



THE EFFECTS OF LINKAGE BETWEEN PERCEIVED BUSINESS AND  
HUMAN RESOURCE MANAGEMENT STRATEGIES IN  
JAPANESE MULTINATIONAL CORPORATIONS OPERATING IN  
AMATA INDUSTRIAL ESTATE IN THAILAND

By

SUYUE JIANG

A Thesis submitted in partial fulfillment  
of the requirement for the degree of

Master of Business Administration

Graduate School of Business  
Assumption University  
Bangkok, Thailand

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**Examination Committee :**

1. Dr. Patricia Arttachariya (Advisor)
2. Dr. Navin Mathur (Member)
3. Dr. Ismail Ali Siad (Member)
4. Dr. Theerachote Pongtaveewould (Member)
5. Dr. Panarat Panmanee (MOE Representative)

*[Signatures and stamps of the Examination Committee members]*

**Examined on : 23 November 2004**

**Approved for Graduation on :**

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Assumption University  
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2004



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## **ABSTRACT**

Amata Industrial Estate is Thailand's biggest and most successful developer and manager of industrial estates. It hosts more than 400 multinational firms, many of which are Japanese subsidiaries.

This study examined the linkages between business strategy and human resource management (HRM) strategy in Japanese multinational corporations in Amata Industrial Estate. A total of 160 respondents with employees ranging from 100 to 600 operating in Amata Industrial Estate were chosen as the sample for this study.

The findings showed that 73 firms adopted the Analyzer strategy, and 66 firms adopted the Defender business strategies. Only 21 of the 160 firms sampled, employed a Prospector strategy. Firms were also bunched in terms of HRM strategies, with 131 (81.9%) adopting either Accumulator or Facilitator strategies. A total of 77 (48%) of 160 firms had business and HRM strategy matches, which the literature has proposed would lead to higher HRM performance. There were 8 firms which adopted a Prospector-Utilizer match, 32 firms which adopted an Analyzer-Facilitator match, and the remaining 37 firms which was also the largest number of firms in the sample, which used a Defender-Accumulator strategies match. The results of the hypotheses test revealed that corporations with matched strategies did perform better than mismatched ones in terms of human resource (HR) related outcomes, such as, employee morale, length of tenure, the rates of turnover, and promotion opportunities. The study ended with recommendations for further research.

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# CHAPTER 1

## INTRODUCTION

### 1.1 Background of the study

The world of organizations is finally coming around to the notion that the people who do the real, regular work are pretty important to the overall success of the enterprise, and none too soon. Therefore, many organizations believe that human capital will be the most important basis for competitive advantage and the department that is going to be most responsible for creating competitive advantage will be Human Resources (HRM) (McMahon, 2001). Therefore, with intensifying competition, increasing customer expectations, and declining resources, human resources management strategies are critically important to organizational success in today's highly changed competitive environment.

Since the 1980s, human resource management strategy (HRMS) has become an increasingly important topic for research (Lengnick-Hall & Lengnick-Hall, 1988; Terpstra & Rozell, 1993; Wright et al., 1998). HRM strategy has achieved its prominence because it provides a means by which business firms can enhance their competitiveness and promote managerial efficiency (Dyer, 1983; Smith-Cook and Ferris, 1986; Wright et al., 1998). By effectively managing their human resources, firms nurture the type of employee behavior that is essential to the success of their competitive strategy (Dowling and Schuler, 1990; Grundy, 1998; Schuler, 1987; Schuler and Jackson, 1987a). Otherwise stated, HRM strategy facilitates the development of a work force that meets the requirements of business competitive strategy, so that organizational goals and missions will be achieved (Collins, 1988; Guest, 1987). Succinctly, Legge (1995) cites Guest (1987) in identifying three aspects

of strategic integration and one of them is the integration or “fit” of human resources policies with business strategy.

Nevertheless, Schlesinger (1983) notes that despite the enthusiasm about HRM'S potential contribution to organizational performance expressed in the academic and popular press, and the centrality of the HRM performance linkage in emerging models of strategic human resource management (SHRM), there is little clear empirical evidence of a positive relationship between HRM practices and organizational performance or effectiveness and even less research examining the mechanics of this linkage. Moreover, if we evaluate the relevant literature referring to the investigation of the relationship between business strategy, HRM and business performance, it is still quite difficult to come up with an ‘overall’ conclusion on the balance of the evidence so far, between the universal, contingency and configurational hypotheses. This is because any such conclusion would be premature because of conflicting research results but, more importantly, because the debate is still in its infancy (Legge, 1995).

Thus, there is the need to conduct empirical tests on all three fronts – the nature of HRM, the nature of outcomes and the nature of linkages and there is the need to ensure that the research is not confined mainly to USA and the UK (Guest, 1987).

Located amidst a booming region, Thailand boasts one of the fastest growing economies in Southeast Asia and it hopes to maintain this phase in the twenty-first century (Human Resource Issues in Thailand, 1996). Although human resources development has been a buzzword for years among Thai firms seeking to become more efficient, the actuality is that there are few companies which have been implementing the principles properly. Many companies continue to ignore the human

component of their operations, paying attention only to technology and machinery development in the hope of gaining an edge on the competition (Treerapongpichit & Wiriyapong, 2004). According to a survey by Watson Wyatt, one of the world's top five human resource consultancies, Thai companies are among the worst performers in the Asia-Pacific region for investing in human resource technologies (Parnsoonthorn, 2002). Most Thai firms have assigned their HR departments to look after only the well-being of staff and they should change this concept as superior human capital management is one key to business success and can substantially increase shareholder value in the long term.

Foreign direct investment (FDI) showed strong growth in 2003, as foreign companies chose Thailand both for its robust economic expansion and its renewed advantages as a base for export production. The Board of Investment (BOI) reports that applications for investment rose 20% in value terms from 2002, and 72% from 2001, to reach 319 billion baht in 2003 (BOI, 2003).

The focus on exports was unmistakable. From BOI's total of 1029 cases, some 371 projects planned on exporting 80% or more of their production. Another 218 projects exported 30% to 79% of their output. Projects were concentrated in electronics and electrical appliances; auto and machinery; chemicals, plastics and paper; as well as services and agro-industry. In value terms, most investment was directed toward exports. Among all projects, Japan led with 336 project applications, followed by 98 from the European Union, Taiwan with 69 and the United States with 60 projects (BOI, 2003).



## **Amata Corporation PCL.**

“We plan for all our industrial estates to become complete communities, attracting business, people and nature to thrive together.”

----- Vikrom Kromadit,  
CEO, Amata Corp. PCL.

As Thailand's leading developer and manager of industrial estates, Amata corporation PCL., hosts more than 310 multinational firms, providing them with power, water, waste treatment, broadband multimedia internet and other services. Amata operates two growing Thai estates, both in the booming Eastern seaboard region, now the nation's preferred center for manufacturing:

- Amata Nakorn, Chonburi is the biggest estate, with 1420 hectares and over 260 multinational clients. Located in Chonburi province, the estate is just 57 km from Bangkok, and 42 km from the city's new Suvarnabhumi International Airport opening in 2005.
- Amata City, Rayong has 720 hectares and more than 50 international clients. Its location in Rayong province is just 27 km from expanding deep-sea port at Laem Chabang and 99 km from Suvarnabhumi International Airport, opening next year.

Amata was established in 1989 and listed on the Stock Exchange of Thailand (SET) in 1997. Global clients include such names as BMW, Daikin, Sony Mobile, Pepsi-Cola, Bridgestone, Toyota, Colgate Palmolive, Kao, Mitsubishi Electric, Hino Motors and many more. Amata also hosts dozens of the most dynamic Thai manufactures. Beyond land sales, Amata is increasing its revenues from utilities and services, a business it expects will contribute 50% of sales in 2007. Amata is benefiting from Thailand's success in becoming Southeast Asia's preferred destination

for multinational investment and a growing hub for export manufacturing.

Amata is a Thailand's market leader, accounting for some 40% of all industrial estate land sold in Thailand in 2003. Total revenues were 2.973 billion baht, up 30% from total revenue of 2.293 billion baht in 2002. Operating profits surged 44%, reaching 926 million baht in 2003, compared to 645 million baht the year before. Net profit was 812 million baht, down from 875 million baht the previous year, due to a one-time restructuring gain of 300 million baht in 2002. Earnings per share were 0.76 baht in 2003, compared to 0.53 baht one year earlier excluding the exceptional gain (The Amata Times, 2004).



Figure 1.1 Project List: Amata Industrial Estate Data

Description	Amata Nakorn, Thailand	Amata City, Thailand	Amata Bien Hoa, Vietnam
Establishment	1989	1995	1994
1) Total area (rai)	8,845	5,487	700
Total land sold up to December 31, 2002	4,883.71	1,039.02	Phase 1= 129 ha
Total land sold up to May 2, 2003	5,193.92	1,135.80	88,93 ha
2) Area (rai) promoted by BOI	6,774	4,753	Amata Corp. PCL (70%); Sonadezi (30%)
3) No. of factories up to May 2, 2003	248	58	46
- In operation	188	41	Land Lease 30
- under construction	16	6	Factory Lease 6
- not yet start construction	34	11	Office Lease 3
% Japanese	64.11	36.21	34.8
% American	2.82	6.80	76.5
% Europe	7.26	22.41	8.7
% Taiwan	4.84	1.72	21.7
% Thai	13.71	18.97	10.9
% Asia	7.26	13.79	13.0
% Automotive Parts	39	30	
% Electronics and related Products	21	18	
% Consumer Products	10	8	
4) No. of population	70,000	7,000	over 4,000
5) Register Capital/Million Baht	35,397	456	
6) Total Investment/Million	Baht 127,645	Baht 19,742	USD 96,6
7) Turnover/Million	Baht 112,427	Baht 356	USD 306

\*: 1 Rai = 0.4 acres, 1 Rai = 1,600 m<sup>2</sup>

Source: <http://www.amata.com/estate/project.aspx>, 2003.

## **Rationale for this study**

Before developing a linkage between business strategy and HRM practices, there should be a rationale for that linkage. This rationale gives us a basis for predicting, studying, refining, and modifying both strategy and practices in specific circumstances.

Consistent with previous research, the rationale developed argues that HRM strategy must be combined with specific business competitive strategy if they are to enhance organizational performance. The concept of “fit” refers mainly to the close linkage of HRM strategy and business strategy in ways that will help retain and motivate employees. It means on the one hand, the selection and mix of human resource practices are that firms achieve a tighter fit between environmental constraints. And on the other hand, firms achieving a tighter fit between environmental constraints, strategy and HRM actions will perform better than those that do not (Delery & Doty, 1996). Thus, the importance of employee roles and their potential dysfunction in organizations, particularly role conflict and ambiguity, is well documented (Schuler & Jackson, 1987).

### **1.2 Objectives of the study**

This study examined whether business strategy and human resource management strategy have interactive effects on one perceived parameter of organizational performance, HRM related outcomes. Otherwise stated, this study assumes that the perceived HRM outcome of firms that achieve strategic linkage between business strategy and human resource management strategy is better than that of firms that do not achieve such linkage. The objectives of the study were as follows:



- To determine the appropriate combinations of HRM strategy and business strategy
- To measure the perceived organization's HR-related outcomes.
- To test whether a company which has an appropriate match of business and HRM strategies will outperform those that do not, in terms of HR-related outcomes.
- To give some valuable suggestions and recommendations to both Japanese multinational companies and local Thai companies in Thailand, based on the findings of this study.

### 1.3 **Statement of the problem**

Japanese management practices have received considerable attention and recognition over the past fifteen years as Westerners have searched for the key to Japan's meteoric economic success. This attention has shifted in the last few years from what the Japanese are doing at home to what they are doing overseas. This attention is due, in part, to the level of overseas investment by Japanese firms, and Thailand is one of the major countries attracting Japanese investments.

This study examined the linkages between business strategy and HRM strategy in subsidiaries of Japanese multinational corporations (MNC) in Thailand.

The study investigated the following questions:

- ◆ Whether the Japanese multinational corporations use appropriate match between business and HRM strategies or not?
- ◆ Whether the companies with ideal match between business and HRM strategies will have higher HRM performance than those with mismatch?

#### **1.4 Scope of the study**

This research surveys only those Japanese multinational corporations which are located in Amata Industrial Estate, Thailand.

#### **1.5 Limitations of the study**

- Because of limitations of time and space, this study has excluded the discussion of all determining factors underlying the adoption of HRM strategies.
- This study only discussed the appropriate matches between HRM strategy and business strategy.
- The measurement of perceived HRM outcome is based on subjective responses (Dess and Robinson, 1980).

#### **1.6 Significance of the study**

The introduction of the study illustrates the importance and advantages of selecting HRM strategy with business strategy in today's rapidly changing and challenging business environment. The findings on appropriate mix between business and HR strategies might offer important recommendations for other companies, specially, for those Thai companies in which HR does not play a strategic role. This study can help such companies in clearing identifying the HR role and thus help improve overall organizational performance among the companies in Thailand. Moreover, The findings of the study can be used as a guide/reference for further study in this or other related topics.

### **1.7 Definition of terms**

***Accumulation:*** The strategy based on building maximum involvement and skilled execution (Bird & Beechler, 1995).

***Analyzer:*** Analyzer organizations wait for others to innovate, and reduce their risks by only entering new markets when they have been proved to be profitable (Miles & Snows, 1978).

***Business Strategy:*** A set of managerial decisions and actions that determines the long-run performance of a firm (Wheelen/Hunger, 1991).

***Competitive strategy:*** Which is implying a series of systematic and related decision that give a business a competitive advantage relative to other business (Schuler & Jackson, 1987).

***Defender:*** Defender organizations produce products or services for a small niche market which they defend by pricing policies or by the quality of their products (Miles & Snow, 1978).

***Employee morale:*** An attitude of satisfaction with a desire to continue in a willingness to strive for the goods of a particular group or organization, which is a group phenomenon (Charles, 1981).

***Facilitation:*** The strategy based on new knowledge and new knowledge creation (Bird & Beechler, 1995).

**Human Resource Management Strategy:** HRM strategy systematically coordinates all individual HRM measures and implements them so as to directly influence employee attitude and behavior in a way helps a business to achieve its competitive strategy (Dowling and Schuler, 1990).

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**Manager promotion:** It means the opportunity for promotion, jobs which hold potential for continued growth, development and advancement (Burt & Bernard, 1979).

**Manager tenure:** It is a period of time for a manager holding a position (Cenzo & Robbins, 1994).

**Manager training:** A learning experience in that it seeks a relatively permanent change in an individual that will improve his or her ability to perform on the job (Cenzo & Robbins, 1994).

**Manager turnover:** The ratio of the number of managers that have to be replaced in a given time period to the average number of managers (Cenzo & Robbins, 1994).

**Match/Mismatch:** It means whether or not there is a fit between a company's business strategy and its HRM strategy (Huang, 2001).

**Perception:** It can be defined as a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment (Robbins, 2001)



**Prospector:** Prospector organizations use innovation strategies, moving quickly into new markets and moving out of such markets when others are able to compete equally (Miles & Snows, 1978).

**Utilization:** The strategy based on minimal commitment and high skill utilization (Bird & Beechler, 1995).



## **CHAPTER 2**

### **LITERATURE REVIEW**

This chapter is divided into several areas: business strategy, human resource management strategy, the relationship between business and human resource management strategies, the measurement of human resource management outcomes and the background of Japanese multinational corporations in Thailand.

#### **2.1 Business Strategy**

A business strategy, sometimes termed a competitive strategy or simply a strategy (Aaker, 1992), becomes a crucial component of firms or business units since competition today is greater than ever before (Porter, 1985). Business strategy may be seen as the search for a favorable competitive position in an industry, and aims to establish a profitable and sustaining position against the forces that decide industry competition.

##### *2.1.1 The theoretical background of two theoretical business strategy typologies:*

Numerous academics have proposed taxonomies of business strategies. However, Timperley and Sisson (1994) observe that the majority of theorists draw on Miles and Snow's typology (defender, prospector, analyzer and reactor) or on Porter's distinction between innovation, quality-enhancement and cost-reduction strategies.

Based on the organization's orientation toward product-market development Miles and Snow (1978) proposed four strategic types: Defenders, Prospectors, Analyzers and Reactors. The first three enjoy similar degrees of success, while the last is a strategic failure. Also, Porter (1980) suggests that in any industry there are

three potentially successful generic competitive strategies: Overall Cost Leadership, Differentiation and Focus.

Govindarajan (1986) pointed out that the two typologies use different criteria to classify business-level strategies. Miles and Snow's typology focused on industries with more competitors and Porter's typology focused mainly on more concentrated industries with larger business units (Segev, 1989). So there is no isomorphism between the two typologies that has been suggested, both being separately acknowledged as useful for research (Dess & Davis, 1984; Hambrick, 1983). Since no comparative analysis of the two typologies has even been performed, and usually only one typology is used in any given study, the results of studies in which one typology was used have no bearing on those in which the other typology was used (Govindarajan, 1986). For example, Adam (1983) suggested using Miles and Snow's typology for grouping manufacturing and service strategies.

