกรรมเท่านั้นที่จะมีการรายงานต่อไป

ขอขอบพระคุณสำหรับความร่วมมือในการตอบแบบสอบถาม

ส่วนที่ 1 ข้อมูลทั่วไปของผู้ตอบและบริษัท

ข้อมูลทั่วไปเกี่ยวกับผู้ตอบ

1.1 เพศ

ชาย

หญิง

1.2 อายุปี

1.3 การศึกษาสูงสุด

มัธยมศึกษา หรือ ปวช.

ปริญญาโท

ปวส. หรือ อนุปริญญา

ปริญญาเอก

ปริญญาตรี

อื่นๆ (โปรดระบุ).....

1.4 ตำแหน่งงานปัจจุบัน

ประธานบริษัท, เจ้าของกิจการ, หัวหน้าฝ่ายบริหาร, กรรมการผู้จัดการ, ผู้ช่วยกรรมการผู้จัดการ, ผู้จัดการทั่วไป

หัวหน้าฝ่าย, ผู้อำนวยการฝ่าย, ผู้ช่วยผู้อำนวยการฝ่าย, ผู้จัดการฝ่าย

กรรมการฝ่ายทรัพยากรบุคคล, ผู้จัดการฝ่ายทรัพยากรบุคคล, หัวหน้าฝ่ายทรัพยากรบุคคล

อื่นๆ (โปรดระบุ).....

1.5 ท่านเข้าทำงานในบริษัทนี้มาแล้วเป็นเวลา ปี เดือน

ข้อมูลทั่วไปเกี่ยวกับบริษัทของท่าน

1.6 ชนิดของหน่วยงานของท่านตามลักษณะการจดทะเบียน

ห้างหุ้นส่วน

บริษัทจำกัด

บริษัทมหาชน

อื่นๆ (โปรดระบุ).....

1.7 บริษัทตั้งอยู่ในจังหวัด

1.8 บริษัทได้เปิดดำเนินการมาแล้วเป็นเวลา ปี

1.9 บริษัทมีจำนวนพนักงาน รวมทั้งหมด คน

1.10 บริษัทมีจำนวนพนักงานในฝ่ายทรัพยากรมนุษย์ คน

ส่วนที่ 2 การนำแนวคิดเรื่องการบริหารทรัพยากรมนุษย์เชิงกลยุทธ์มาใช้ในบริษัท

ข้อความ	ไม่เคย	น้อย มาก	น้อย	ปาน กลาง	สูง	สูงมาก
2.1 บริษัทของท่านกำหนดคุณลักษณะของผู้จัดการฝ่ายงานต่างๆ ให้เข้ากับแผนกลยุทธ์ทางธุรกิจของบริษัท						
2.2 บริษัทของท่านกำหนดคุณลักษณะของผู้บริหาร ที่จำเป็นในการบริหารบริษัทในระยะยาว						
2.3 บริษัทของท่านมีระบบการให้ผลตอบแทน ที่ผลักดันผู้จัดการฝ่ายงานต่างๆ ในการทำงานเพื่อบรรลุวัตถุประสงค์เชิงกลยุทธ์ของบริษัทในระยะยาว						
2.4 บริษัทของท่านมีรูปแบบการคัดเลือก และจ้างงานเพื่อช่วยนำกลยุทธ์ทางธุรกิจ ไปปฏิบัติให้เกิดผลจริง						
2.5 บริษัทของท่านประเมินผลการปฏิบัติงานพนักงานตามความสามารถในการปฏิบัติงานให้ได้ตามเป้าหมายของบริษัท						
2.6 บริษัทของท่านจัดการฝึกอบรมและพัฒนาพนักงาน เพื่อรองรับการเปลี่ยนแปลงทางกลยุทธ์ของบริษัท						
2.7 ผู้บริหารฝ่ายทรัพยากรมนุษย์มีส่วนร่วมในการกำหนดกลยุทธ์ทางธุรกิจของบริษัท						
2.8 ผู้บริหารฝ่ายทรัพยากรมนุษย์ทำงานร่วมกับผู้บริหารฝ่ายอื่นๆ ในการกำหนดและทบทวนกลยุทธ์การบริหารทรัพยากรมนุษย์						
2.9 บริษัทของท่านมอบหมายความรับผิดชอบในงานบริหารทรัพยากรมนุษย์บางส่วนให้แก่ผู้จัดการ/หัวหน้าฝ่ายต่างๆ						

