

Human Resource Management Affecting Organizational Efficiency of State Enterprises in Bangkok, Thailand

^[1]Sukhumpong Channuwong, ^[2]Panita Chaetnalao,
^[3]Bamroung Tangsanga, ^[4]Kanokrat Sudlapa, ^[5]Benyapa Wongwean

^[1]Faculty of Liberal Arts, Krirk University, Thailand

^[2]Faculty of Science and Technology, Bansomdej Chaopraya Rajabhat University
Thailand (Corresponding author)

^[3]Thai-China-ASEAN Business Innovation Program, Krirk University, Thailand

^[4]North Bangkok University, Thailand

^[5]Independent Scholar

Abstract: The objectives of this research were: 1) to study human resource management of state enterprises in Bangkok, 2) to study organizational efficiency of state enterprises in Bangkok, 3) to find a relationship between human resource management and state enterprises in Bangkok, and 4) to analyze the effect of human resource management on state enterprises in Bangkok. The samples used in this study consisted of 321 personnel from state enterprises in Bangkok. The tool used to collect data was a research questionnaire. Statistics used in the research consisted of percentages, mean, standard deviation, correlation and multiple regression analysis (MRA). The findings revealed that: 1) The overall human resource management in state enterprises in Bangkok was at a high level. In particular, training and development had the highest mean score, followed by recruitment and selection, performance appraisal and promotion, and benefits and compensation respectively. 2) The overall efficiency of the organizations of State Enterprises in Bangkok is at a high level. In particular, operation management had the highest mean score, followed by personnel management and resource management. 3) There is a statistical relationship between human resource management and organizational efficiency of state enterprises in Bangkok at the 0.01 level of significance. 4) Human resource management had an effect on the organizational efficiency of state enterprises in Bangkok. Training and development had the most significant effect followed by benefits and compensation, performance appraisal and promotion, and recruitment and selection.

Keywords: Human Resource Management, Training and Development, State Enterprises

1. Introduction

State enterprises in Thailand are currently facing significant financial challenges due to the widespread impact of the COVID-19 pandemic. This has led to a situation where Thai businesses are unable to operate normally. Temporary closures mandated by government measures have resulted in a loss of income for livelihoods and the inability to repay debts borrowed from various banks for business operations and investments. Despite the assistance measures provided by the government, they do not comprehensively cover all types of businesses, considering the differences in business types and capital (Office of Small and Medium Enterprise Promotion (OSMEP), 2021). However, human resource management remains crucial for the progress and survival of organizations because the workforce plays a pivotal role in driving an organization towards prosperity. A knowledgeable and skilled workforce contributes significantly to organizational success. Wongsuwan (2010) emphasized the importance of human resource management in helping employees develop themselves and contribute to the stability and achievement of organizational goals. Nomnian et al. (2018) emphasized the importance of achieving efficiency, cost-effectiveness, and value in resource utilization. They asserted that every organization aims for success with efficiency, creating savings and value in resource utilization. Efficiency, in an economic context, is considered a successful outcome, measured by indicators such as thriftiness and value, encompassing cost savings, resource efficiency, time savings, timely task completion, and with good quality. Economy and value can be measured through input, process, and output, with efficiency closely aligned with effectiveness, defined as the achievement of intended objectives or goals that meet with organizational

expectations. Effectiveness can be assessed by comparing outcomes or successful achievements with predefined objectives or goals. Khemanuschet (2017) stated that efficiency can be measured based on the following characteristics: (1) Economy, including cost savings, resource efficiency, and time savings; (2) Timely task completion, involving swift and punctual accomplishment of tasks; and (3) Quality, ensuring high-quality work that is usable, considering the quality of inputs, well-selected and quality resources, a well-structured production process, and standardized outputs. Meglich (2017) and Channuwong (2018) highlighted that effective human resource management contributes to organizational efficiency, enabling employees to work with knowledge and abilities to help the organization achieve its goals. Moreover, it empowers the workforce to efficiently use material resources or modern technologies, ensuring rapid and timely operations, which are critical factors in creating competitive advantage.