#### *2.1.2 Miles and Snow's business strategy theory----Defenders, Prospectors and Analyzers*

Consistent with previous studies in this area (Miles & Snow, 1984; Olian & Rynes, 1984; Sonnenfeld & Peiperl, 1988), this study adopts Miles and Snow's (1984) typology of: Defenders, Analyzers, and Prospectors strategies.

Delery & Doty (1996) interpreted Miles and Snow's three business strategy types into a simple explanation, which are firms that are highly innovative are considered Prospectors; firms that are moderately innovative are considered Analyzers; and firms that do not rely on innovation are considered Defenders. Thus, the strategic positioning of all firms can be characterized by a single contingency variable: innovation.

- Defenders

Defender organizations produce products or services for a small niche market which they defend by pricing policies or by the quality of their products. The detailed characteristics and both strength and weakness of Defenders are summarized in Figure 2.1.

- Prospectors

Prospector organizations use innovation strategies, moving quickly into new markets and moving out of such markets when others are able to compete equally. Flexibility and decentralization are characteristics of this organization type. The significant characteristics and major strengths and weakness are listed in Figure 2.1.

- Analyzers

Analyzer organizations wait for others to innovate, and reduce their risks by only entering new markets when they have been proved to be profitable. Large and small organizations follow this approach, but emphasize efficiency and stability, with mass production and separate, more responsive departments such as marketing, or sub-units with high degrees of flexibility and responsiveness. The analyzer's salient characteristics and its major strengths and weaknesses are summarized in Figure 2.1.



Figure 2.1 Miles and Snow's business strategy typology

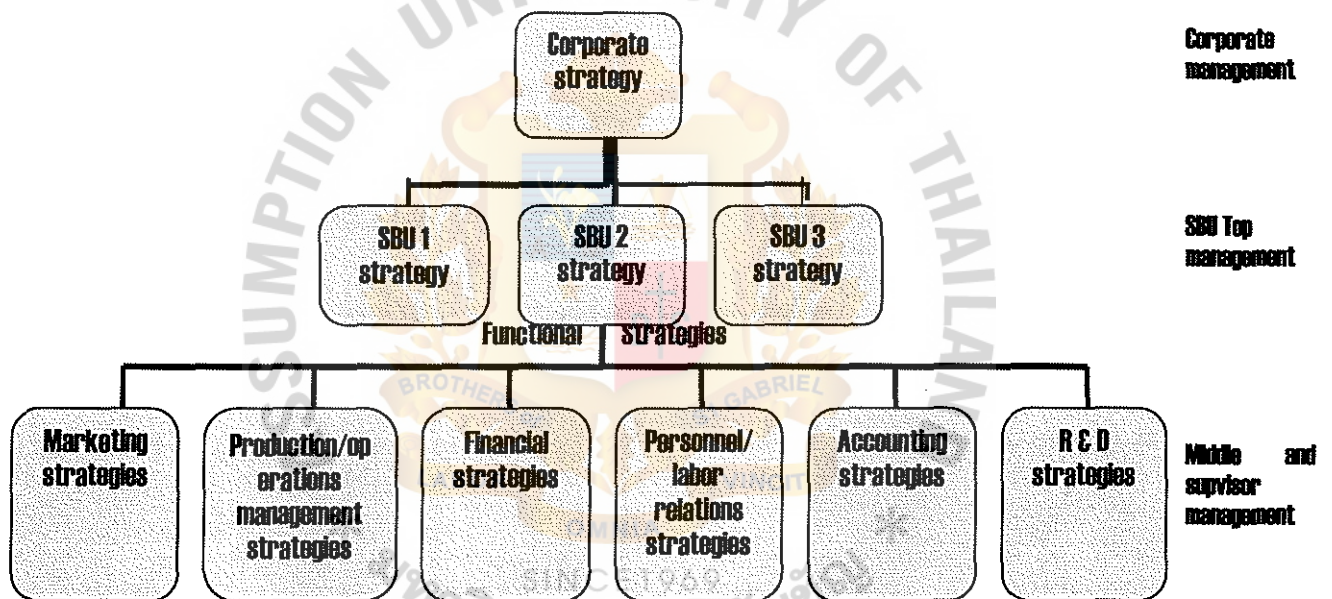
Defender	Prospectors	Analyzers
<ul style="list-style-type: none"> <li>Major concern is to seal off a portion of the total market to create a stable set of products and customers</li> <li>Success depends on ability to maintain aggressive prominence in chosen markets, and to ignore developments outside this domain.</li> <li>Growth is by cautious, incremental penetration deeper into current markets.</li> </ul> <p><i>Strength:</i> Invulnerable to being dislodged by competitors.</p> <p><i>Weakness:</i> Vulnerable to major shifts in overall market demand.</p>	<ul style="list-style-type: none"> <li>Major concern is to locate and exploit new product and market opportunities in abroad and continually developing domain.</li> <li>Success depends on capacity to monitor a wide range of environmental circumstances and to create change within the industry.</li> <li>Growth is by location of new markets and development of new products.</li> </ul> <p><i>Strength:</i> Well-protected against environmental changes.</p> <p><i>Weakness:</i> Risk of low profits and overextended resources.</p>	<ul style="list-style-type: none"> <li>Major concern is to locate and exploit new product and market opportunities while still maintaining an stable product and customer base.</li> <li>Success depends on extensive use of methods of marketing surveillance.</li> <li>Growth is through penetration of existing markets and through product and market development.</li> </ul> <p><i>Strength:</i> Low risk because of minimal research and development investment and imitation of products with demonstrated success.</p> <p><i>Weakness:</i> Difficulty of maintaining optimal balance between flexibility and stability.</p>

Sauce: Raymond E. Miles and Charles C. Snow (1978), Organization Strategy, Structure and Process. New York, McGraw Hill.

These typologies of the business strategies are classified by the point of relationships among strategy, technology, structure and process in an organization which integrate wholes in dynamic interaction with its environments. However, any typology is unlikely to include every form of organizational behavior – the world of organizations is much too changeable and complex to permit such an assertion. According to Jrlinek et. al. research (1981), every organization appears to fit mainly into one of the three categories, and those organizations' be havior can be generally predictable given its typological classification.

Implementation of a business strategy necessitates breaking it down into smaller, manageable components. This process of decomposition occurs as the various functional or divisional units within the organization develop responses specific to their activities. Functional units within an organization establish underlay strategies which provide a foundation that helps to guide them in the development and implementation of policy (Beechler, Bird & Raghuram, 1993).

Figure 2.2 The relationship between business strategy and functional departments



Source: Glueck (1980), Strategic Management and Business Policy. New York:

Mc Grow-Hill

Although the model recognizes relationships between organization-level business strategy and various functional strategies, the focus of this study is solely upon the human resource management function. In another words, the interest is specifically on the relationship between business strategy, HRM strategy, and employee performance.

## **2.2 Human resource management strategy (Strategic human resource management — SHRM)**

Although the linkages in the model could be applied to any and all of the functional wares within a firm, this study focuses only on the HRM function.

Ackermann (1986) concludes HRM strategy is dominated by the business strategy which fit specific environments and are supported by suitable company sizes and structures. Therefore, strategic human resources management is an integration and coordination of all individual HRM measures and implements them so as to directly influence employee attitude and behavior in a way that helps a business to achieve its competitive strategy (Huang, 2001). Its concern is to ensure that: (1) human resource management is fully integrated with the strategy and the strategic needs of the firm; (2) HR policies cohere both across policy areas and across hierarchies; and (3) HR practices are adjusted, accepted, and used by line managers and employees as part of their everyday work. Thus, it can be considered that its purpose is to more effectively utilize human resources vis-à-vis the strategic needs of the organization (Schuler, 1989).

Schuler and Jackson (1978b) argue that different competitive objectives result in appropriate HR practice in order to use policies to the company's advantage. Broadly, Schuler et al (1987) suggest that 'effective' HR strategies, which could be called 'HRM philosophies' can be adopted to exploit the business strategy opportunities. What is argued is that there are typical business strategies, for which appropriate HRM 'strategies' can be formed. They identified three strategy clusters, 'Utilization' 'Accumulation' and 'Facilitation' policies, which they claimed were related to the typical business strategies.

- Utilization strategy

Schuler (1989) defines utilization as an approach that places minimal emphasis on employee commitment while trying to achieve high skill utilization. Staffs are recruited on the basis of skill and little training is given. Remuneration is individual and often incentive-based. It is predicated on minimal commitment and high skill utilization. It seeks to deploy the human resources of a firms as efficiently as possible. Therefore, 1) recruitment is employed chiefly from the external labor market, 2) selection of employees is hold focus on the ability to begin work immediately and minimizing training expense, 3) the job content of such workers is definite, 4) because worker recruitment emphasizes technological ability and organization requirements, job security is poor (Dowling and Schuler, 1990).

- Facilitation strategy

Facilitation is an approach where employee development and enhancement are valued, but will be facilitated, rather than provided by the organization, since it is seen as the responsibility of the individual (Schuler, 1989). It is founded on generating new knowledge and new knowledge creation. It seeks to develop the human resource of the firm as effectively as possible. Therefore, 1) job descriptions should be broad, 2) employee interaction should be strongly encouraged, 3) career options should be extensive, 4) training and career development should be emphasized, 5) there should be excellent job security, 6) and performance evaluations should stress team work and a long-term orientation (Dowling and Schuler, 1990).

- Accumulation strategy

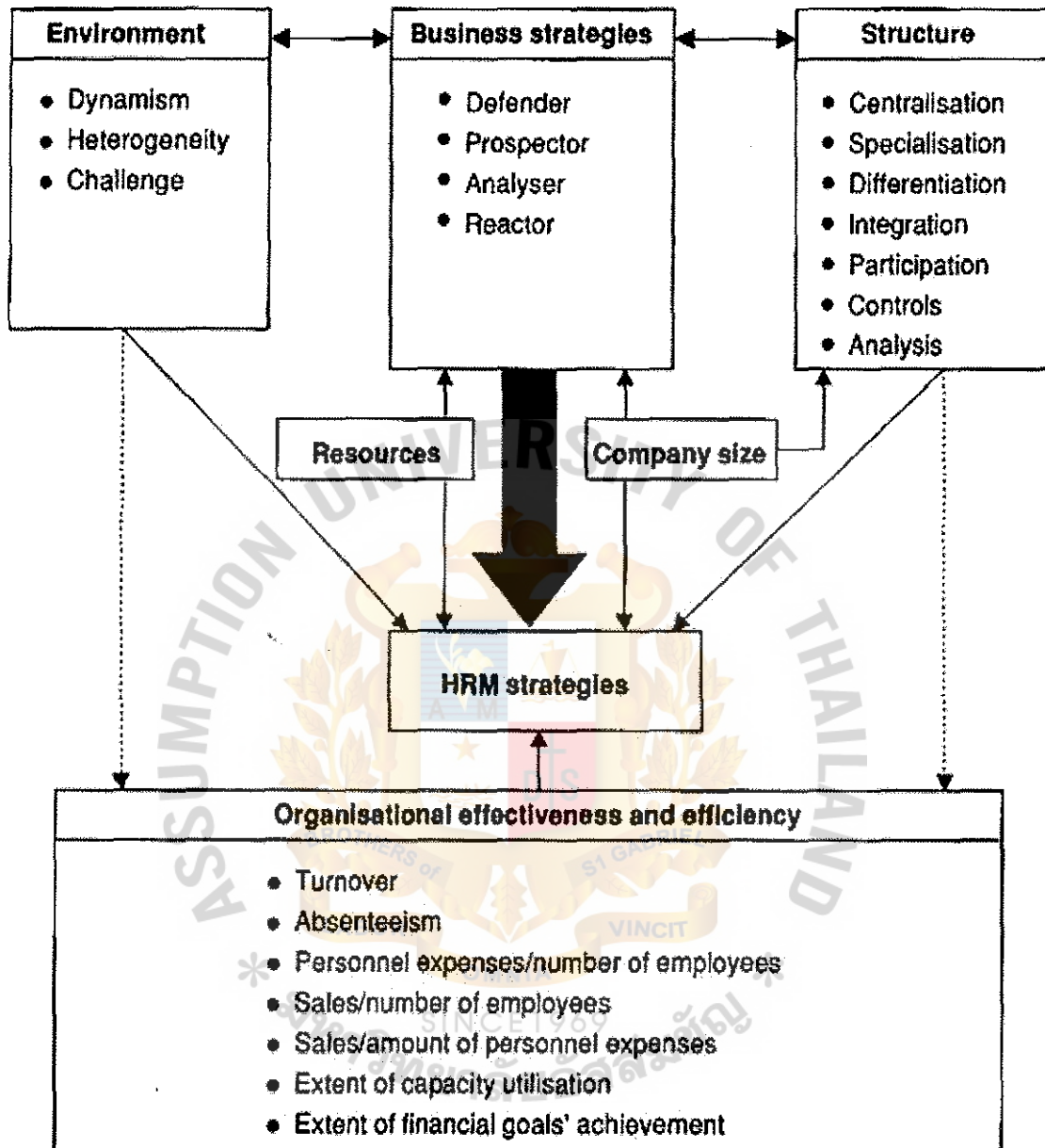
Accumulation refers to a longer-term approach to managing people, based on careful selection of the "right type of person", investment in them in terms of training and building long-term relationships It is based on maximum involvement and skilled

execution (Schuler, 1989). It attempts to build up the human resources of the firm. Hence, this type of strategy requires a high level of employee involvement and flexibility. Employees are required to engage in predictive and repetitive behavior, so 1) the acquisition of personnel with large, latent potential, and 2) the development of that latent potential over time in a manner consistent with the needs of the organization. Thus, they can cooperate closely with others, to emphasize product quality, and to make a strong commitment to organizational goals (Dowling and Schuler, 1990).





Figure 2.3 A contingency model for HRM strategies



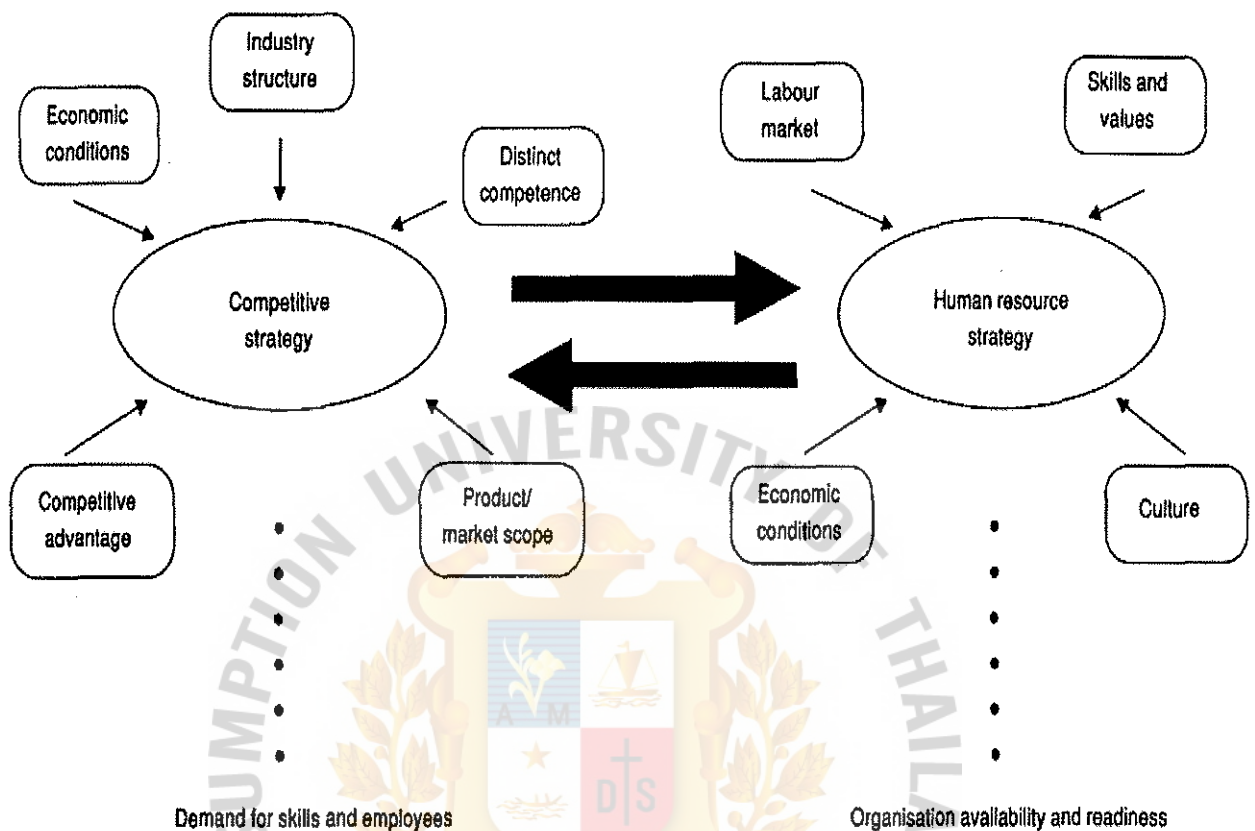
Source: Ackermann, K-F. (1996), 'A contingency model of HRM strategy.