ส่วนที่ 3 ฝ่ายทรัพยากรมนุษย์ในบริษัทของท่าน

ฝ่ายทรัพยากรมนุษย์ ในการวิจัยนี้ หมายถึง ผู้บริหารฝ่ายทรัพยากรมนุษย์ และ นักบริหารทรัพยากรมนุษย์ทั้งหมดในฝ่าย

1) ความสามารถทางวิชาชีพด้านการบริหารทรัพยากรมนุษย์ ของผู้บริหารฝ่ายทรัพยากรมนุษย์ และนักบริหารทรัพยากรมนุษย์ ในบริษัทของท่าน

ข้อความ	น้อย มาก	น้อย	ปาน กลาง	สูง	สูงมาก
3.1 ฝ่ายทรัพยากรมนุษย์มีความสามารถในการกำหนดกลยุทธ์การบริหารทรัพยากรมนุษย์ ที่เชื่อมโยงวัฒนธรรมองค์การเข้ากับกลยุทธ์ทางธุรกิจ					
3.2 ฝ่ายทรัพยากรมนุษย์มีความสามารถในการใช้โครงการ/แผนงานขนาดใหญ่เพื่อสร้างความเปลี่ยนแปลงให้เกิดขึ้นภายในบริษัท					
3.3 ฝ่ายทรัพยากรมนุษย์มีความสามารถในการช่วยตัดสินใจทางด้านธุรกิจ					
3.4 ฝ่ายทรัพยากรมนุษย์มีความรู้เกี่ยวกับห่วงโซ่คุณค่าทางธุรกิจของบริษัท (value chain) และองค์ประกอบ					

ข้อความ	น้อย มาก	น้อย	ปาน กลาง	สูง	สูงมาก
3.5 ฝ่ายทรัพยากรมนุษย์สามารถปฏิบัติงานได้อย่างถูกต้อง					
3.6 ฝ่ายทรัพยากรมนุษย์มีความสามารถในการสร้างความสัมพันธ์ที่ดีกับพนักงานในฝ่ายต่างๆ โดยตั้งอยู่บนพื้นฐานของความเคารพนับถือ และความไว้วางใจ					
3.7 ฝ่ายทรัพยากรมนุษย์มีความสามารถในการสื่อสาร ทั้งการเขียน และการพูด อย่างมีประสิทธิภาพ					
3.8 ฝ่ายทรัพยากรมนุษย์มีความสามารถในการออกแบบและจัดกิจกรรมเกี่ยวกับการว่าจ้าง การเลื่อนขั้น การโอนย้าย และการเลิกจ้างพนักงาน					
3.9 ฝ่ายทรัพยากรมนุษย์มีความสามารถในการออกแบบและจัดกิจกรรม ด้านการฝึกอบรมและพัฒนาพนักงาน การเรียนรู้ในองค์กร และการพัฒนาองค์กร					
3.10 ฝ่ายทรัพยากรมนุษย์มีความสามารถในการออกแบบและจัดระบบการวัดผลงาน และการให้รางวัลที่เป็นการกระตุ้นผลการปฏิบัติงานที่ดียิ่งขึ้น					
3.11 ฝ่ายทรัพยากรมนุษย์มีความสามารถในการออกแบบโครงสร้างองค์กร และ กระบวนการทำงาน					
3.12 ฝ่ายทรัพยากรมนุษย์มีความสามารถในการใช้การวัดผล เพื่อวัดคุณค่าของการบริหารทรัพยากรมนุษย์ที่มีต่อบริษัท					
3.13 ฝ่ายทรัพยากรมนุษย์มีความสามารถในการประยุกต์ใช้ระบบเทคโนโลยีสารสนเทศในงานบริหารทรัพยากรมนุษย์					