The researchers believe that effective human resource management empowers employees, fostering motivation, positive attitudes toward the organization, and job satisfaction. These elements drive employees to dedicate themselves, make sacrifices, and efficiently tackle challenging tasks to achieve success. Despite, state enterprises in Thailand are struggling with significant issues related to income and business capital, having human resources with knowledge, skills, expertise, and problem-solving abilities can help Thai state enterprises to overcome the current crisis. Therefore, this study aims to analyze a relationship and the effect of human resource management on organizational efficiency of state enterprises in Bangkok, Thailand.

2. Research Objectives

1. To study human resource management of state enterprises in Bangkok
2. To study organizational efficiency of state enterprises in Bangkok
3. To find a relationship between human resource management and state enterprises in Bangkok
4. To analyze the effect of human resource management on state enterprises in Bangkok.

3. Research Hypotheses

Hypothesis 1: Human resource management has a relationship with organizational efficiency of state enterprises in Bangkok

Hypothesis 2: Human resource management has an effect on organizational efficiency of state enterprises in Bangkok

4. Literature Review

Human resource management is of paramount importance to the prosperity and success of an organization because humans are the driving force that propels an organization towards prosperity, wealth, stability, and sustainability. Organizations with human resources replete with knowledge, abilities, expertise, and excellent work skills are poised for advancement. Consequently, many contemporary organizations place great emphasis on human resource management, starting from the planning stage, workforce allocation, recruitment, and selection of employees to training and development, benefits and compensation, and performance evaluation, up to the retention of knowledgeable and skilled employees (Siripap, et al., 2021). Administrators must prioritize human resources because they constitute the intellectual property of an organization, representing skills, knowledge, and abilities that are valuable and beneficial to the growth and development of the organization. As stated by Itthiawatchakul (2010), humans are the most crucial intellectual asset of an organization, aiding in efficient goal achievement and creating a competitive edge. Therefore, organizations need effective methods for recruiting human resources to acquire individuals with quality, knowledge, and required job skills. Furthermore, organizations must provide opportunities for employees to showcase their knowledge, abilities, and full potential, and at the same time, organizations should give adequate benefits and compensation to keep them committed to the organization over the long run. Nimitrsonthikul (2015) stated that success of an organization can be measured by the quality of its workforce and efficiency in performance. Hence, managing human resources is crucial in driving an organization toward sustained success. Managers need to select and cultivate individuals with qualities and excellence, create motivational mechanisms for them to work effectively within the organization which lead the organization to reach sustainable development. Channuwong et al. (2022) and Teerathanchaikul (2014) stated that human resource management activities include human resource planning, job analysis, recruitment, selection,

interviewing, appointment, training and development, job performance evaluation, compensation, benefits, and welfare. It also involves retaining qualified personnel to ensure they remain working with the organization for a long period of time. According to Jongrak (2015), human resource management is a process for managing personnel within an organization. It involves a comprehensive approach starting from the analysis and planning of human resources, recruitment, selection, training and development, compensation, human resource retention, and performance evaluation. Mondy et al. (1999) stated that the components of human resource management include (1) employee recruitment, (2) employee selection, (3) employee training and development, (4) compensation, benefits, and welfare management, (5) performance evaluation, and (6) employee retention.

5. Research Methodology

This study is a quantitative research. The researchers employed a questionnaire as a tool to collect data. The populations and samples used in this study consisted of personnel working in state enterprises in Bangkok with total amount of 2,500 individuals. The researchers utilized the Taro Yamane formula to determine the sample size, resulting in a sample group of 345 individuals. Questionnaires were distributed to the entire sample group, and 321 copies were returned.

The variables used in this study included independent and dependent variable. Independent variable was human resource management comprising of recruitment and selection (RS), training and development (TD), benefits and compensation (BC), and performance appraisal and promotion (PP). Dependent variable was organizational efficiency comprising of personnel management (PM), operation management (OM), and material management (MM). In developing the research questionnaire, the researchers explored various concepts and theories from relevant documents and research works. The questionnaire was divided into three parts:

Part 1 of the questionnaire is a closed-ended checklist, comprising questions regarding the personal information of respondents, encompassing gender, age, marital status, education level, years of work experience, and monthly income. Part 2 employed a Likert scale to measure the attitudes of respondents regarding human resource management consisting of recruitment and selection, training and development, benefits and compensation, and performance appraisal and promotion with a total of 16 items.