Empirical research findings considered', Management Forum.

### **2.3 The relationship between business strategies and human resource management strategies**

According to contingency theory (Miles and Snow, 1984; Schuler & Jackson, 1978a), HRM strategy must be combined with specific business competitive strategy if they are to enhance organizational performance. The concept of “fit” refers mainly to the close linkage of HRM strategy and business strategy in ways that will help retain and motivate employees. It means on the one hand, the selection and mix of human resource practices are that firms achieving a tighter fit between environmental constraints. And on the other hand, firms achieving a tighter fit between environmental constraints, strategy and HRM actions will perform better than those that do not (Delery & Doty, 1996). Moreover, application of the strategic fit concept helps firms to manage their resources more efficiently, so that they can reduce operational costs and respond effectively to environmental restraints and new opportunities. Consequently, effective linkage between business strategy and HRM strategy may be expected to enhance organizational performance.

Figure 2.4 A perspective on business strategy and human resource interdependence



Source: C. A. Lengenick-Hall and M. L. Lengenick-Hall (1988), Academy of Management Review.

### 2.3.1 Organizational requirements for the Miles and Snow's business strategies

To classify the match of business strategy and HRM strategy, it is useful to consider the organizational requirements that a selected business strategy may impose and the proposed policy implications that a given HRM strategy might suggest.

According to the Miles and Snow's business strategic theory, from their description for each typology of strategy, it is not difficult to conclude that the different organizational requirements for each strategy.

- Defender organization

It tends to maintain organization's performance relying on offering a narrower set of products and reducing cost by efficient production. So the following requirements are necessary for the organization: 1) maintenance of stability; 2) internal focus; 3) limited environmental monitoring; 4) centralized control systems; and 5) standardized operating procedures.

- Prospector organization

The organization always tries to lead in innovations in its industry and operates in a broad product domain for occupying large market share, so it responds rapidly to early signal of opportunities in the environment and their actions often lead to a new round of competitive activity in the industry. So such organizations require: 1) constant state of change; 2) extensive monitoring of environment; 3) decentralized control systems; 4) low degree of structural formalization; 5) rapid resource deployment.

- Analyzer organization

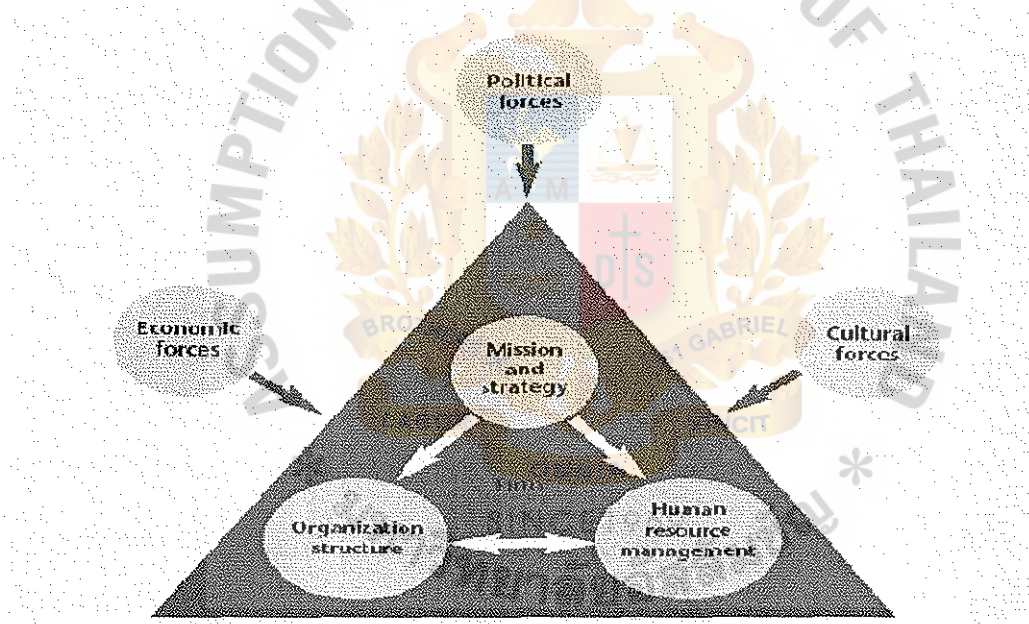
This kind of organization adopts quickly promising innovations in the industry and it tries to keep its presence in existing markets by maintaining a limited and stable line of products. Thus the requirements it needs are: 1) flexibility; 2) administrative differentiations; 3) intensive and comprehensive planning; 4) offer unique products at low cost.

After the special requirements for different strategic organization are analyzed, different characterizes of requirement of various organizations could be a bridge leading to elicit a homologous HRM strategy for matching up with each business strategy.

### 2.3.2 The linkage of business strategy and human resource management strategy

Beer et al. (1984) emphasize the analysis of the linkages between the business strategy and HRM strategy and how each strategy provides goals and constraints for the other. There must be a 'fit between competitive strategy and internal HRM strategy and a fit among the elements of the HRM strategy. The relationship between business strategy and HR strategy is said to be 'reactive' in the sense that HR strategy is subservient to 'product market logic' and the corporate strategy.

Figure 2.5 Strategic human resource management 'matching' model



Source: Devanna et al. (1984), Strategic Human Resource Management.

New York: Wiley.

Therefore, in the following the researcher considers the relationship between specific combinations of business strategy and HRM strategy and how particular ideal combinations deriving from the fit between organizational requirements imposed by a given business strategy and the ability of a given HRM strategy to address those requirements are shown.



- Defender business strategy --- Accumulator HRM strategy

Corporations with a Defender strategy limit their search for new opportunities and, instead, focus attention internally on ways to enhance organizational effectiveness (Miles & Snow, 1978). Given a narrow product market domain and an orientation toward efficiency, organizational requirements incline in favor of maintaining stability and focusing on internal operations. As a result, there is likely to be limited environmental monitoring. Finally, central control, high degrees of formalization, and elaborate control systems are hypothesized to promote organizational effectiveness (Miles & Snow, 1978).

An accumulator HRM strategy, based on building maximum involvement and achieving skilled execution, serves Defender needs because it focuses on providing skill development in an evolutionary shape in accordance with the firm's slowly evolving human resource needs. It is concerned with the acquisition of employees perceived to possess large latent potential. Once latent potential is acquired, the attention then shifts to developing ability, skill and knowledge in ways that will serve company purposes.

The internal development of human resources over time requires the firm to exercise care in the selection of new employees. The firm searches for both human potential and personal fit and the relationship between employer and employee is expected to be long-term. The result is an emphasis on job-security and the application of compensation and promotion policies containing a strong seniority component. These, in sequence, call for extensive training to develop potential which, because it is directed at internal fit, is biased toward on-the-job training and the development of a skill set that is firm-specific.

- Prospector business strategy --- Utilizer HRM strategy

Prospector organizations compete in broad product-market domains characterized by continual states of flux. Constant product-market innovation reflects a response to this dynamic domain, requiring the capacity to closely monitor external events (Miles & Snow, 1978). Additionally, the ability to develop new products and enter new markets requires creativity and idea generation. Decentralized control systems and rapid deployment of resources further characterize firms employing Prospector strategies.

Given the volatility of their environments, Prospector organizations are expected to employ a Utilizer HRM strategy geared towards providing appropriate, readily available skills consistent with the organizations' constantly changing needs. Such an approach places minimal emphasis on employee commitment while trying to achieve high skill utilization. As a consequence, selection policies focus on closely matching skills to immediate task requirements. The need for rapid deployment of resources in response to market development and innovation also reduces emphasis on training. The view of employees as another resource of the organization and the emphasis on resource utilization and deployment encourage the development of appraisal and reward systems based on results (Kagono et al., 1985). Additionally, compensation is likely to be referenced to the external market.

- Analyzer business strategy --- Facilitator HRM strategy

Analyzers represent organizations that operate in relatively stable as well as changing product-market domains (Miles & Snow, 1978). Consequently, these organizations must identify and pursue new product-market opportunities while simultaneously maintaining a presence in existing domains. The pursuit of effectiveness in both areas necessitates an ability to be efficient yet flexible in

production technologies. Accommodation of both stable and dynamic areas of operations requires similar differentiation with regard to human resources.

A facilitator strategy fits the organizational requirements of Analyzer organizations because it accommodates the management of double pressures imposed by an Analyzer strategy. The pursuit of new markets requires an infusion of new skills and talents into the organization, encouraging hiring from the external labor market. Maintenance of existing product lines, by contrast, necessitates the internal development of employees and encourages the development of an internal labor market. Consequently, staffing policies will likely be a mix of both internal and external selection. Organizations with a Facilitator strategy may seek to offset the potential relevant outcomes of a mixed staffing policy by carefully recruiting employees with a desire for self-development. By encouraging and supporting self-development, an organization can focus its activities more fully on the accurate placement of personnel and the design of flexible teams.

Nevertheless, the researcher argues that the Miles and Snow typology does not imply one best business strategy, any of the three strategy types can lead to high organization performance. Consequently, no distinction is made as to whether or not one particular ideal match will do better than another, rather it is proposed that organizations with appropriate matches will outperform organizations with mismatches.

#### **2.4 The measurement of human resource management outcomes**

The business strategy and HRM strategy match may influence organizational performance on several dimensions, but in this study, the researcher only focused on the aspects of HRM related outcomes. Because in many researches and literatures

reviews, the important effect of HRM has been mentioned and proved (Huselid, 1995; Anonymous, 1999). Hence, the quality of HRM outcome will directly relate to, and influence overall organizational performance.

The contingency model indicates that business strategy is translated by each functional unit into a local strategy that influences performance in that functional area. While performance in each functional area, in turn, affects performance at the firm level, it constitutes only one of several factors contributing to firm performance. Consequently, in this study, the researcher anticipates that the strongest effects of a business strategy and HRM strategy match will be on outcomes closely tied to HRM activities.

In the context of Japanese MNCs operations, five HRM-related are important. These five include employee morale, turnover, tenure, promotion, and training. Each is discussed below.

Employee morale constitutes one outcome that is likely to be influenced by the business strategy and HRM strategy match. Previous research (Tung, 1981) on foreign subsidiary HRM activities has noted that cultural differences between parent and subsidiary countries, the presence of parent-company managers, and perceptions by host country employees of a lack of control and autonomy, frequently contribute to a low level of morale. A proper combination of business strategy and HRM strategy should increase morale by helping to create in the minds of MNCs' employees a sense of coherency and rationality in what the MNC is trying to accomplish and how it is trying to accomplish it. For example, Pucik et al (1989) note that one of the most frequently cited sources of local national employee dissatisfaction within U.S.-based Japanese subsidiaries is not knowing why things are done or how they fit into a bigger picture.

Human resource managers know that turnover is a major cost and significantly impacts the corporate bottom line. With an average annual turnover benchmark of 23.8 percent, a Fortune 500 company with 40,000 employees faces turnover costs of \$ 119 million per year and every one percent reduction saves \$ 5 million (Potter, 2002).

Therefore, the turnover rate could be one of critical elements to affect organization's operation. Companies which are able to match business strategy and HRM strategy will be more likely to select people appropriate to the strategy they are pursuing. Better selection and retention suggests lower levels of turnover. Moreover, selection of employees who match subsidiary needs should also lead to higher levels of the tenure and an increased likelihood of promotion for such personnel.

Training, it has been the mastery of one of the core disciplines of the business cements a candidate's orientation to the organization's way of doing things. Competent employees don't remain competent forever. Skills deteriorate and can become obsolete. That's why organizations spend billions of dollars each year on formal training (Dregory & Margaret, 1994). Thus, the number of managers accepting training annually will effect the development of an organization directly and it could be one of weatherglasses evaluating an organization's HRM-related performance.

## **2.5 Japanese multinational corporations (MNCs) in Thailand**

### *2.5.1 The background of Japanese MNCs in Thailand*

A large number of Japanese companies have a presence in Southeast Asia and have built thriving businesses in the region. In particular, Thailand hosts more Japanese companies than any other countries in Southeast Asia.



Expansion of Japanese industry into Thailand has occurred in three main waves. The first was prompted by the Thai government's import substitution policy and lasted from the 1960s through the early 1970s. The second extensive investment boom in the latter part of 1980s was fueled by the U.S. dollar weakening against the yen in the wake of the Plaza Accord of 1985. The third boom began in the second half of 1993, driven by the continuing appreciation of the yen. Membership of the Japanese Chamber of Commerce in Bangkok has reflected these trends, more than doubling in five years from 394 companies in April 1985 to 793 companies in April 1990, and reaching over 1,000 companies in April 1995. Since then the increase has leveled off, and the number of Japanese companies in Thailand remains fairly stable at the 1,100 mark reached in 1997. The onset of the currency and economic crisis in July 1997 does not appear to have had any major effect on the membership of Japanese Chamber of Commerce in Bangkok.

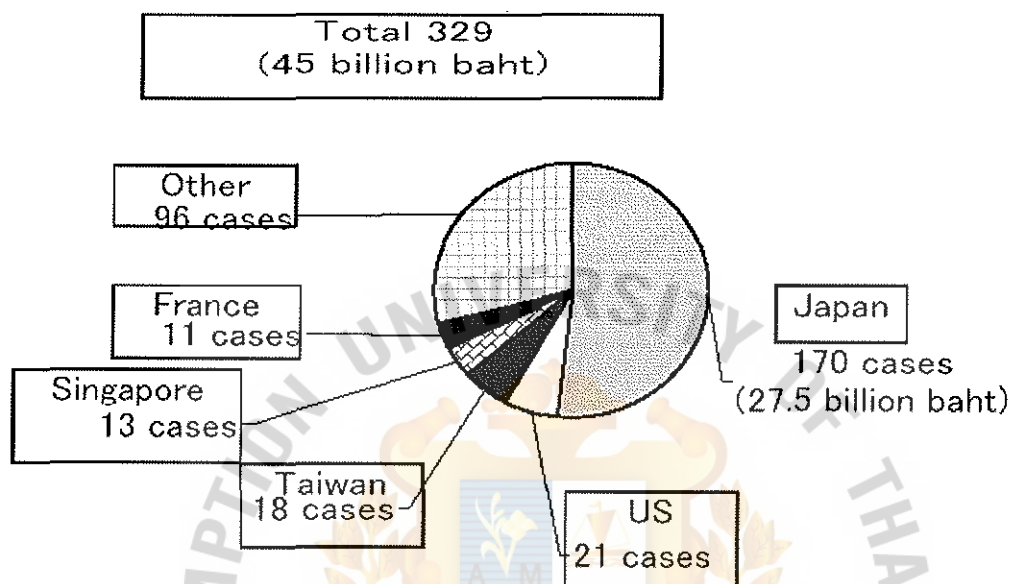
Because Japanese companies had have the long familiarity with Thailand, in these changed economic times, most companies took serious steps, such as expanding their sales routes and trimming corporate structures, as they tried to survive and broke out of prolonged economic stress. As a result, Japanese companies, which contributed so much to Thailand's economic boom and industrial might in the past. Now they also hold the key to the nation's recovery through the transfer of capital, technology and know-how across all sectors. Thailand depends on Japan's support to recover from its economic crisis and to promote much closer bilateral relations after the nation's economy began to recover.

In terms of foreign direct investment, Japan still ranks as the largest foreign investor in Thailand, although the amount of capital invested fell substantially following the Asian currency and economic crisis in 1997. Japanese investment in

Thailand is accounted for 40% of total foreign investment in Thailand in 2000, ahead of Singapore (22%) and the United States (11%).

Figure 2.6 The cases of Foreign investment in Thailand (Nov. 1997-Aug. 1998)

Capital increase in Thai JVs (cases approved by BOI)



Source: Board of Investment of Thailand, 2000

Table 2.1 Investment from Japan in Thailand (Value in million of US\$)

		1994	1995	1996	1997	1998	1999	2000
Application	Number of project	258	317	309	216	162	251	275
	Amount of money (Value in billion of Baht)	173.4	243.2	131.1	98.3	45.5	55.5	103.1
Approval	Number of project	190	284	260	255	158	188	282
	Amount of money (Value in billion of Baht)	64.3	196.6	161.4	163.7	54.1	27.0	107.3
Implementation	Number of project	56	74	220	164	229	177	184
	Amount of money (Value in billion of Baht)	12.6	31.8	72.4	70.7	81.4	88.9	95.6

Source: Embassy of Japan, Thailand, 2002

Hence, all this information implies that Japanese companies have strong interdependency with the Thai economy, and contribute to a large part of economic development. Consequently, the behavior of Japanese MNCs have a dynamic impact on how Thai firms are managed as well.