2) ประสิทธิภาพของฝ่ายทรัพยากรมนุษย์

ข้อความ	ต่ำ มาก	ต่ำ	ปาน กลาง	สูง	สูงมาก
3.14 ค่าใช้จ่ายทั้งหมดที่เกิดจากการว่าจ้างต่อคน (cost per hire)					
3.15 ค่าใช้จ่ายในการฝึกอบรมต่อชั่วโมง (cost per trainee hour)					
3.16 อัตราการประเมินผลการปฏิบัติงานที่สำเร็จตรงเวลา					
3.17 ต้นทุนแรงงานต่อรายได้ของบริษัท (labor cost per revenue)					
3.18 ค่าใช้จ่ายที่เกิดจากการขาดเจ็บอันเกิดจากการทำงาน					
3.19 ค่าใช้จ่ายทั้งหมดที่เกิดจากการร้องทุกข์ของพนักงานต่อครั้ง					

ส่วนที่ 4 ระบบการบริหารทรัพยากรมนุษย์ในบริษัทของท่าน

1) การบริหารทรัพยากรมนุษย์ในบริษัทของท่าน

ข้อความ	น้อย มาก	น้อย	ปาน กลาง	สูง	สูงมาก
4.1 ในการว่าจ้างพนักงานใหม่ บริษัทของท่านคัดเลือกพนักงานอย่างพิถีพิถัน เพื่อให้ได้บุคลากรที่มีความเหมาะสมที่สุด					
4.2 บริษัทของท่านจ่ายผลตอบแทนพนักงานตามผลประกอบการของบริษัท					
4.3 บริษัทของท่านจัดให้มีการฝึกอบรมและพัฒนาพนักงานอย่างทั่วถึง และครอบคลุมหลากหลายด้าน					
4.4 บริษัทของท่านใช้วิธีปฏิบัติที่หลากหลาย ในการลดความแตกต่างทางสถานภาพของพนักงาน (เช่น มีระเบียบการแต่งกาย การใช้ภาษา การจัดสำนักงาน หรือ ค่าจ้าง)					

2) ความสอดคล้องระหว่างระบบการบริหารทรัพยากรมนุษย์ และกลยุทธ์ทางธุรกิจของบริษัท

ข้อความ	น้อย มาก	น้อย	ปาน กลาง	สูง	สูงมาก
4.5 การสรรหาและว่าจ้างพนักงาน สอดคล้องกับความต้องการของกลยุทธ์ทางธุรกิจของบริษัท					
4.6 การฝึกอบรมและพัฒนาพนักงาน สอดคล้องกับความต้องการของกลยุทธ์ทางธุรกิจของบริษัท					
4.7 การประเมินผลการปฏิบัติงานพนักงานเป็นไปตามเป้าหมายที่ถูกกำหนดโดยกลยุทธ์ทางธุรกิจของบริษัท					
4.8 การจ่ายค่าตอบแทน และผลประโยชน์แก่พนักงาน มีความเหมาะสมกับการนำกลยุทธ์ไปปฏิบัติให้เกิดผลจริง					
4.9 การออกแบบโครงสร้างองค์กรและการออกแบบงาน มีส่วนช่วยให้การนำกลยุทธ์ทางธุรกิจของบริษัทไปปฏิบัติให้เกิดผลจริง					
4.10 การสื่อสารภายในบริษัท มีความเหมาะสมต่อการนำกลยุทธ์ทางธุรกิจของบริษัทไปปฏิบัติให้เกิดผลจริง					

3) ความสอดคล้องภายในระบบการบริหารทรัพยากรมนุษย์

ข้อความ	น้อย มาก	น้อย	ปาน กลาง	สูง	สูงมาก
4.11 การสรรหาว่าจ้างพนักงาน เป็นไปในทิศทางเดียวกับกับการฝึกอบรมและพัฒนาพนักงาน					
4.12 การประเมินผลการปฏิบัติงาน สอดคล้องกับ ระบบการให้รางวัล					

Appendix C

Testimonials and Letters of Approval

No. 0526.02/ 408



School of Public Administration
National Institute of Development
Administration
Bangkapi, Bangkok 10240
Tel./Fax (662) 374-4977

June 6 , 2008

Dear

I am writing this letter to ask for your permission for Ms. Jitlada Amornwatana, a Ph.D. Program (International) Class 10, School of Public Administration, NIDA, to gather research data from your organization.

Ms. Jitlada is currently working on a doctoral dissertation "**Determinants of Strategic Human Resource Management Effectiveness of Companies in the Garment and Electronic Industries in Thailand**". The research examines the attributions of strategic human resource management to the success of firm's performance. Your organization has been considered a sample population of this study, in which your information would provide significant insights and academic contributions to the completion of this research.