Part 3 employed a Likert scale to measure organizational efficiency of state enterprises consisting of personnel management (PM), operation management (OM), and material management (MM) with a total of 12 items.

The researchers employed statistical analysis using data obtained from a 5-level Likert scale questionnaire. The criteria used to evaluate the questionnaire were as follows: 5 = "strongly agree"; 4 = "agree"; 3 = "neutral"; 2 = "disagree"; and 1 = "strongly disagree". To interpret the results or the meaning of the mean value, the researchers used the following criteria: 4.21-5.00 = "strongly agree"; 3.41-4.20 = "agree"; 2.61-3.40 = "neutral"; 1.81-2.60 = "disagree; and 1.00-1.80 = "strongly disagree".

The researchers conducted content validity check and reliability of the questionnaire as follows: 1.Content Validity Check: Content validity was examined by three qualified experts, evaluating the congruence between the questions and the study objectives using the Item Objective Congruence Index (IOC). The IOC yielded a value of 0.85. 2.To assess reliability, the questionnaire was tried out with 30 people who were not the samples of this study. The reliability of the questionnaire was 0.89.

The researchers distributed questionnaires to 345 samples during September 1, 2023, and October 31, 2023. The researchers received 321 copies in return, representing a response rate of 92.75%.After collecting the data, the researchers proceeded to check the correctness and completeness of the questionnaires before conducting statistical analysis. The researchers employed both descriptive and inferential statistics for data analysis and hypothesis testing as follows: 1. Frequency and percentage were utilized to analyze general information of the respondents. 2. Mean and standard deviation were used to analyze human resource management and organizational efficiency of state enterprises. 3. Pearson correlation was applied to examine a relationship between human resource management and organizational efficiency in state enterprises in Bangkok. 4. Multiple regression analysis (MRA) was used to analyze human resource management that has an influence on organizational efficiency of state enterprises in Bangkok.

6. Results

6.1 Statistical Analysis on Human Resource Management of State enterprises in Bangkok

The research findings indicated that the overall human resource management of state enterprises in Bangkok was at a high level ($\bar{X}=3.81$, S.D.= .472). In particular, training and development had the highest mean score ($\bar{X}=4.28$, S.D.= .703), followed by recruitment and selection ($\bar{X}=4.20$, S.D.= .479), performance appraisal and promotion ($\bar{X}=3.49$, S.D.= .235), and benefits and compensation ($\bar{X}=3.28$, S.D.= .238) respectively.

6.2. Statistical Analysis on Organizational Efficiency of State Enterprises in Bangkok

The research findings indicated that the overall organizational efficiency of state enterprises in Bangkok was at a high level ($\bar{X}=3.75$, S.D.= .532). In particular, operation management had the highest mean score ($\bar{X}=3.92$, S.D.= .635), followed by personnel management ($\bar{X}=3.89$, S.D.= .536), and material management ($\bar{X}=3.45$, S.D.= .425) respectively.

6.3 Statistical Analysis on the Correlation between Human Resource Management and Organizational Efficiency of State enterprises in Bangkok

The results of statistical analysis indicated that the correlation coefficient within the components of human resource management consisting of recruitment and selection (RS), training and development (TD), benefits and compensation (BC), and performance appraisal and promotion (PP) had a positive relationship. This indicated that the four variables had a relationship in the same direction with a correlation ranged from .328 to .690, which the highest correlation was a relationship between benefits and compensation (BC) and performance appraisal and promotion (PP).

The correlation between human resource management (HRM) and organizational efficiency (OE) of state enterprises in Bangkok showed a statistical relationship at the .01 level of significance. The correlation coefficients ranged from .339 to .798, which the strongest correlation was a relationship between benefits and compensation (BC) and organizational efficiency (OE) (Table1).