#### *2.5.2 Management of Japanese corporations (Japanese management style)*

With Japan leading a V formation of Asian economies and achieving status as the world's 2nd largest economy, much attention was paid to the "distinctive features of the Japanese management method" as firms and governments around the world attempted to glean what they could from this "superior" model. It is in this light that Japanese personnel relations systems, later called HR systems, first received attention and were often attributed to providing the edge that Japanese firms had over their competition.

It is known from the many thorough studies of the domestic Japanese firms that the Japanese corporate "know-how" is more than technological innovation riding out (Rodney, 1979). More expansions offshore, however, has naturally required substantial organizational and managerial modifications in Japanese firms as they move beyond their familiar -- and apparently extremely consequential -- domestic economic, political, and social environment. Host countries have gained important economic stimulus as a result of Japanese investment.

In spite of this, some researchers also have found that even those multinational companies which successfully manage their subsidiaries overseas based on a wholly-owned strategy have failed to manage their operations under the multiple ownership of international joint ventures (IJVs). Shenkar & Zeira (1987), analyzing the reason behind these failures, provide clues for the development of new paradigms of

management. These failures include issues concerning the desired staffing on an IJV (Janger, 1980), communication blockages (Killing, 1982; Sullivan & Peterson, 1982), limited delegation of authority from parent firms to the IJV (Killing, 1982; Peterson & Shimada, 1978), and difficulties in adapting to a host country (Peterson & Shimada, 1978). In general, these specific reasons point to incompatibilities that are linked to HRM and impede effectiveness. It is obvious that MNC today must update international human resource management practices to remove obstacles that limit IJV partnerships.



## **CHAPTER 3**

### **RESEARCH FRAMEWORK**

This chapter is derived from the summary of various theories, earlier studies and articles. It serves to form a conceptual framework that shows all the variables to be studied as vital components. Furthermore, it is the basis on which the research hypotheses are set up.

#### **3.1 Theoretical framework**

From the literature reviewed in the Chapter 2, there are many theories relevant to the variables of business strategy, HRM strategy and their linkage. And the framework, which covers the HRM-related outcomes, will be affected by adopting different matches between business and HRM strategies (Ackermann, 1996; Dowling and Schuler, 1990).

A general model (see Figure 3.1) is employed to conceptualize linkages between environment, business strategy, HRM strategy and employee performance. Business strategy can be thought of as a set of decisions about the direction of a firm. Firms select business strategies in accordance with evaluations they make about their distinctive competencies and the environment in which they wish to compete (Mintzberg, 1987).

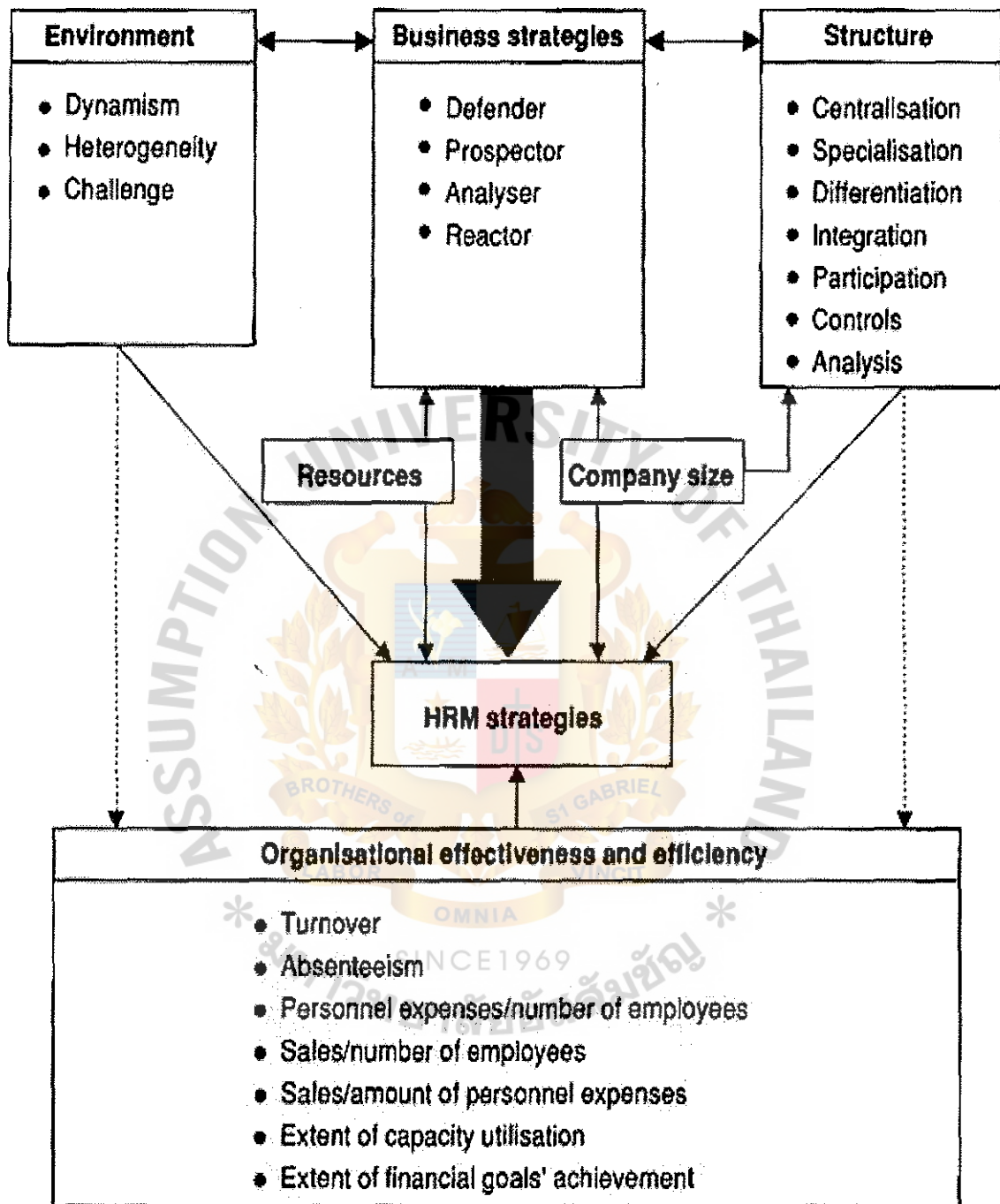
While each firm tailors its particular business strategy to fit its unique distinctive competencies, needs, and circumstances, it is useful to apply a simplifying framework when developing theoretical constructs (Daft, 1984). Consistent with previous studies in this area (Miles & Snow 1984; Olian & Rynes 1984; Sonnenfeld & Peiperl 1988), the researcher adopted Miles and Snow's (1984) typology of



Prospector, Defender and Analyzer strategy. There are two reasons for this adoption. First, the typology appears to fit well with the commonly identified rationales, which are : 1) to develop new markets; 2) to solidify current market positions; and 3) to simultaneously maintain current market position, while expanding into new markets. These orientations toward foreign direct investment are consistent with the Miles and Snow typology, where the Prospector pursues market expansion and innovation, the Defender strives to maintain market position, and the analyzer seeks some combination of market expansion/innovation while endeavoring to preserve stability in existing markets.

To clarify the match of business strategy to HRM strategy, it is necessary to examine how particular ideal combinations derive from the fit between organizational requirements imposed by a given strategy and the ability of a given HRM strategy to address those requirements of different organizations.

Figure 3.1 Theoretical framework



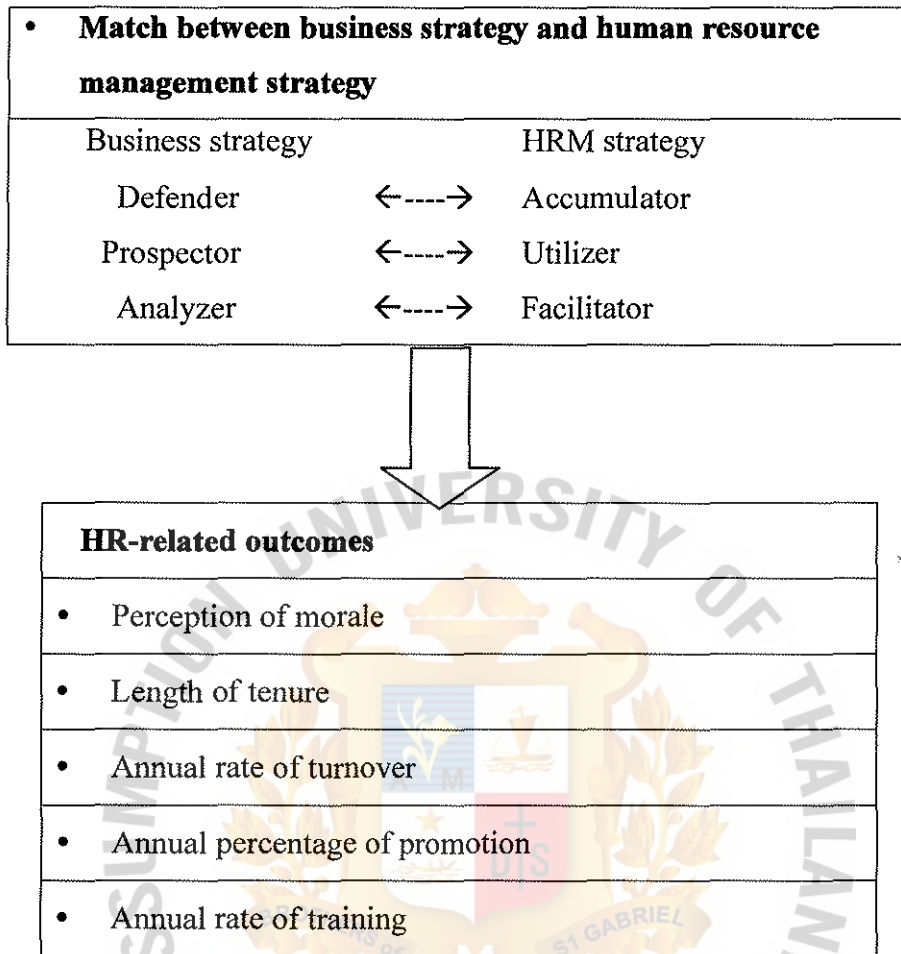
Source: Ackermann, F. (1996) 'A contingency model of HRM strategy: Empirical research findings considered', Management Forum.

### **3.2 Conceptual framework**

The conceptual framework of this study integrates different variables as discussed in the Literature Review (chapter 2).

Miles and Snow (1978) argue that their typology does not imply one best business strategy, any of the three strategy types can lead to high firm performance. Consequently, no distinction is made as to whether or not one particular ideal match will outperform another, rather it is proposed that firms with appropriate matches will outperform firms with mismatches. Among four typologies of business strategy, Defender, Prospector and Analyzer are all considered as successful business strategies, but Reactor is seemed as failure strategy (Miles and Snow, 1984). Because more than 90% Japanese corporations have been operating successfully and their financial performance are positive since they set up their companies in Amata Industrial Estate (see Appendix B) this study does not include a discussion on the business strategy, Reactor.

Figure 3.2 Conceptual framework



### 3.3 Definition of variables

#### 3.3.1 *Independent variable*

- Match between business and HRM strategies

A firm's match between business strategy with HRM strategy was the only independent variable in this research. According to the combination predicted in literature review (Ch2), the 'match' denotes Prospector with Utilizer, Defender with Accumulator, and Analyzer with Facilitator. After sorting companies with predicted combination of business and HRM strategies, all the companies were classified in two groups, matched and mismatched.

### 3.3.2 *Dependent variable*

- Employee morale

An attitude of satisfaction with a desire to continue in a willingness to strive for the goods of a particular group or organization, which is a group phenomenon (Charles, 1981).

- Managerial promotion

It means the opportunity for promotion, jobs which hold potential for continued growth, development and advancement (Burt & Bernard, 1979).

- Managerial tenure

It is the period of time for a manager holding a position entailing management functions and roles (Cenzo & Robbins, 1994).

- Managerial turnover

The ratio of the number of managers that have to be replaced in a given time period to the average number of managers (Cenzo & Robbins, 1994).

- Managerial Training

A learning experience in that it seeks a relatively permanent change in an individual that will improve his or her ability to perform on the job (De Cenzo & Robbins, 1994).



### **3.4 Research hypotheses**

#### **Hypothesis 1**

H<sub>0</sub>1: Japanese MNC's with ideal matches between business strategy and HRM strategy will not experience higher levels of employee morale than MNC's with mismatches.

H<sub>a</sub>1: Japanese MNC's with ideal matches between business strategy and HRM strategy will experience higher levels of employee morale than MNC's with mismatches

#### **Hypothesis 2**

H<sub>0</sub>2: Japanese MNC's with ideal matches between business strategy and HRM strategy will not have longer managerial tenure than MNC's with mismatches.

H<sub>a</sub>2: Japanese MNC's with ideal matches between business strategy and HRM strategy will have longer managerial tenure than MNC's with mismatches.

#### **Hypothesis 3**

H<sub>0</sub>3: Japanese MNC's with ideal matches between business strategy and HRM strategy will not experience lower rate of managers' turnover than MNC's with mismatches.

H<sub>a</sub>3: Japanese MNC's with ideal matches between business strategy and HRM strategy will experience lower rates of managers' turnover than MNC's with mismatches.

#### Hypothesis 4

H<sub>0</sub>4: Japanese MNC's with ideal matches between business strategy and HRM strategy will not have higher rates of managers' promotion than MNC's with mismatches.

Ha4: Japanese MNC's with ideal matches between business strategy and HRM strategy will have higher rates of managers' promotion than MNC's with mismatches.

#### Hypothesis 5

H<sub>0</sub>5: Japanese MNC's with ideal matches between business strategy and HRM strategy will provide higher rate of managers' training than MNC's with mismatches.

Ha5: Japanese MNC's with ideal matches between business strategy and HRM strategy will provide higher rate of managers' training than MNC's with mismatches.

### **3.5 Operationalization of Variables**

An operational definition gives meaning to a concept by specifying the activities or operations necessary to measure it (Zikmund, 1997). The operational definition specifies what must be done to measure the concept under investigation.

In this research, nominal variable with three categories were used to determine the independent variable, the typologies of business and HRM strategies adopted by the company.

To measure the dependent variable, a five-point scale ranging from "very low" to "very high" is used for the measurement of employee morale, and the nominal scale is available for accessing length of managerial tenure, rate of managerial turnover, promotion and training.

Table 3.1 Table of operationalization

Variable	Definition	Operationalized by	Scale of Measurement
Independent Variable	Match between business and HRM strategies	<ul style="list-style-type: none"> <li>Business Strategy</li> <li>Defender</li> <li>Prospector</li> <li>Analyzer</li> </ul>	Nominal
		<ul style="list-style-type: none"> <li>HRM Strategy</li> <li>Accumulator</li> <li>Utilizer</li> <li>Facilitator</li> </ul>	Nominal
Dependent Variable	5 HR- related outcomes	<ul style="list-style-type: none"> <li>Perception of employee morale</li> </ul>	Ordinal
		<ul style="list-style-type: none"> <li>Length of managers' tenure</li> </ul>	Ordinal
		<ul style="list-style-type: none"> <li>Annual rate of managers' turnover</li> </ul>	Ordinal
		<ul style="list-style-type: none"> <li>Annual rate of managers' promotion</li> </ul>	Ordinal
		<ul style="list-style-type: none"> <li>Annual rate of managers' training</li> </ul>	Ordinal

## **CHAPTER 4**

### **RESEARCH METHODOLOGY**

This chapter provides an overview of research methodology employed by the researcher to explore the strategy management and the HRM performance of the respondents. Both quantities and qualitative research methods were used.

For the quantitative analysis part, the methods of research and sampling procedures were explained in part two. Questionnaire, the collection of data and the Statistical treatment of data were analyzed respectively.

Since the strategy measurement and the evaluation of HR-related outcome in this study are on the base of the personal perception in certain, so the only quantitative might not be enough and deeply explore the respondent's feedback. Accordingly, the researcher also adopted qualitative analysis, open-ended questions, at the same time for being more accurately explore and achieve the result of research with less bias.

#### **4.1 Methods of research used**

The objective of this research was to explore the effects of linkage between business and HRM strategies. Primary data was gathered from both a sample survey as well as interviews with HR managers. The analytical methods used in this study were descriptive analysis and Mann Whitney U test in difference of mean rank. Analyses focused on identifying and testing for the presence of fit between business strategy and HRM strategy, followed by an investigation into the relationship between business strategy and HRM strategy.

## **4.2 Respondents and Sampling Procedures**

### *4.2.1 Target population*

Target population is the specific, complete group relevant to the research project (Zigmund, 2003). The population of this research was Japanese firms located in Amata Industrial Estate (Thailand). The senior-most human resource manager in the business unit was the primary respondent in this survey. This person is designated as the HRM director, Personnel Director and Assistant Director (of staffing and training or HRM) and they were judged as those who were knowledgeable about the business strategy employed by their firms.

