

## ABSTRACT

Intense competition in the era of globalization and the struggle in the economic down turn have drawn the attention of many SMEs in Thailand to implement HRM (Human Resource Management) strategy for a stronger competitive position.

The purpose of this research is to identify the impact of HRM practices toward the firm performance. The firm's performance is measured in terms of the organization performance (product quality, service of product, customer satisfaction) and the marketing performance (profitability, marketing share, and sales growth). The HRM practices considered include the employee skill, the employee motivation, the structure of job and work, and some of the control variable. A linear regression model is developed to test the relationship between HRM practice and the firm performance.

A sample of 1,200 companies is chosen from the database in the DEP (the Department of Export Promotion), Ministry of Commerce. The companies spread in the following six industries, which are textile, furniture, electric & electronic, steel, plastic, and jewelry. A structured questionnaire was sent to the HRM manager of each company. The two hundred and five questionnaires were returned and are used for data analysis.

It is found that both organization performance and marketing performance are significantly affected by the training effectiveness of the HRM strategy. The type of industry, nature of business, and market pressure are the significant control variables for organization performance, while manager employee ratio, market pressure, number of employees are the significant control variables for marketing performance.

In terms of different industries, HRM practices on compensation, grievance procedures, internal labor market have a significant impact on the organization performance of the steel industry. HRM practices on training have a significant impact on both organization performance and marketing performance of the electronic industry.