I would appreciate it if you could Ms. Jitlada in answering the questionnaires and, in some cases, allow her at your convenience to interview you. Your information will be processed with strict confidentiality and only aggregate results will be reported.

Should you need additional information or clarification, please contact Ms. Jitlada at 08-1697-8951.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tippawan' followed by a stylized flourish.

Tippawan Lorsuwannarat, Ph.D.
Associate Dean for Academic Affairs
School of Public Administration
National Institute of Development Administration



ที่ ศร 0526.02/ 40๗

คณะรัฐประศาสนศาสตร์
สถาบันบัณฑิตพัฒนบริหารศาสตร์
คลองจั่น บางกะปิ กทม. 10240

๖ มิถุนายน 2551

เรื่อง ขอความอนุเคราะห์ข้อมูลและสัมภาษณ์เพื่อประกอบการทำวิทยานิพนธ์
เรียน

ด้วย นางสาวจิตรลดา อมรวัฒนา นักศึกษาหลักสูตรปริญญาตรีบัณฑิต (การบริหารการ
พัฒนา) หลักสูตรนานาชาติ คณะรัฐประศาสนศาสตร์ สถาบันบัณฑิตพัฒนบริหารศาสตร์ ได้รับอนุมัติให้ทำ
วิทยานิพนธ์เรื่อง "Determinants of Strategic Human Resource management Effectiveness of
Companies in the Garment and Electronic Industries in Thailand" (ปัจจัยที่มีผลต่อความมีประสิทธิภาพของ
การบริหารทรัพยากรมนุษย์เชิงกลยุทธ์ ของบริษัทในอุตสาหกรรมเครื่องนุ่งห่ม และอุตสาหกรรมอิเล็กทรอนิกส์ใน
ประเทศไทย) โดยนักศึกษามีความจำเป็นอย่างยิ่งที่จะต้องรวบรวมข้อมูลและสัมภาษณ์จากหน่วยงานของท่าน
เพื่อประกอบการทำวิทยานิพนธ์ให้สมบูรณ์ยิ่งขึ้น

คณะรัฐประศาสนศาสตร์ พิจารณาแล้วเห็นว่าหน่วยงานของท่านมีความเกี่ยวข้องกับหัวข้อ
วิทยานิพนธ์ดังกล่าว อันจะเป็นประโยชน์อย่างยิ่งต่อการดำเนินการศึกษาค้นคว้าครั้งนี้ จึงเรียนมาเพื่อขอความอนุเคราะห์
จากท่านในการให้ข้อมูลและให้นักศึกษาสัมภาษณ์เพื่อประกอบการทำวิทยานิพนธ์ โดยข้อมูลที่รวบรวมได้จะเก็บ
ไว้เป็นความลับและนำไปวิเคราะห์เพื่อประโยชน์ทางวิชาการโดยตรงเท่านั้น อนึ่ง หากท่านมีความประสงค์จะ
ติดต่อกับนักศึกษา ขอความกรุณาติดต่อกับนักศึกษาโดยตรงได้ที่หมายเลขโทรศัพท์ 08-1697-8951

คณะรัฐประศาสนศาสตร์ หวังเป็นอย่างยิ่งว่า คงจะได้รับความอนุเคราะห์จากท่านเป็นอย่างดี
จึงขอขอบคุณล่วงหน้ามา ณ โอกาสนี้

ขอแสดงความนับถือ

รองศาสตราจารย์

(ทิพวรรณ หล่อสุวรรณรัตน์)

รองคณบดีฝ่ายวิชาการคณะรัฐประศาสนศาสตร์

หลักสูตรปริญญาเอก นานาชาติ

โทรศัพท์ / โทรสาร 0-2374-4977

~~June 5, 2008~~

Jitlada Amornwatana
School of Public Administration
The National Institute of Development Administration
Bangkok, Thailand

Sub: **Inquiry of data collection for a doctoral dissertation**

Dear Sir/Madam,

I am currently a doctoral candidate of the Doctoral Program in Development Administration, School of Public Administration, the National Institute of Development Administration (NIDA). Now I am conducting a dissertation—**“Determinants of Strategic Human Resource Management Effectiveness of Companies in the Garment and Electronics industries in Thailand.”** This study attempts to explain factors preceding strategic human resource management effectiveness in both industries as a means to increase the level of firm’s competitiveness. Eventually, the contribution of this study will benefit the academic development in the field of human resource management.