### *4.2.2 Sampling procedures*

Because the company size could be one of the elements affecting the assessment of strategic management (Ackermann, 1996), in order to prevent the bias, this research set one criteria, i.e., the firms selected were those which had over 100 employees. Firms with less than this number of full-time employees, were excluded from the study.

The number of Japanese multinational companies in Amata Nakorn, Chonburi and Amata City, Rayong is about 250 and around 60% meet the requirements of sampling element, whose sizes are about 100-600 employees. Therefore, the sample size for this research is rounded to 160 Japanese multinational companies. A list of companies which were included in the survey is shown in Appendix B.

### *4.2.3 Data collection*

Both quantitative and qualitative methods were employed to gather data from respondents. For the descriptive and comparative means analysis, the primary data



was obtained through the use of questionnaires. For the qualitative data, respondents were selected using judgmental sampling and a discussion guide was used.

### **Quantitative Data ---- Questionnaires**

Questionnaires were used to collect data from respondents. After a list of firms having over 100 employees was obtained from the Main Office of Amata Industrial Estate, the researcher personally contacted the HRM departments of each company. The senior-most HR officer of the firm was briefed about the research objectives, the questionnaire was shown to these officers, and they were asked if they were willing to participate in the survey. After assuring them of confidentiality of the findings, all respondents agreed to participate, after which the researcher arranged for the appointments with HR managers. The questionnaires were personally given to each one and a time was arranged for picking it up. Most respondents requested at least a week to fill out the questionnaires.

The researcher explained the purpose of the research to every respondent and distributed the questionnaires to the related population. A total of 160 responses were collected. The researcher carefully checked the questionnaire responses for completeness and legibility, and then key-entered the data. The questionnaire was composed of three parts:

#### Part I: Company profile

This part is designed to gather basic information of a company, such as employee numbers, establishment year and shareholders.

#### Part II: Strategy measurement

- Business strategy

Three typologies of business strategy which were discussed in the study were

listed and the respondents were asked to choose one that they perceived most closely resembled their company's business strategy.

- Human resource management strategy

Three human resource management strategies appearing in the study are listed and the respondents needed to opt for one which they perceived most closely resembles HRMS which was employed at their company.

### Part III Human resource outcome

There are five indexes related to human resource management which were used to measure the outcomes

- Pre-testing of the questionnaire

For the purpose of improving the questionnaire by identifying and eliminating potential problems before using it in the actual survey, a pretest for examining the reliability of the instrument was conducted. Reliability refers to the similarity of results provided by independent but comparable measures of the same object, trait, and construct. The pretest in this research equals 15 questionnaires, which were launched to the companies in Amata Industrial Estate in the earlier of August 2004.

To access the reliability of the instrument, the Cronbach alpha was utilized in this study. The result of the analysis were shown in Table 4.1, the value of reliability are between 0.7810-0.8271, which are higher than 0.6, regarded as the minimum scaling of the Cronbach's Alpha (Cronbach, 1995). Therefore, this questionnaire was accepted.

Table 4.1 The result of Cronbach's Alpha Testing

Operationalization Dimension	Reliability ( $\alpha$ -Coefficient)
Part II: Strategy measurement	0.7810
Part III: Human resource outcome	0.8615
Total: Part II and Part III	0.8271

### Qualitative Data ---- Open-ended questions

In order to collect in-depth data, the researcher, based on judgmental sampling, selected 20 respondents for the in-depth interviews. Out of these, only HRM 11 managers agreed to an interview. These respondents were generally those who were in different industries, and who had worked in their firms for over 3 years. They were chosen because of their ability to provide data on a wide range of industries and also because they had adequate work experience in their firms. Appointments were arranged to interview these managers and each interview lasted from 30-45 minutes.

The interview guide contained the following questions:

1. What, in your opinion, is the reason for the Japanese parent company to invest in Thailand?
2. What type of business strategy does your firm employ?
3. Who is responsible for creating the HR strategy?
4. Is there a defined HR strategy in your firm?
5. What is your company's HR strategy?
6. How do you recruit and manage your workforce?
7. Do you think the company business strategy is effectively aligned with its HR strategy?
8. How dose your firm recruit its workforce?
9. What are the most important HR functions related to your firm's strategy?

10. What are the most important HR functions related to your firms' strategy?
11. How dependent is your firm on HR policies formulated by head office in Japan?

#### **4.3 Statistical treatment of data**

The data was collected by the questionnaire survey and using SPSS (Statistic Package of Social Science) program processed the following:

The analysis is divided into two phases.

##### **First phase:**

According to the respondents' selection of business strategy and HRM strategy, descriptive analysis was used to investigate whether or not Japanese multinational company business strategies matches up with HRM strategies in the combinations predicted in literature review (Ch2) i.e., Prospector-Utilizer, Defender-Accumulator, Analyzer-Facilitator, and then firms were divided into two sets, those with matched strategies and those with mismatched ones.

##### **Second phase:**

After the determination of business and HRM strategies combination, the analysis went to the second phase. Mann-Whitney U test of differences in mean rank was then conducted on the five HRM-related performance measures, with a comparison of the outcome carried out between two sets, matched group and mismatched group.

Table 4.2 Table of hypotheses and statistics

Hypothesis	Hypothesis statement	Statistical testing
Ha1	Japanese MNC's with ideal matches between business strategy and HRM strategy will experience higher levels of employee morale than MNC's with mismatches	Mann Whitney U Test
Ha2	Japanese MNC's with ideal matches between business strategy and HRM strategy will have longer managers' tenure than MNC's with mismatches.	Mann Whitney U Test
Ha3	Japanese MNC's with ideal matches between business strategy and HRM strategy will experience lower rates of managers' turnover than MNC's with mismatches.	Mann Whitney U Test
Ha4	Japanese MNC's with ideal matches between business strategy and HRM strategy will have higher rates of managers' promotion than MNC's with mismatches.	Mann Whitney U Test
Ha5	Japanese MNC's with ideal matches between business strategy and HRM strategy will provide higher rate of managers' training than MNC's with mismatches.	Mann Whitney U Test



## **CHAPTER 5**

### **ANALYSIS AND PRESENTATION OF DATA**

This chapter presents the results of analyses performed on the data collected. It covers both quantitative analyses performed on the questionnaire data as well as qualitative analyses performed on the responses to the in-depth interviews.

Section 5.1 through 5.5 summarizes the data analyses of the survey questionnaires, which were delivered on 23<sup>rd</sup> August, 2004 and collected on 30<sup>th</sup> August, 2004, both in Amata Nakorn, Chonburi and Amata City, Rayong, while 5.1, 5.2, 5.3 and 5.4 clarify the results of questionnaires and 5.5 elucidates the interviews from 11 HRM managers who were randomly selected to answer the open-ended questions which the researcher asked the respondents in person.

Totally there are 258 Japanese companies that have been operating in the Amata Nakorn and Amata City. Of the total, 160 Japanese companies meet the requirement of the research limitation, whose employees number over 100 (include 100) . The researcher explained the purpose of the research and distributed the questionnaires to the related population which was composed of senior managers in the specified firms. Findings and the results of the survey are summarized in the following sections:

- 5.1 The profile of company background of the sample
- 5.2 The typology of business and human resource management strategies of the company
- 5.3 The linkage between business and human resource management alignment
- 5.4 The effects on the HR related-outcome of matched group and mismatched group.
- 5.5 The summary of open-ended questions

### **5.1 The profile of company background**

The summarized information of company background of the respondents are presented in Table 5.1 – Table 5.5. These tables show the data on respondents' shareholder percentage, years of establishment, number of employees, and the business type.

As per Thai law, before the financial crisis in 1997 and 1998, foreign investors were not allowed to own a foreign company in Thailand, hence at that time, foreign investors could not register a company as one which was fully foreign-owned. The only way to run a company in Thailand was by co-operating with Thai investors to set up a joint venture company and the maximum number of shares a foreign investor could hold was 49%. Thus, from the following Table 5.2, it can be seen that the Japanese companies set up over 6 years ago, all have the maximum shareholding with the permission of the Thai law. It is not difficult to find that Japanese would like to have a totally Japanese-owned corporation, if possible.

Table 5.1 The percentage of Japanese shareholders

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 49	41	25.6	25.6	25.6
60	2	1.3	1.3	26.9
70	1	.6	.6	27.5
75	1	.6	.6	28.1
80	2	1.3	1.3	29.4
85	2	1.3	1.3	30.6
90	4	2.5	2.5	33.1
95	4	2.5	2.5	35.6
100	103	64.4	64.4	100.0
Total	160	100.0	100.0	

Simultaneously, the result from the test of frequency in Table 5.2 also shows that most Japanese multinational corporations running in Amata are still young. There are more than 75% (75.6%) companies which set up the in Amata within 5 years, and only about 21% companies have operated for over 6 years (including 6 years), and the longest time is 9 years old. And from the Table 5.3, it can be found that the average years of operating in Amata is approximately 4 years.

Table 5.2 The frequency of the years of company operating in Amata till 2004

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	8	5.0	5.0	5.0
2	18	11.3	11.3	16.3
3	25	15.6	15.6	31.9
4	38	23.8	23.8	55.6
5	32	20.0	20.0	75.6
6	26	16.3	16.3	91.9
7	8	5.0	5.0	96.9
8	4	2.5	2.5	99.4
9	1	.6	.6	100.0
Total	160	100.0	100.0	

Table 5.3 The year of firms' establishment

	N	Minimum	Maximum	Mean	Std. Deviation
the years of running operation in Amata till 2004	160	1	9	4.28	1.690

As Table 5.4 shows, the average number of employees is 263 people, and the largest number is 600 and the least one is 100 people. The business type of the firms shown in Table 5.5, indicate that there are 97.5% companies which are manufacturing firms and only 2.5% are non-manufacturing (service) companies.

Table 5.4 The number of employees in Japanese subsidiaries

	N	Minimum	Maximum	Mean
number of employees	160	100	600	263.62
Valid N (list wise)	160			

Table 5.5 Business type of the company/organization

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid manufacturing	156	97.5	97.5	97.5
non-manufacturing/service	4	2.5	2.5	100.0
Total	160	100.0	100.0	

## 5.2 The typology of business and human resource management strategies of the company

### 5.2.1 Business strategy

Table 5.6 revealed that only 21 of the 160 firms, accounting for 13.1%, employ a Prospector business strategy. The remaining 139 companies adopted either Analyzer or Defender business strategies. This indicates a generally conservative approach to product and market innovations is among the Japanese multinationals in the sample.

Table 5.6 The typology of Business Strategy

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Prospector	21	13.1	13.1	13.1
	Analyzer	73	45.6	45.6	58.8
	Defender	66	41.3	41.3	100.0
	Total	160	100.0	100.0	

### 5.2.2 Human resource management strategy

In terms of managing their human resources, Table 5.7 revealed that 73 firms, presenting 45.6%, used Accumulator strategy and 58 (36.3%) employes Facilitator strategy. The remaining only 29 (18.1%) adopt Utilizer, indicating the majority of Japanese firms believe in a long-term investment in human resource.

Table 5.7 The typology of Human Resource Management Strategy

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Utilizer	29	18.1	18.1	18.1
	Facilitator	58	36.3	36.3	54.4
	Accumulator	73	45.6	45.6	100.0
	Total	160	100.0	100.0	



### **5.3 The linkage between business and human resource management alignment**

The initial analysis investigated whether or not Japanese multinational companies' business strategy matched up with HRM strategy in the combinations specified in the Literature Review (Ch2), Prospector – Utilizer, Defender – Accumulator, Analyzer – Facilitator,

From the descriptive analysis, result of the linkage between business strategy and HRM strategy are shown in Table 5.8. In summary, the findings indicate that 77 firms, presenting 48% (77/160) of 160 firms have combinations hypothesized as ideal, which the researcher have proposed those would lead to higher HRM performance. Although this percentage is absolutely lower than the estimation of the researcher, the findings were consistent with those of prior empirical investigations into the behavior of Japanese firms domestically within Japan (Kagono et al, 1985).

Among the 77 strategy matched companies, 8 (10.4%) firms employ Prospector-Utilizer match, 32 (41.6%) firms are in the group of Analyzer-Facilitator match, and the most Japanese firms, 37 (48.1%) adopt Defender-Accumulator. Overall, there are 89.7% Japanese multinational corporations of the match group employ either Analyzer-Facilitator or Defender-Accumulator strategy matches, which are not as progressive as Prospector-Utilizer strategy alignment. Therefore, Japanese multinational corporations in Thailand appear to rely on conservative business strategies and HRM strategies emphasizing a long-term orientation toward human resources.

Table 5.8 The linkage between business and HRM strategies

if the company use BS and HRMS match				the type of HRM strategy type			
				Utilizer	Facilitator	Accumulator	Total
Match	the type of business strategy	Prospector	Count	8	0	0	8
			% of Total	10.4%	.0%	.0%	10.4%
		Analyzer	Count	0	32	0	32
	% of Total		.0%	41.6%	.0%	41.6%	
	Defender	Count	0	0	37	37	
		% of Total	.0%	.0%	48.1%	48.1%	
	Total	Count	8	32	37	77	
		Total	10.4%	41.6%	48.1%	100.0%	
Mismatch	the type of business strategy	Prospector	Count	0	6	7	13
			% of Total	.0%	7.2%	8.4%	15.7%
		Analyzer	Count	12	0	29	41
	% of Total		14.5%	.0%	34.9%	49.4%	
	Defender	Count	9	20	0	29	
		% of Total	10.8%	24.1%	.0%	34.9%	
	Total	Count	21	26	36	83	
		% of Total	25.3%	31.3%	43.4%	100.0%	

#### **5.4 The effects of the HRM related-outcome between the groups adopt matched and mismatched business and human resource management strategies**

The analysis of the effects on the HRM related-outcome was carried on two groups, those with appropriate business and HRM strategies matches and those in which the business and HRM strategies were mismatched, as mentioned in the literature. Tests of difference in mean rank was then conducted on the five HRM-related performance measures between two sets and the hypothesis were tested at the same time.

#### *5.4.1 The effects on the employee morale between matched and mismatched groups*

##### Hypothesis 1

H<sub>01</sub>: Japanese MNC's with ideal matches between business strategy and HRM strategy will not experience higher levels of employee morale than MNC's with mismatches.

H<sub>a1</sub>: Japanese MNC's with ideal matches between business strategy and HRM strategy will experience higher levels of employee morale than MNC's with mismatches.

Although evaluation of employee morale may be considered an inherently subjective task, the respondents, who are human resource managers or other senior human resource staffs in this study, are charged with making such assessments as a function of their job and are experienced at doing so. The researcher's interest is in the difference in level between matched and unmatched firms. The Mann-Whitney U test was conducted to test the differences of the HR-related outcome (employee morale) between matched group and mismatched group and the 95% confidence level is used in the test.

As Table 5.9-1 showed that the significance value is 0.000, which is less than the significant level 0.05 ( $0.000 < 0.05$ ), so it means that there is a difference between matched and mismatched groups in terms of employee morale. Moreover, according to the Mean Rank shown in Table 5.9-2, it is 96.88 for matched group and much lower, 65.30, for the mismatched group ( $98.66 > 65.30$ ), which means that the matched group had higher employee morale than did the mismatched group. Therefore, this result strongly supports H<sub>a1</sub> which states that the Japanese MNC's with ideal matches between business strategy and HRM strategy will experience higher levels of employee morale than MNC's with mismatches.

Table 5.9 The difference of employee morale between matched and mismatched groups

5.9-1 Ranks

	if the company use	N	Mean Rank	Sum of Ranks
Employee's morale	match	77	96.88	7460.00
	mismatch	83	65.30	5420.00
	Total	160		

5.9-2 Test Statistics

	Employee's morale
Mann-Whitney U	1934.000
Wilcoxon W	5420.000
Z	-4.745
Asymp. Sig. (2-tailed)	.000

a. Grouping Variable: if the company use BS and HRMS match

5.4.2 The effects on the length of tenure between matched and mismatched groups

Hypothesis 2

- H02: Japanese MNC’s with ideal matches between business strategy and HRM strategy will not have longer managerial tenures than MNC’s with mismatches.
- Ha2: Japanese MNC’s with ideal matches between business strategy and HRM strategy will have longer managerial tenures than MNC’s with mismatches.

Average length of tenure (number of years in a managerial position) is a measure of the effectiveness of HRM policies because it reflects a subsidiary’s ability to attract and retain appropriate employees. This variable was calculated by taking the average level of years in managerial positions of all managerial-class Thai employees employed in the company.

The significance value shown in Table 5.10-2 is 0.002, is less than the significant value 0.05 ( $0.002 < 0.05$ ). Thus, there is a difference between matched and mismatched groups on the length of tenure of managers. The matched group with 91.21 mean rank is higher than mismatched group with a mean of 70.56 ( $91.21 > 70.56$ ), it means that the average tenure of managers is longer for the matched group than the mismatched group. Obviously, this result is consistent with the  $H_{a2}$  which states that Japanese MNC's with ideal matches between business strategy and HRM strategy will have longer managerial tenure than MNC's with mismatches.