Table 1 Correlation Coefficient between Human Resource Management and Organizational Efficiency of State enterprises

Variables	RS	TD	BC	PP	OE
RS	1	.328**	.535**	.610**	.339**
TD		1	.569**	.527**	.459**
BC			1	.690**	.798**
PP				1	.583**
OE					1

** Statistically significant at the 0.01 level

6. 4 Statistical Analysis on Human Resource Management Affecting Organizational Efficiency of State enterprises in Bangkok

The results of Multiple Regression analysis indicated that the components of human resource management had an effect on organizational efficiency of state enterprises at the 0.01level of statistical significance ($F=6.347$, $p=.002$). In particular, training and development (TD) exhibit the highest standardized scores (Beta = .598, $p<.01$), followed by benefits and compensation (BC) (Beta = .484, $p<.01$), performance appraisal and promotion (PP) (Beta = .397, $p<.01$), and recruitment and selection (RS) (Beta = .290, $p<.01$). The components of human resource management had an effect on organizational efficiency of state enterprises at 69.5% (Adjusted $R^2=.695$), whereas, the rest 30.5% was the results of other variables which were not taken into account in this study (Table 2).

Table 2: Human Resource Management Affecting Organizational Efficiency of State Enterprises in Bangkok

Human Resource Management	Organizational Efficiency				p
	b	SE	β	T	
Constant	1.076	.199		15.412**	.000
Recruitment and Selection (RS)	.267	.048	.290	.639**	.003
Training and Development (TD)	.568	.061	.598	2.019**	.000
Benefits and Compensation (BC)	.462	.035	.484.3	1.256**	.000
Performance Appraisal and Promotion(ER)	.368	.067	.97	1.359**	.000
R ² =	.037			F =	.6347**
Adjust R ² =	.695	SE =	.785	p =	.002

** Statistically significant at .01 level

Conclusion and Discussion

The research findings indicated that the overall human resource management of State enterprises in Bangkok is at a high level. In particular, training and development (TD) had the highest mean score, followed by recruitment and selection (RS), performance appraisal and promotion (PP), and benefits and compensation (BC). The emphasis on training contributes to the development of employees' knowledge and skills in job performance, aligning with the findings of Itthiwachakul (2010) who stated that training leads to the development of various skills such as job-related, interpersonal skill, problem-solving skill, critical thinking, and life skill. These skills are considered essential for employees, and employee possessing these skills can add value to the organization and drive the organization to reach its goals and objectives. The research also highlighted that benefits and compensation had the lowest mean score. It can be discussed that many employees perceive the benefits and compensation they receive as insufficient. Therefore, the government should consider supporting state enterprises with special privileges and funds to help them have good life quality and overcome the current economic recession. Furthermore, state enterprises should implement measures to take care of employees' welfare and compensation, ensuring a high-quality of work life. In this regard, Channuwong (2015) suggested that prosperous organizations prioritize employee satisfaction by providing adequate compensation and benefits, taking care of employee welfare, which, in turn, fosters a sense of satisfaction and commitment among employees toward the organization.

The research results revealed a positive relationship between the components of human resource management, consisting of recruitment and selection (RS), training and development (TD), benefits and compensation (BC), and performance appraisal and promotion (PP), and organizational efficiency (OE) with a statistical significance at the .01 level. This indicated a substantial relationship among these four variables, with correlation coefficient ranging from .339 to .798. Notably, the highest correlation coefficient is found between benefits and compensation (BC) and organizational performance, aligning with the findings of Nomnian et al. (2018) who found that rewarding employees with appropriate compensation and benefits positively correlates with organizational efficiency. The study further validates the importance of addressing employee well-being through adequate compensation, benefits, and welfare. The study also concurs with the research of Jongrak (2015) which emphasized that employees universally prioritize organizational care, particularly in the aspects of benefits, compensation, and welfare, as vital components for job satisfaction and effective performance. The results of this study were relevant to the perspective presented by Mondy et al. (1999) who regarded compensation and benefits as rewards exchanged for employee contributions, encompassing wages, salaries, bonuses, as well as additional welfare measures such as life and health insurance, travel, and healthcare.