Since you are the top level management, involving directly and indirectly in managing human resources, your experience will give valuable insights to the questions raised in this study. Therefore, I would appreciate it if you could respond to this questionnaire, which consumes about 20 minutes of your time. After all the questions are completely answered, please send it back by mail in an attached postage paid envelope.

Please be assured that your information will be treated in high confidentiality. Only aggregate results will be reported.

Your contribution is greatly important to the success of this study. I would like to thank you in advance for your participation. If you have any questions, please do not hesitate to contact me at 08-1697-8951 or Jitlada0474@yahoo.com.

Sincerely Yours,

Jitlada Amornwatana
Doctoral Student

5 มิถุนายน 2551

เรื่อง ขอความอนุเคราะห์ตอบแบบสอบถาม
เรียน

ด้วยข้าพเจ้า นางสาว จิตรลดา อมรวัฒนา นักศึกษาปริญญาเอก หลักสูตรการบริหารการพัฒนา คณะรัฐประศาสนศาสตร์ สถาบันบัณฑิตพัฒนบริหารศาสตร์ (นิด้า) กำลังดำเนินการศึกษาวิจัยเรื่อง “ปัจจัยที่มีผลต่อความมีประสิทธิภาพของการบริหารทรัพยากรมนุษย์เชิงกลยุทธ์ ของบริษัทในอุตสาหกรรมเครื่องนุ่งห่ม และอุตสาหกรรมอิเล็กทรอนิกส์ในประเทศไทย” (Determinants of Strategic Human Resource Management Effectiveness of Companies in the Garment and Electronics industries in Thailand) ซึ่งผลการศึกษาครั้งนี้จะมีส่วนช่วยในการเพิ่มระดับของความสามารถในการแข่งขันของบริษัทในอุตสาหกรรมเครื่องนุ่งห่ม และอุตสาหกรรมอิเล็กทรอนิกส์ และจะเป็นประโยชน์ต่อการพัฒนางานวิชาการด้านการบริหารทรัพยากรมนุษย์ต่อไป

ในฐานะที่ท่านเป็นผู้บริหารระดับสูงในองค์กรท่านหนึ่ง ซึ่งมีความเกี่ยวข้องกับการบริหารทรัพยากรมนุษย์ ประสบการณ์และความคิดเห็นของท่านมีคุณค่าเป็นอย่างยิ่งต่อการวิจัยครั้งนี้ จึงเรียนมาเพื่อขอความอนุเคราะห์จากท่านได้กรุณาเสียสละเวลาอันมีค่าตอบแบบสอบถามชุดนี้ ซึ่งจะใช้เวลาไม่เกิน 20 นาที และกรุณาส่งแบบสอบถามชุดนี้กลับทางไปรษณีย์ โดยใช้ซองจดหมายที่แนบมาให้ ทั้งนี้ ข้อมูลของท่านจะถูกปกปิดเป็นความลับ และจะนำไปใช้เพื่อการวิเคราะห์โดยรวมในการศึกษาครั้งนี้เท่านั้น

จึงเรียนมาเพื่อขอความอนุเคราะห์จากท่าน ได้โปรดพิจารณาตอบแบบสอบถามฉบับนี้อย่างครบถ้วน จักเป็นพระคุณยิ่ง หากท่านมีข้อสงสัยประการใด กรุณาติดต่อผู้วิจัย ทางโทรศัพท์หมายเลข 08-1697-8951 หรือ อีเมล Jitlada0474@yahoo.com

ขอแสดงความนับถืออย่างสูง

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BIOGRAPHY

NAME	Ms.Jitlada Amornwatana
ACADEMIC BACKGROUND	Master of Science in Administrative Studies Major: Organizational Policy Boston University, MA. USA. (1997-1999) Bachelor of Laws Thammasat University (1993-1996)
EXPERIENCE	Assistant Manager Human Resources Department, KGI Securities (Thailand) Public Company Limited. (1999-2001)