Table 5.10 The difference of the length of managerial tenure between matched and mismatched groups

**5.10-1 Ranks**

	if the company use	N	Mean Rank	Sum of Ranks
average length of tenure of managers	match	77	91.21	7023.50
	mismatch	83	70.56	5856.50
	Total	160		

**5.10-2 Test Statistics**

	average length of tenure of managers
Mann-Whitney U	2370.500
Wilcoxon W	5856.500
Z	-3.032
Asymp. Sig. (2-tailed)	.002

a. Grouping Variable: if the company  
use BS and HRMS match



#### *5.4.3 The effects on the annual turnover rate of managers between matched and mismatched groups*

##### Hypothesis 3

H<sub>0</sub>3: Japanese MNC's with ideal matches between business strategy and HRM strategy will not experience lower rate of managers' turnover than MNC's with mismatches.

H<sub>a</sub>3: Japanese MNC's with ideal matches between business strategy and HRM strategy will experience lower rates of managers' turnover than MNC's with mismatches.

Another measure of an effective business strategy and HRM strategy match is the extent to which firms can avoid unnecessary quits or layoffs. While it is true that employee exits can constitute a positive outcome for both an organization and an employee under some circumstances, in a more general sense, turnover represents at the very least, the presence of inadequacies in selection practices of HRM planning.

Table 5.11-2 shows that the significance is 0.000, which is less than the significant values 0.05 ( $0.000 < 0.05$ ), so the annual turnover rate of the matched group is different from the mismatched group. Furthermore, the mean rank shown in Table 5.11-1 for the matched group is 60.29, and the mismatched group is 99.25 ( $60.29 < 99.25$ ). This indicates that the managerial rate turnover of companies using an ideal strategic match experience significantly lower rates of turnover than the companies not using an ideal strategic match. Therefore, the H<sub>a</sub>3, Japanese MNC's with ideal matches between business strategy and HRM strategy will experience lower rates of employee turnover than MNC's with mismatches, is accepted.

Table 5.11 The difference of annual managerial turnover rate between matched and mismatched groups

5.11-1 Ranks

	if the company use	N	Mean Rank	Sum of Ranks
average annual turnover	match	77	60.29	4642.50
Rate of managers	mismatch	83	99.25	8237.50
	Total	160		

5.11-2 Test Statistics

	average annual turnover rate of managers
Mann-Whitney U	1639.500
Wilcoxon W	4642.500
Z	-6.044
Asymp. Sig. (2-tailed)	.000

a. Grouping Variable: if the company use BS and HRMS match

#### 5.4.4 The effects on the annual managers' promotion rates between matched and mismatched groups

##### Hypothesis 4

H<sub>04</sub>: Japanese MNC's with ideal matches between business strategy and HRM strategy will not have higher rates of managers' promotion than MNC's with mismatches.

H<sub>a4</sub>: Japanese MNC's with ideal matches between business strategy and HRM strategy will have higher rates of managers' promotion than MNC's with mismatches.

The fourth outcome of effective HRM activities is increased opportunities for individual growth and career advancement. Annual rates of promotion for managers (exclude top managers or CEO) are used to provide two measures of this variable.

Table 5.12-2 presented that the significance is 0.024, which is less than the significant level 0.05 ( $0.024 < 0.05$ ), so there is the difference between matched and mismatched groups on the average annual promotion rates of managers. In the Table 5.12-1, the mean rank for the matched group is 88.45 and 73.13 for mismatched group ( $88.45 > 73.13$ ). This means the annual promotion rates of managers in the matched group is higher than that of the mismatched group. This result is supported by Ha4, which states that Japanese MNC's with ideal matches between business strategy and HRM strategy will have higher rates of managers' promotion than MNC's with mismatches.

Table 5.12 The difference of average annual rates of managers' promotions between matched and mismatched group

5.12-1 Ranks

	if the company use	N	Mean Rank	Sum of Ranks
average annual	match	77	88.45	6810.50
percentage of managers	mismatch	83	73.13	6069.50
that can be promoted	Total	160		

5.12-2 Test Statistics

	average annual percentage of managers that can be promoted
Mann-Whitney U	2583.500
Wilcoxon W	6069.500
Z	-2.262
Asymp. Sig. (2-tailed)	.024

a. Grouping Variable: if the company use BS and HRMS match

*5.4.5 The effects on the average percentage of managers' receiving off-job-training between matched and mismatched groups*

Hypothesis 5

H<sub>0</sub>5: Japanese MNC's with ideal matches between business strategy and HRM strategy will provide higher rate of managers' training than MNC's with mismatches.

H<sub>a</sub>5: Japanese MNC's with ideal matches between business strategy and HRM strategy will provide higher rate of managers' training than MNC's with mismatches.

The number of managers who can receive the training provided by company is another issue to evaluate the level of effective business and HRM strategies match. The company which use the appropriate match between business and HRM strategies generally show a more systematic training development plan for its managers.

The significance value shown in Table 5.13-2 is 0.231, which is greater than significant value 0.05 ( $0.231 > 0.05$ ), according to the theory of Whitney U Test, this result does not indicate that there is a difference in the percentage of managers' receiving off-job-training between matched and mismatched groups. Therefore, the H<sub>a</sub>5 which states MNC's with ideal matches between business strategy and HRM strategy will provide higher rate of managers' training than MNC's with mismatches, is rejected supported. In other words, whether the companies use the linkage between business strategy and HRM strategy or not, the effects on the percentage of managers' training would have no significant difference.

Table 5.13 The difference of average annual percentage of managers' receiving off-job-training between matched and mismatched groups

**5.13-1 Ranks**

	if the company use	N	Mean Rank	Sum of Ranks
average annual percentage of managers receiving off-job-training	match	77	84.47	6504.50
	mismatch	83	76.81	6375.50
	Total	160		

**5.13-2 Test Statistics**

	average annual percentage of managers receiving off-job-training
Mann-Whitney U	2889.500
Wilcoxon W	6375.500
Z	-1.198
Asymp. Sig. (2-tailed)	.231

a. Grouping Variable: if the company use BS and HRMS match

Among the HR-related outcome measures, the findings are fully supportive of the hypotheses. The results, shown in Table 5.9-1, support Ha1: matched firms experience significantly higher levels of employee morale than do unmatched firms. Also, the prediction that subsidiaries with hypothesized matches will experience significantly longer employee tenure than mismatched firms (Ha2), is strongly supported. Managers in Japanese multinational companies that conformed to proposed ideal matches between business strategy and HRM strategy experienced significantly longer tenures than those in firms that are mismatched. Also, strong support is found for Ha3: Japanese multinational companies with matched strategies experience substantially lower rates of turnover than their mismatched counterparts. Results pertaining to the fourth hypothesis, those managers in matched firms would



experience higher levels of promotion, are in the predicted direction but not statistically significant. Finally, the Ha5 is failed to be supported, which is Japanese MNC's with ideal matches between business strategy and HRM strategy will provide higher rate of managers' training than MNC's with mismatches.

### **5.5 The summary of open-ended questions**

Interviews with HR managers:

As stated earlier, this study gathered data in two ways, through survey questionnaires and through interviews with selected managers in Japanese subsidiaries in Amata Industrial Estate. A total of 11 managers representing 11 corporations agreed to be interviewed. These managers were all Thai, all male, the average age was approximately 37-52, they possessed at least Bachelor Degree education, had been with their companies for over 3 years, and most of them had a working knowledge of Japanese language.

The managers were asked questions on business strategy, HR practices, and a wide range of organizational practices related to their firms.

The managers were asked questions on business strategy, HR practices, and a wide range of organizational practices related to their firms.

1. What, in your opinion, is the reason for the Japanese parent company to invest in Thailand?

The general responses provided can be summarized into three main reasons: 1) to develop new markets; 2) to strengthen the current market positions; and 3) to simultaneously maintain current market position, while expanding into new markets.

2. What type of business strategy does your firm employ?

The responses reveal that only two managers believed their firms employed a Prospector business strategy. These two firms were engaged in producing computed related accessories for larger Japanese firms. For these two firms, market expansion and innovation were very important. The remaining nine managers believed that their firms used either Analyzer or Defender business strategies, suggesting a generally conservative approach to product and market innovations among the Japanese subsidiaries located in Amata Industrial Estate.

3. Who is responsible for creating the HR strategy?

On this question, the managers were divided. Six managers said the local HR department headed by themselves could set their HR strategy. The remaining managers said it was the parent company which laid down the HR strategy. The influence of the HRM manager was not the only important factor in determining HRM strategy. Differences in HRM strategy appear to reflect the company's major business strategy. Firms pursuing an Accumulator approach relied heavily on a more traditional Japanese approach to managing the Thai subsidiary employees, attempting to transplant many of the practices that they used in Japan. For example, one subsidiary actually translated the parent company's employee handbook into Thai and then modified it where necessary to comply with Thai labor laws. In contrast, firms employing a Facilitator strategy had more flexibility with the HRM function. Nevertheless, the underlying foundation appeared to be strongly influenced by that of the parent company's (Japanese) HRM strategy.

4. Is there a defined HR strategy in your firm?

Four managers answered "yes", five said, "it seems that there is but it's not explicit" and two answered "no".

5. What is your company's HR strategy?

In terms of managing their human resources, only one firm used a Utilizer strategy. The remaining ten firms employed either an Accumulator or Facilitator strategy.

6. How do you manage your workforce?

The two firms which employed a Prospector strategy differed in the way they managed their human resources. They were heavily dependent on their parent company for policies regarding the employment of technical and engineering staff. The HR manager in these firms indicated that these "knowledge workers" were given autonomy to manage their duties, they were also highly trained and expected to move between jobs quite often. Traveling formed a major part of their duties. Unfortunately, many of the Thais working in this level showed high rates of turnover -many of them leaving to join American or European firms located in Amata.

For the firms who were identified as Defenders and Analyzers, not many differences were evident in their HR strategy. For example, HR managers in Defender firms said that they carefully recruited and selected their employees. Because the turnover was low, these workers were carefully selected, placed, and trained.

7. Do you think the company business strategy is effectively aligned with its HR strategy?

Drawing on the work of Miles and Snow, the model predicts that when a firm's strategy is congruent with the external environment, firm performance will be higher than when the business strategy is not. All, except one HR manager, believed that the development and application of functional strategies within the various divisions or units also determined firm performance. Two managers also reminded the researcher that it is useful to consider the organizational requirements that a selected business strategy may impose as well as its implication in terms of Thai labor law.

8. How does your firm recruit its workforce?

In the Japanese MNCs with the Prospector strategy, the pursuit of new markets means hiring new skills and talents into the firm, encouraging hiring from the external labor market. They did this mainly through classified ads, employment agencies and headhunters. In the Defender and Analyzer firms, maintenance of existing product lines required the internal development of employees and encouraged the firms to focus on people currently working in the company. As a consequence, selection policies focus on closely matching skills to immediate task requirements. The need for use of human resources in response to market development and innovation also reduces emphasis on training.

9. What are the most important HR outcomes related to your firms' strategy?

In the context of subsidiary operations, four HR-related outcomes appear important. These four include employee morale, tenure, promotion, and turnover.

Employee morale constitutes one outcome that is likely to be influenced by the

business strategy/HRM strategy match. Previous research (Tung, 1981) on foreign subsidiary HRM activities has noted that cultural differences between parent and subsidiary countries, the presence of parent-company managers, and perceptions by host country employees of a lack of control and autonomy frequently contribute to a low level of morale. In the interviews, all HR managers felt that it was possible to increase morale by helping to explain to employees why things are done or how they fit into a bigger picture.

10. Do you think there is a good match between your firm's strategy and its performance?

On a five-point scale ranging from “very low level of performance” to “very high level of performance,” interviewees were asked to indicate the level of their subsidiary’s performance with regard to specific outcomes, which included profit and sales volume. In summary, the findings indicate that only 5 of the 11 managers interviewed felt that they have business strategy/HRM strategy which matches. Moreover, the managers felt that Japanese subsidiaries in Thailand appear to rely on conservative business strategies and HRM strategies emphasizing a long-term orientation toward human resources. In short, many HR managers interviewed did not know whether or not there was a fit between their subsidiary’s business strategy and its HRM strategy.

11. How dependent is your firm on HR policies formulated by head office in Japan?

The average subsidiary in the interview was only four years old, the newest firm had started business only two years ago. Several managers noted that not only was the subsidiary young, but that it also represented the parent company’s first major



operation outside of Japan. As a result, the parent firm was moving forward conservatively and making changes very slowly. One manager noted that his firm spent four years preparing for the opening of its Thai manufacturing facility. This was in addition to three years spent in considering whether or not to establish a Thai operation. Because of the high risk perceived in operating in Thailand, six of the eleven managers said that HR policies were very much guided by the parent company in Japan - the reason why these firms also placed most of their Japanese managers into senior positions in the firms in Thailand.

#### **Conclusion based on interview:**

The results of the interview point to some important considerations. First, although a subsidiary needs to match itself with its environment, the importance of internal fit deserves much more attention. Many managers said that they did not see HR strategy as the only one that should be linked with business strategy, other functions such as finance, marketing, and manufacturing also set their own strategies according to the fit with the firm's business strategy.

The findings of this interview also offer lessons for HR managers in other multinational firms. HRM managers participating in this study showed that they had not seen the importance of matching business strategy and HRM strategy. In short, managers at the firms in the sample had not yet developed a view of HRM as a strategic activity and, hence, did not see a need to match their HRM strategy with the subsidiary's business strategy.

One manager said that it was not possible to match HR strategy with firm's business strategy because the parent firm wanted to maintain policies that are consistent across countries and subsidiaries. He said that in his firm, a similar HR and

business strategy was used throughout the Asia-Pacific region. In other words, some foreign subsidiaries may find it more difficult than others to match business strategy and HRM strategy because they followed either cost-leadership or differentiation strategy irrespective of their location.



## **CHAPTER 6**

### **INTERPRETATION OF FINDINGS, CONCLUSION AND RECOMMENDATIONS**

This study examined the linkages between business strategy and HRM strategy in subsidiaries of Japanese multinational corporations (MNC) in Thailand. The study investigated whether or not fit between a company's business strategy and its HRM strategy is associated with higher HRM performance.

This chapter presents interpretation of each variable and sub variable and the summary of each component. It also includes suggestions for further study on similar or related topics and specific recommendations based on the findings of this research.

#### **6.1 Interpretation of the findings and discussion**

##### *6.1.1 Summary of findings*

Employing a contingency approach, the researcher has argued that performance will be higher among Japanese multinational companies that are able to match their business strategy to an appropriate HRM strategy. The findings offer firm, but guarded support for this proposition. Firms with matched combinations do outperform their unmatched counterparts. Matching business strategy to HRM strategy is associated with superior HRM outcomes.

#### **Company Background**

A total of 160 respondents who are equivalent to total population of the Japanese multinational corporations whose employees range from 100 to 600 operating in Amata Industrial Estate were asked to answer the questionnaire designed

by the researcher. There are four questions related to shareholder, establishment year, employee numbers and business type, which were asked at the beginning of questionnaire to see if there are significant differences among all the respondents.

As Table 6.1 shows, the highest percentages of Japanese shareholders are 49% and 100%, which represent 25.6 and 64.4% respectively, among all the shares held by Japanese. As per Thai law, before the financial crisis in 1997 and 1998, foreign investors were not allowed to own a foreign company in Thailand, hence at that time, foreign investors could not register a company as one which was fully foreign-owned. The only way to run a company in Thailand was by co-operating with Thai investors to set up a joint venture company and the maximum number of shares a foreign investor could hold was 49%. Accordingly, a tendency that Japanese would like to have shareholders as more as they can, so that to run companies in a Japanese style is easily found.

The average number of years of running operations in Amata Industrial Estate of all the respondents is slightly more than 4 years (4.28) with the shortest time of 1 year and longest time of 9 years. This number shows that these Japanese firms are still very young and most of them are still in the learning curve. The average number of employees is 263 with the least being 100 employees and the most 600 employees. A total of 97.5% of them are manufacturing firms.

Table 6.1 Summary of company background

Japanese Shareholders	49%	41 (25.6%) companies
	100%	103 (64.4%) companies
	Other percentages	16 (5%) companies
Average years of establishment		4.28 years
Average employee numbers		263 employees
Business type	manufacturing	156 (97.5%) companies
	Non-manufacturing	4 (2.5%) companies
Total		160 companies

### **Interpretation of company's business strategy/HRM strategy and their linkage**

#### Business Strategy

As table 6.2 shows, there are 73 and 66 companies which have adopted Analyzer and Defender business strategies respectively, this represents 90% (89.9%) of the total Japanese firms, and only 21 of 160 firms employed a Prospector strategy, which signifies that Japanese multinational corporations generally adopt a conservative product or market innovation strategy. This distribution seems consistent with previous empirical work on Japanese firms that suggests they are more inclined to respond in an incremental and reactive fashion to changes in their external environment (Kagono, 1985). This conservative tendency may be heightened in those Japanese multinational companies which have little or no experience in managing operations in a foreign context.