The study demonstrates a significant impact of human resource management on organizational efficiency at the 0.01 level, with training and development exhibiting the highest standardized score, followed by benefits and compensation, performance appraisal and promotion, and employee recruitment and selection. These findings were relevant to a study of Dessler (2008) who stated that the role of training and development is to enhance and improve employees' knowledge and skills, foster positive attitudes towards the organization, and instill effective leadership qualities and decision-making skills for overall organizational efficiency. In this matter, Channuwong (2008) also found that employees who possess knowledge, skills, creativity and organizational commitment will dedicate and sacrifice their effort to work for reaching organizational efficiency.

Recommendations

1. Human resources had a paramount significance in enhancing organizational efficiency. Therefore, the principles of human resource management should be applied within each section of the organization. The human resource department should prioritize benefits and compensation to ensure a high quality of life for employees.
2. State enterprises should invest in training their personnel to acquire the knowledge, skills, and expertise required for efficient job performance, aligning with the specific needs of the business.
3. A comparative study should be conducted to evaluate the effectiveness of human resource management in state enterprises in Bangkok and other provinces in order to identify strengths and weaknesses that would be beneficial for further enhancement and development of the organization.

References

- [1] Channuwong, S. (2008). Human resource management of the private and public universities in Bangkok. *Journal of Association of Private Higher Education Institutions of Thailand*, 14(2), 176-191.
- [2] Channuwong, S. (2015). Organizational commitment of university staff and lecturers: A case study of Mahamakut Buddhist University. *Journal of Community Development Research*, 8(3), 34-46.
- [3] Channuwong, S. (2018). The relationship between good governance principles and organizational justice: A case study of Bangkok Government Officials. *Asia Pacific Social Science Review*, 18(3), 43-56.
- [4] Channuwong, S., Ladnongkun, V., Siripap, P., Makingrilas, J., Phetkong, J. (2022). The model of COVID-19 prevention in the critical situations of Thai society. *Rajapark Journal*, 16(46), 67-80.
- [5] Dessler, G. (2008). *Human resource management*. New Jersey: Pearson Education, Inc., Upper Saddle River.
- [6] Itthiwachakul, J. (2010). *Managing people beyond the manuals*. Bangkok: Nation International Education.
- [7] Jongrak, W. (2015). *Human resource management that impacts operational efficiency of Indonesian Coal Industry*. Master of Business Administration Thesis, Faculty of Business Administration Business in Engineering Management, Rajamangala University of Technology Thanyaburi, Pathum Thani.
- [8] Khemanuschet, V. (2017). *Efficiency, Effectiveness*. Retrieved from <http://bankusayei.blogspot.com/2015/01/blog-post.html>
- [9] Meglich, P. (2017). *Human resource management*, 15th edition. Nebraska: Cengage Learning.
- [10] Mondy, R.W., Noe, R.M. and Premeaux, S.R. (1999). *Human resource management*. NJ: Upper Saddle River.
- [11] Nimitrsonthikul, P. (2015). *Human resource management of Nakhon Pathom Rajabhat University*. Master of Business Administration Thesis, Graduate School, Silpakorn University.
- [12] Nomnian, A., Chanunwong, S., & Montrikul Na Ayutthaya, B. (2018). Good governance and organizational efficiency in the ASEAN Community. *Governance Journal*, 7(1), 67-86.
- [13] Office of Small and Medium Enterprise Promotion (OSMEP). (2021). *The study of the situations and indicators of small and medium-sized enterprises (SME)*. Retrieved from: <https://www.sme.go.th>
- [15] Nimitrsonthikul, P. (2015). *Human Resource Management of Nakhon Pathom Rajabhat University*. Master of Business Administration Thesis, Graduate School, Silpakorn University.
- [16] Siripap, P., Channuwong, S., Ladnogkun, V., Makingrilas, J., & Vitoorapakorn, C. (2021). Human resource management influencing organizational commitment of personnel of Thai Higher Education Institutions. *Governance Journal*, 10(1), 197-220.
- [17] Teerathanchaikul, K. (2014). *Human Resource Management*. Bangkok: Asia Press.
- [18] Wongsuwan, N. (2010). *Human Resource Management*. Bangkok: Pimluk Press.