#### Human Resource Management Strategy

Firms are also bunched in terms of HRM strategies, Table 6.2 presents, there are 131 (81.9%) adopting either Accumulator or Facilitator strategies. Interviews with HRM managers suggest that this tendency is largely the result of the HRM manager's



personal orientation. Firms more frequently adopted Accumulator strategies when they hire managers who are familiar with the Japanese management approach and encouraged those managers to apply parent (Japanese) company values.

The influence of the HRM managers is not the only, or necessarily the most, important factor in determining HRM strategy. Differences in HRM strategy appear to reflect both organizational culture and market forces. Firms pursuing an Accumulator approach relied heavily on a more traditional Japanese approach to managing their Thai-based employees, attempting to transplant many of the practices that they used in Japan. For example, as per the interviews, one manager said that the HR department translated the parent company's employee handbook into Thai and then modified it where necessary to comply with Thai labor laws.

In contrast, firms employing Facilitator strategy seek adaptation through the interpretation of basic parent company norms and values provided by a Thai manager familiar with the local environment. Facilitators sought the middle ground between traditional Japanese and traditional Thai approaches to managing the HRM function. Nevertheless, the underlying foundation appeared to be strongly oriented toward that of the parent company's HRM strategy.

Although in the sample there are only a small number (N=29) of Utilizers, these companies display several distinctive characteristics. Firms with Utilizer strategies hire experienced Thai human resources managers and allow them a free hand in decision making. They seek adoption through the absorption of local norms and practices into the organization. Human resource managers who were using the Utilizer strategy see their role as one of educating the parent company.

One particularly surprising aspect of the distribution of HRM strategies is the relatively large number (N=58) of firms opting for a Facilitator approach. Japanese multinational companies have often been portrayed as resource accumulators (Kagono et al, 1985), particularly with regard to HRM activities. In this study, the researcher found that they focused on acquiring employees possessing strong potential which can be developed and tailored to the organization's needs over time.

#### Linkage between Business and HRM Strategies

In Table 6.2, the 77 of a total of 160 firms have business and HRM strategy matches, which the literature has proposed would lead to higher HRM performance. There are 8 firms, representing 10.4%(8/77) of the total number in the matched group, which adopted a Prospector-Utilizer match, 32 firms or 41.6% (32/77), which adopted an Analyzer-Facilitator match, and the remaining 37 (48.1%), which was also the largest number of firms in the sample, which used a Defender-Accumulator strategies match. Therefore, Japanese multinational companies in the Thailand appeared to rely on conservative business strategies and HRM strategies emphasizing a long-term orientation toward human resources. They were not Prospectors, which indicates firms that are highly risk-oriented, looking for new and innovative market opportunities. These findings are consistent with those of prior empirical investigations into the behavior of Japanese firms domestically within Japan (Kagono et al, 1985) which employed a risk-averse strategy.

Some writers (Clark 1979; Rohlen 1974) argue that Japanese organizations were effective in achieving congruence between individual interests and organizational goals. This has not been the case in Thailand, wherein the tendency has been to characterize this fit in terms of how employee skills and abilities are shaped to match organizational needs. References to Japanese practices aimed at developing

human resource potential that take into consideration individual preferences and aspirations are rare. For Japanese multinational companies in Thailand, it may be that the mix of Japanese organizational values and Thai sociocultural orientations encourages a more firm-centered approach in the selection of a HRM strategy.

Table 6.2 The summary of company's business strategy and HRM strategy and their linkage

the type of business strategy		the type of HRM strategy			Total
		Utilizer	Facilitator	Accumulator	
	Prospector	8	6	7	21
	Analyzer	12	32	29	73
	Defender	9	20	37	66
Total		29	58	73	160

#### Interpretation of 5 HR-related outcomes and the results of hypothesis

The performances of 5 HR-related outcomes were compared between the Japanese multinational corporations who have the business and HRM strategies alignment and who don't have such alignment. Moreover, most of 5 of the hypotheses proposed by the researcher were supported by the results of testing, therefore, the Hypothesis 1, Hypothesis 2, Hypothesis 3, and Hypothesis 4 were strongly supported. The mean rank of employee morale of matched group is appeared 96.88, which is significantly higher than the mismatched group with 65.30 mean rank. It means the companies which aligned their HRM strategies with companies' business strategy did experience higher employee morale than the companies which did not have alignment of business and HRM strategies. Meanwhile, the length of tenure (Mean Rank=91.21) of the matched group was considerably longer than that of the mismatched group (Mean Rank=70.56), and the turnover rate was greatly lower for the matched group (Mean Rank=60.29) as compared with the mismatched group (Mean Rank=99.25). Likewise, the matched group (Mean Rank=88.45) had a predominately higher annual

percentage of managers who were promoted than the mismatched group (Mean Rank=73.13). However, Hypothesis 5 which stated that Japanese MNC's with ideal matches between business strategy and HRM strategy will provide higher rate of employees training than MNC's with mismatches, was not supported in this study.

Table 6.3 summarizes the performances of 5 HR-related outcomes which are compared between the Japanese multinational corporations who have the business and HRM strategies alignment and who don't have. Mostly, four of the five hypothesizes are strongly supported from the results of testing, and only Ha5 is absent to be proved.

The significance value of Ha1 is 0.000 ( $0.000 < 0.05$ ), indicates that there is difference of employee morale between matched and mismatched groups. Furthermore, the mean rank of employee morale of matched group is appeared 96.88, which is significantly higher than the mismatched group with mean rank 65.30. Thus, it is signified that the companies who aligned the HRM strategy with company's business strategy did experience higher employee morale than the company who did not use alignment of business and HRM strategies.

Likewise, the significance value of Ha2 is 0.002 ( $0.002 < 0.05$ ), so it means there is significant difference of the managerial tenure between matched and mismatched groups. The mean rank for the matched group is 91.21, which is much higher than the mismatched group of 70.56 mean rank. This exceeding difference powerfully supports the Ha2 that Japanese MNC's with ideal matches between business strategy and HRM strategy will have longer tenure of managers than MNC's with mismatches. In the contrast, the mean rank of the matched group is 60.29 and mismatched group is 99.25, then the much lower level ( $60.29 < 99.25$ ) of matched group is apropos consistent with the proposition of Ha3 that Japanese MNC's with ideal matches between business strategy and HRM strategy will experience lower rates of managers' turnover than

MNC's with mismatches.

For the Ha4, the significance value is 0.024 less than the 0.05 ( $0.024 < 0.05$ ), so there is significant difference of promotion rate for managers between matched and mismatched group. And the mean rank of matched group is 88.45 which is slightly higher than mismatched group 73.13 ( $88.45 > 73.13$ ), but still doubtless supported the Ha4 that Japanese MNC's with ideal matches between business strategy and HRM strategy will have higher rates of managers' promotion than MNC's with mismatches.

In the last hypothesis, Ha5, the significance value appears to be 0.231, which is higher than 0.05 ( $0.231 > 0.05$ ), it does not support the Ha5. Thus, the proposition of H05, Japanese MNC's with ideal matches between business strategy and HRM strategy will NOT provide higher rate of manager training than MNC's with mismatch, is accepted. Namely, Ha5 is failed to be supported.

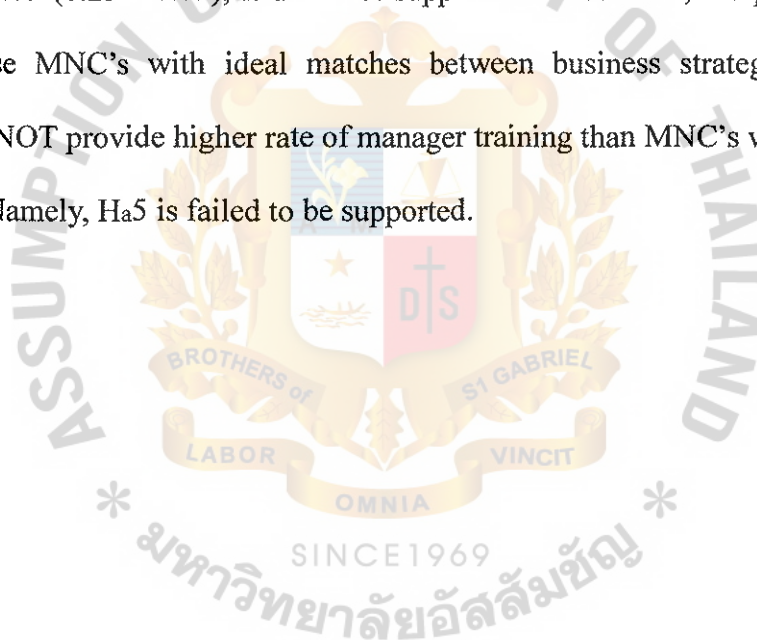




Table 6.3 The Results of Hypothesis

Hypothesis No.	Significant Value	Mean Rank		Results of Hypothesis
		Match	Mismatch	
H1	0.000 ( $<0.05$ )	96.88	65.30	<b>Ha1 is Supported</b> Japanese MNC's with ideal matches between business strategy and HRM strategy will experience higher levels of employee morale than MNC's with mismatches
H2	0.002 ( $<0.05$ )	91.21	70.56	<b>Ha2 is Supported</b> Japanese MNC's with ideal matches between business strategy and HRM strategy will have longer tenure of managers than MNC's with mismatches.
H3	0.000 ( $<0.05$ )	60.29	99.25	<b>Ha3 is Supported</b> Japanese MNC's with ideal matches between business strategy and HRM strategy will experience lower rates of manager turnover than MNC's with mismatches.
H4	0.024 ( $<0.05$ )	88.45	73.13	<b>Ha4 is Supported</b> Japanese MNC's with ideal matches between business strategy and HRM strategy will have higher rates of manager promotion than MNC's with mismatches.
H5	0.231 ( $>0.05$ )	84.47	76.81	<b>Ho5 is Supported</b> Japanese MNC's with ideal matches between business strategy and HRM strategy will not provide higher rate of manager training than MNC's with mismatches.

## **6.2 Conclusions**

This study was undertaken with the objective of examining the linkage between Japanese firms' business and HRM strategy. The large number of Japanese firms applying to set up operations in Thailand also provides solid justification for this kind of study. Although the researcher's wanted to undertake a comprehensive survey of the strategy linkage adoption in Japanese multinational corporations in Thailand, this study focused only on the Japanese MNC's located in Amata Industrial Estate, the biggest industrial estate in Thailand, which has the largest number of Japanese firms established in it.

In this study, the questionnaire was designed by the researcher so as to meet the particular concerns of Japanese firms who are quite sensitive about any outside research or study. The analyses of the responses identified several findings, which show the tendency of Japanese firms to adopt their business strategy and HRM strategy. Key findings are briefly summarized below, followed by a discussion of the study's overall implications.

Japanese multinational corporations in the Thailand appear to rely more on conservative business strategies and HRM strategies emphasizing a long-term orientation toward human resources. Totally, there are 89.9% firms which adopted either Analyzer and Defender typologies of business strategy and 81.9% adopted either Facilitator and Accumulator typologies of HRM strategy. Moreover, the percentage of the companies which appropriately aligned HRM strategy with business strategy is lower than the researcher's expectation, which is only 77 (48%) among total 160 companies

The findings of HR-related outcome between the companies which appropriately adopted business and HRM strategies matches and those which didn't,

firmly support the hypothesis proposed by the researcher. The results of the test revealed that the stronger the match between HR and business strategy, the better was the HR outcomes, in terms of high employee morale, longer tenure, lower turnover rate, higher promotion rate.

#### *6.2.1 Key findings*

##### Strategy management and the linkage of Business-HRM strategies

- ◆ Japanese multinational corporations in the sample general approach to conservative product and market innovations as the objective of their business strategies.
- ◆ The orientation toward long-term investment in human resources is the main human resource management strategy tendency of Japanese multinational corporations.
- ◆ Although setting HRM strategy match up business strategy haven't been realized and raised widely, the appropriate linkage between business strategy and HRM strategies does appear to exist.
- ◆ The appropriately Business-HRM strategies match can be considered as Prospect-Utilizer, Analyzer-Facilitator and Defender-Accumulator.

##### The effects of linkage between business strategy and HRM strategy in terms of HR-related outcome

- ◆ There is significant difference on the HR-related outcome between strategy matched group and mismatched group.
- ◆ Japanese MNC's with ideal matches between business strategy and HRM strategy will experience higher levels of employee morale than MNC's with mismatches

- ♦ Japanese MNC's with ideal matches between business strategy and HRM strategy will have longer tenure of managers than MNC's with mismatches.
- ♦ Japanese MNC's with ideal matches between business strategy and HRM strategy will experience lower rates of managerial turnover than MNC's with mismatches.
- ♦ Japanese MNC's with ideal matches between business strategy and HRM strategy will have higher rates of managerial promotion than MNC's with mismatches.

### **6.3 Recommendations**

The average company in the sample is only four years old, suggesting that many are still at the early stage of the learning curve, so this might be one of the main factors that made many companies' HR managers and general management pay less attention to align the HRM strategy with company's business strategy. Furthermore, this deducing is corroborated by the follow-up interviews with a number of HRM managers and senior HRM staffs in the participating companies. Several managers noted that not only is the firm young, but that it also represented the parent company's first major operation outside of Japan. As a result, the parent firm is moving forward conservatively and making changes very slowly. One manager noted that his firm spent four years preparing for the opening of its Japanese manufacturing facility. This is in addition to three years spent in considering whether or not to establish a Japanese operation.

The findings of this investigation have recommendations for practitioners. The interviews with HRM managers participating in this study suggest that, at least in the case of Japanese multinational companies in Thailand, little thought has been given to the need to align business strategy with HRM strategy. In essence, managers at the firms in the sample have not yet developed a view of HRM as a strategic activity and,

consequently, does not see a need to align their HRM strategy with the company's business strategy. Yet it is clear that doing so, yields benefits in terms of lower turnover rates, longer employee tenure, appropriate employee training and as well as higher levels of employee morale. The costs associated with turnover and new employee selection and training ought to encourage HRM managers to focus more attention on the business-HRM strategy match.

Although the number of companies who use the appropriate linkage between business and HRM strategy is not big, the HR-related findings of the study have significantly supported the hypotheses. Therefore, the suggestions on HRM in this study may be appropriately adopted by both Japanese multinational corporations and Thai companies who have not set HRM strategy matching up business strategy or had poor performance on HRM.

Firms pursuing Prospector business strategy, which are highly emphasized on products or market innovation should adopt Utilizer HRM strategy. The organizations may recruit chiefly from the external labor market and select employees by holding focus on the technological ability to begin work immediately and organization requirements, so that the training cost can be reduced, but the job content of such workers need to be definite.

For the organization whose business strategy is preferred to be Analyzer which emphasizes products or market innovation, but also does not want to be very innovative and run high risks, so they emphasize to maintain the existed marketing carefully on the other hand. Such organizations will have better HRM performance by aligning with Facilitator human resource strategy. The human resource practices of Facilitator could be having broad job descriptions and strongly encouraging employee interaction. Meanwhile, training and career development should be emphasized and



there should be excellent job security and performance evaluations to stress team work and a long-term orientation.

Finally, the organization adopts Defender business strategy, who strongly emphasizes to maintain organization's performance relying on offering a narrower set of products and reducing cost by efficient production instead of innovating products. Therefore, such organizations may employ Accumulation human resource management strategy, which are refer to a longer-term approach to managing people, based on careful selection, well training and building long-term relationships. Accordingly, HR practice should be recruiting personnel with large, latent potential and the development of that latent potential over time in a manner consistent with the needs of the organization.

The above suggestions of the adoptions of selecting correct human resource management strategy matches up company's business strategy and the detailed HR practice are not only suitable for the remaining Japanese companies who didn't have better HRM performance due to using the inappropriate business-HRM strategies match to improve their HR outcome, but also will be the efficient advices to those Thai companies who haven't known the importance and benefits of the strategic human resource management or don't know how to link HRM strategy with business strategy.

#### **6.4 Suggestion for future research**

Considered in the larger context of theories regarding the HRM performance of foreign joint venture companies, the findings of this study point to a number of important implications.

First, though much of the work on multinational company performance has focused on the need to align HRM and firm's strategy, the importance of internal fit deserves needs further research. There is also a need to further study business strategy and its linkage from the functional perspective. To the researcher's knowledge this is a line of inquiry that has remained largely unexplored. Finally, it would be useful to have further research conducted on multinationals from other origins, European, US, and Korea, to study the linkages between firm's strategy and HRM policies in a Thai context.



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## APPENDIX A

### Questionnaire

Dear respondents,

This questionnaire is an instrument used for a thesis written by me as part of my Masters in Business Administration at Assumption University (ABAC). It has been designed for an investigation of the company's business strategy linked with human resource management. The information you provide will be kept strictly confidential and your valuable cooperation is highly appreciated.

#### **Part I Company Profile**

1. Shareholders of your company in 2004:

Japanese \_\_\_\_\_% Thai \_\_\_\_\_% Others \_\_\_\_\_%

2. Year of establishment: \_\_\_\_\_

3. Number of employees: \_\_\_\_\_

4. Business type of your company/organization:

☐ manufacturing

☐ non-manufacturing/service

#### **Part II Strategy Measurement**

- Business Strategy

The statements below represent the definition of three typologies of business strategy. Please read the descriptions of each business strategy type and indicate the **ONE** that most closely resembles your company's strategy.

☐ **A:** Your company places **strong emphasis** on product/market innovativeness.

☐ **B:** Your company places **moderate emphasis** on product/market innovativeness.

☐ **C:** Your company places **least emphasis** on product/market innovativeness.

- Human Resource Management Strategy

The statements below represent the definition of three typologies of human resource management strategy. Please read the descriptions of each human resource management type and indicate the **ONE** that most closely resembles the human resource management strategy employed at your company.

- ☐ **A:** Your company places **strong emphasis** on the investment of HR training and development.
- ☐ **B:** Your company places **moderate emphasis** on the investment of HR training and development.
- ☐ **C:** Your company places **least emphasis** on the investment of HR training and development.

### **Part III Human Resource Outcome**

Please check one spot that indicates the nearest appropriate adjective to describe your company's performance on human resource management:

- Employee's morale in your company is:  
very low \_\_\_\_ : \_\_\_\_ : \_\_\_\_ : \_\_\_\_ : \_\_\_\_ very high
- Average length of tenure of managers (excluding top managers or CEO):  
very short (less than 1 year) \_\_\_\_ : \_\_\_\_ : \_\_\_\_ : \_\_\_\_ : \_\_\_\_ very long (more than 6 years)
- Average annual turnover rate for managers (excluding top managers or CEO):  
very low (less than 5%) \_\_\_\_ : \_\_\_\_ : \_\_\_\_ : \_\_\_\_ : \_\_\_\_ very high (more than 20%)
- Average annual percentage of managers that can be promoted (exclude top managers or CEO):  
very low (less than 10%) \_\_\_\_ : \_\_\_\_ : \_\_\_\_ : \_\_\_\_ : \_\_\_\_ very high (more than 25%)
- Average annual rate of managers receiving off-job training (For example: Outside seminars, University related programs, In-house development center, etc.):  
very low (less than 5%) \_\_\_\_ : \_\_\_\_ : \_\_\_\_ : \_\_\_\_ : \_\_\_\_ very high (more than 20%)

[illegible]

1. ผู้ถือหุ้นภายในของบริษัทจดทะเบียนใน ปี 2004

ญี่ปุ่น \_\_\_\_\_ %

ไทย \_\_\_\_\_ %

อื่น ๆ \_\_\_\_\_ %

2. ผู้จัดตั้งบริษัท: \_\_\_\_\_

3. จำนวนพนักงานทั้งหมด: \_\_\_\_\_

4. ประเภทธุรกิจ: \_\_\_\_\_

ผู้ผลิต ☐ ไม่ใช่ผู้ผลิต, ผู้บริการ ☐

[illegible]

## ՔՆՆՈՒՄԱՆՈՒՄ

### ● กลยุทธ์ทางด้าน ทรัพยากรมนุษย์

ตัวเลือกข้างล่างนี้ จะเป็นประเภท กลยุทธ์ การจัดการทรัพยากรมนุษย์. กรุณาอ่าน รายละเอียด ให้รอบคอบ ใน แต่ละ ชนิด ของ การ จัดการทรัพยากรมนุษย์ พิจารณาเลือกตรงตามความจริงว่า บริษัทได้ ใช้กลยุทธ์ ทาง ทรัพยากรมนุษย์ ข้อใด ซึ่งตรงความจริงที่สุด เพียงหนึ่งข้อ

- ☐ ก. บริษัท **เน้นเป็นพิเศษ** ในการลงทุนกับทรัพยากรมนุษย์ ทางด้าน ฝึกอบรม และ การพัฒนาความสามารถ (Strong)
- ☐ ข. บริษัท **เน้นเป็นระดับปานกลาง** ในการลงทุนกับทรัพยากรมนุษย์ ทางด้าน ฝึกอบรม และ การพัฒนาความสามารถ (moderate)
- ☐ ค. บริษัท **เน้นบ้าง หรือ เน้นเล็กน้อย** ในการลงทุนกับทรัพยากรมนุษย์ ทางด้าน ฝึกอบรม และ การพัฒนาความสามารถ (least)

### ส่วนที่ 3 ผลลัพธ์ทางการจัดการทรัพยากรมนุษย์

กรุณา เลือกเพียงหนึ่งในแต่ละข้อ ที่ใกล้เคียงกับความเป็นจริง ของ ผลลัพธ์ ใน ระดับประสิทธิภาพการบริหาร ทรัพยากรมนุษย์ ภายในบริษัท

6. ขวัญกำลังใจของพนักงานภายในบริษัท  
น้อยมาก \_\_\_\_\_ : \_\_\_\_\_ : \_\_\_\_\_ : \_\_\_\_\_ : \_\_\_\_\_ สูงมาก
7. ระยะเวลาโดยเฉลี่ย ในครอบครอง ตำแหน่ง ระดับ ผู้จัดการอื่น ๆ (ที่ **ไม่รวม** ระดับ ผู้บริหารระดับสูง (CEO))  
น้อยมาก (น้อยกว่า 1 ปี) \_\_\_\_\_ : \_\_\_\_\_ : \_\_\_\_\_ : \_\_\_\_\_ : \_\_\_\_\_ สูงมาก (มากกว่า 6 ปี)
8. อัตราเฉลี่ยของการออกจากงานในระดับผู้จัดการ (ที่ **ไม่รวม** ระดับ ผู้บริหารระดับสูง (CEO))  
น้อยมาก (น้อยกว่า 5 %) \_\_\_\_\_ : \_\_\_\_\_ : \_\_\_\_\_ : \_\_\_\_\_ : \_\_\_\_\_ สูงมาก (มากกว่า 20 %)
9. อัตราเฉลี่ยของการเลื่อนตำแหน่งในระดับผู้จัดการ (ที่ **ไม่รวม** ระดับ ผู้บริหารระดับสูง (CEO))  
น้อยมาก (น้อยกว่า 10 %) \_\_\_\_\_ : \_\_\_\_\_ : \_\_\_\_\_ : \_\_\_\_\_ : \_\_\_\_\_ สูงมาก (มากกว่า 25 %)
10. อัตราเฉลี่ยของการที่ระดับผู้จัดการ ได้รับ การฝึกอบรม โดยนอจากงาน (off-job) ตัวอย่างเช่น การ สัมมนาออกสถานที่, การทำกิจกรรมร่วมกับมหาลัย, ศูนย์การพัฒนาภายในองค์กร, หรือ อื่น ๆ)  
น้อยมาก (น้อยกว่า 5 %) \_\_\_\_\_ : \_\_\_\_\_ : \_\_\_\_\_ : \_\_\_\_\_ : \_\_\_\_\_ สูงมาก (มากกว่า 20 %)

## APPENDIX B

### List of Japanese MNCs in Amata Nakorn and Amata City

- Ageless (Thailand) Co., Ltd.
- Aichi International (Thailand) Co.,Ltd.  
(Rent location in Toyota tsusho)
- Aiphone Communications (Thailand) Co., Ltd.
- Air Products Industry Co., Ltd.
- Aishin Takaoka Foundary Bangpakong Co., Ltd.
- Amagasaki Pipe (Thailand) Co., Ltd.
- Asahi Somboon Aluminum Co., Ltd.
- ARST (Thailand) Co., Ltd.
- Asahi Somboon Aluminum Co., Ltd.
- Bangkok Komatsu Co., Ltd.
- Bangkok Komatsu Industries Co., Ltd.
- C K D Thai Corporation Limited
- Calsonic Kansei (Thailand) Co., Ltd.
- Calsonic Products (Thailand) Co., Ltd.
- Complete Auto Rubber Manufacturings Co., Ltd.
- Daiki Nikkei Thai Limited  
(Alcan Nikkei Thai Limited / Nikkei Thai Co., Ltd.)
- Daikin Air Conditioning (Thailand) Ltd.
- Daikin Industries (Thailand) Ltd.
- Dainippon Ink & Chemicals (Thailand) Co., Ltd.
- Daipia System Technology Co., Ltd.  
(Rent Ticon)
- Denso (Thailand) Co., Ltd. (Nippon Denso Co., Ltd.)
- Kyokuyo Industrial (Thailand) Co., Ltd.
- Kyoritsu Iyo (Thailand) Co., Ltd.
- KPN Automotive Co., Ltd.(Thai/Japan)
- KPN Automotive Co.,Ltd. (Japan)
- DIA Modern Engineering (Thailand) Co.,Ltd.,
- E & H Precision (Thailand) Co., Ltd.
- Eagle Industry (Thailand) Co.,Ltd.(Rent Ticon)
- EXEDY Friction Material Co., Ltd.  
(Siam International Corp. Ltd.)
- FIC International (Thailand)
- Fujita Rashi (Thailand) Co., Ltd.
- Gifu Seiki (Thailand) Co., Ltd.
- Glory Plan Thailand Co., Ltd. (Thai Sadakari Co., Ltd.)
- IHI Turbo (Thailand) Co., Ltd.
- International Casting Co., Ltd.  
(Siam Yamaha Co., Ltd.)
- International Precision Co., Ltd.  
(Siam Yamaha Co., Ltd.)
- Jibuhin (Thailand) Co., Ltd.
- Kaise (Thailand) Co., Ltd.
- Kanayama Kasei (Thailand) Co., Ltd.
- Kanpatsu (Thailand) Co., Ltd.
- Kanto Hara Co., Ltd. (TBK Krungthep Co., Ltd.)
- Kanuc Y.M.P. (Thailand) Co., Ltd.
- Kao Industrial (Thailand) Co., Ltd.
- Kawabe Precision (Thailand) Co., Ltd.  
(Nakano Enterprise (Thailand) Co., Ltd.)
- Kitz (Thailand) Ltd.
- Kohbyo (Thailand) Co., Ltd.
- Konsei (Thailand) Co., Ltd.
- Pigeon Industries (Thailand) Co., Ltd.
- Rokko Module Industry Co., Ltd. :  
Hoei Polymer (Thailand) Co., Ltd.  
(Factory Closed)



- Linex International (Thailand) Co., Ltd.
- Lube-Technology Co.,Ltd. (same location Moresco)
- M E P Technical Center Asia Ltd.
- MC Metal Service Center Asia Ltd.
- Meiwa Mold (Thailand) Co., Ltd.
- MIC Industries (Thailand) Co., Ltd.
- Mino (Thailand) Co., Ltd.
- Mitsubishi Electric Consumer Products (Thailand) Co., Ltd.
- Mitsubishi Elevator Asia Co., Ltd.
- Mitsui Grinding Technology (Thailand) Ltd.
- Moresco (Thailand) Co., Ltd. ( Loop Tecnology Co., Ltd.)
- Nagoya Yuka (Thailand) Co., Ltd
- Neis (Thailand) Co., Ltd.
- Nifco (Thailand) Co., Ltd.
- Niles (Thailand) Co., Ltd.
- Nissei Precision (Thailand) Co., Ltd.
- Nissho Precision (Thailand) Co., Ltd.
- Nittan (Thailand) Co., Ltd.
- NSK Bearing Manufacturing (Thailand) Co., Ltd.
- NSK Safety Technology (Thailand) Co., Ltd (NSK Bearings (Thailand) Co., Ltd.)
- Ogawa Asia Co., Ltd.
- Oizuru (Thailand) Co., Ltd.
- PCM Processing (Thailand) Ltd.
- Summit Chugoku Seira Company Limited
- Suncall High Precision (Thailand) Ltd.
- Siam Ito Engineering Co., Ltd.
- Siam Riken Industrial Co., Ltd.
- Siam Sanpo Co., Ltd.
- Siam Tone Co., Ltd.
- Siam Toyota Manufacturing Co., Ltd.
- TT Fuji Tool Support Co., Ltd. (Rent
- Ryosan Engineering (Thailand) Ltd. (Singapore Ryosan Private Limited)
- S.A. Precision Co., Ltd.
- Saga Fastener (Thailand) Co., Ltd.
- San - Ei (Thailand) Ltd.
- Sankin Corporation (Rent Ticon)
- Sankyu-Thai Co.,Ltd.
- Shimohira Electric (Thailand) Co., Ltd.
- Shinpack (Thailand) Co., Ltd.
- Shiraishi (Thailand) Co., Ltd.
- Shiroki Corporation (Thailand) Limited
- Siam AT Industries Co., Ltd. (Siam Cement Co., Ltd. : Thai Engineering Product Co., Ltd.)
- Siam Auto Manufacturing Co., Ltd.
- Siam Calsonic Co., Ltd.
- Siam Denso Manufacturing Company Limited
- Siam DK Technology Co., Ltd.
- Siam Hi - Tech Steel Center Co., Ltd.
- Siam Hitachi Automotive Product Co., Ltd.
- Siam Kayaba (Thailand) Co., Ltd.
- Siam Keeper Co., Ltd.
- Siam NDK Co., Ltd.
- Siam Orient Electric Co., Ltd.
- SNC Sound Proof Co., Ltd.
- Sony Technology (Thailand) Co., Ltd.
- Thai Kikuwa Industries Co., Ltd.
- Thai Matsuura Co., Ltd. (Rent S.A.S. Property)
- Thai Matto NS Co., Ltd.
- Thai Nippon Seiki Co., Ltd.
- Thai Nishiken Co., Ltd.
- Thai NOK Co., Ltd.
- Thai Obayashi Corporation Ltd.

- location in Toyota Tsusho)
- TTK Logistics (Thailand) Co., Ltd.
  - Tungaloy Manufacturing (Thailand) Co., Ltd. (Rent Ticon)
  - Thai Steel Pipe Industry Co., Ltd
  - Thai Tohken Thermo Co., Ltd.
  - Thai Sadakari Co., Ltd.
  - Thai Seat Belt Co., Ltd.
  - Thai Sekisui Foam Co., Ltd.
  - United Coil Center Co., Ltd.
  - Thai Yukilon Co., Ltd.
  - Usui International Corporation (Thailand) Limited
  - Three Bond Manufacturing (Thailand) Co., Ltd.
  - Vuteq Asia Co., Ltd.
  - TOACS (Thailand) Co., Ltd.
  - Vuteq Thai Co., Ltd.
  - Tokai Plastic Industry Co., Ltd.
  - Walbro (Thailand) Co., Ltd.
  - Topy Fasteners (Thailand) Limited
  - World Sibo-Tech Co., Ltd.
  - Totem Industry Co., Ltd.
  - Y.M.P. (Thailand) Co., Ltd.
  - Toyoda Gosei (Thailand) Co., Ltd.
  - Yahagi (Thailand) Co., Ltd. (Rent Ticon)
  - Toyota Tsusho (Thailand) Co., Ltd.
  - YMP Press & Dies (Thailand) Co., Ltd.
  - TSK Forging Co., Ltd.
  - Sumitomo Electric Sintered Component (Thailand) Co., Ltd.
  - Tsubakimoto Automotive (Thailand) Co., Ltd.
  - Siam Zexel Co., Ltd. (Siam Kiki Co., Ltd.)
  - Tsuchiya (Thailand) Co., Ltd.
  - Daikin Compressor Industries Limited
  - Tayca (Thailand) Co., Ltd.
  - Elastomix (Thailand) Co., Ltd.
  - TBK Krungthep Co., Ltd.
  - International Casting Products Co., Ltd. (Somboon Group)
  - TFO Tech (Thailand) Co., Ltd.
  - Kuriyama-Ohji (Thailand) Ltd.
  - Thai Asahi Glass Public Company Limited
  - Oiles (Thailand) Co., Ltd.
  - Thai Daizo Aerosol Co., Ltd.
  - S.K.I. Ceramics Co., Ltd. (1)
  - Thai Iwaki Glass Co., Ltd.
  - Thai Kayaba Industries Co., Ltd.
  - Nissin Manufacturing (Thailand) Co., Ltd.
  - Sanoh Industries (Thailand) Co., Ltd.
  - SEWS-COMPONENTS (THAILAND) LIMITED
  - Siam Coated Abrasive Co., Ltd. (B&B)
  - SP Evolution (Thailand) Co., Ltd.
  - Sumitomo Electric Wiring Systems (Thailand) Limited
  - Thai Asahi Glass Public Co., Ltd.
  - Thai Atom Gloves Co., Ltd.
  - Thai Summit Hirotec Co., Ltd.
  - Tokai Rika (Thailand) Co., Ltd.
  - Yamashita Mold (Thailand) Co., Ltd.



