

# Human resource management adjustment of skill labour in gems industry in Thailand

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## Keywords

Human resource management, Adjustment, Skill labour, Gems industry, and Thailand

## Abstract

A studies sample includes 106 entrepreneurs, the research instrument to collect data was questionnaires. The statistics used were frequency, percentage, average, and standard deviation (S.D.). The results were as follows:

Entrepreneurs' labour shortage problem, labour quality problem, and adjustment in human resource management of skilled labour in gems Industry in Thailand were all at a moderate level.

The shortage of skilled labour was found, according to its respective severity, in the following works: jewelry engravement, jewelry body assemble, and jewelry lapidary.

Labour quality problems are presented, according to its respective severity, in the following works: jewelry body assembly and jewelry engravement.

Skilled labour shortage could be remedied if the wage is increased highly enough to induce the newly-trained skilled workers to the industry, and by increasing hours of overtime work.

Additional skill training as well as wage increase are necessary factors to help improve the quality of labour in gem industry.

## 1. Introduction

From time to time, gems are one of top ten of export products. In the present time, it is the third of export product accounting for 5.5 % of total of export value. Today, its importance as one of the leading industry of the country is still well-recognized for the fact that a considerable number of skilled labour and involved career workers are employed in this industry. As every industry in Thailand is adjusting to suit the rapidly changing and high competitive environment, gems industry has shaped its aim towards higher quality products and cheaper cost. In the pursuit of the goals of keeping the competitive advantage with higher labor productivity and good quality product, entrepreneurs should point out the human resource management problems in order that they can prepare in advance appropriate ways to overcome the perceived problems.

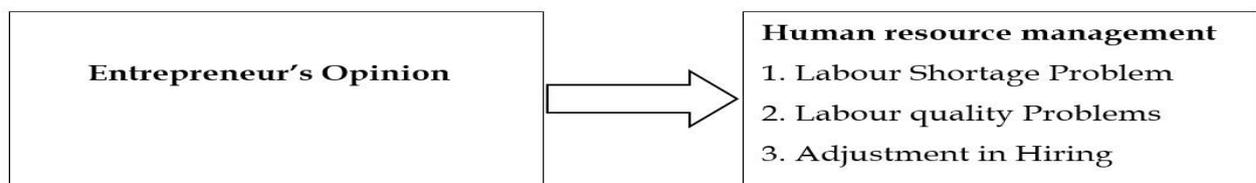
## 2. Research Objectives

- To study entrepreneur's opinion on the degree of severity of labour shortage and labour quality problems and management adjustment to these problems.
- To study the human resource management adjustment of skill labour.

## 3. The Research Hypothesis

Gems entrepreneurs have different opinion on the degree of severity of labour shortage problem, labour quality problem, and human resource management adjustment of skill labour in Gems Industry in Thailand.

## 4. Conceptual Framework



## 5. Research Instrument

Research instrument was a questionnaire which was divided into 2 parts. Part 1 was a set of questions about general information of organizational factors including investment capital, number of employees, and type of business. Part 2 was a set of questions about human resource management problems and adjustment in gems industry. The Cronbach's alpha reliability coefficient of the questionnaires was 0.932

## 6. Data Collection and Analysis

The questionnaires were distributed to the whole population, and 106 were returned and used as a study sample. The sample was accounted for 13.56% of the population.

The statistics used were percentage, arithmetic mean, standard deviation. The scores for entrepreneur's opinion on the degree of severity of human resource management problems and adjustment in gems industry in Thailand are interpreted by arithmetic as following:

Average levels 4.50 to 5.00 means the degree of severity are highest.

Average levels 3.50 to 4.49 means the degree of severity are high.

Average levels 2.50 to 3.49 means the degree of severity are moderate.

Average levels 1.50 to 2.49 means the degree of severity are lower.

Average levels 1.00 to 1.49 means the degree of severity are lowest.

## 7. Research Results

Organizational Characteristics	Number (n = 106)	Percentage (%)
<b>1. Investment Capital</b>		
Small	59	55.7
Medium	32	30.2
Large	15	14.2
Total	106	100.0
<b>2. Number of employees</b>		
Small ( $\leq 200$ )	88	83.0
Medium ( $> 200$ )	18	17.0
Total	106	100.0
<b>3. Type of Business</b>		
Sole proprietorship	27	25.5
Partnership	13	12.3
Corporation	66	62.3
Total	106	100.0

**Table 1** Analysis of Organizational Characteristics

Content of Human Resource Management Problems in Skill Labour	$\bar{X}$	S.D.	Degree of Severity	Ranking
Labour shortage problem	2.915	.957	Medium	2
Labour quality problem	3.076	.973	Medium	1
<b>Total average</b>	<b>2.995</b>	<b>.838</b>	<b>Medium</b>	

**Table 2** Average ( $\bar{X}$ ), Standard Deviation (S.D.), Degree of Severity, and Ranking of Human Resource Management Problems of Skill Labour Shortage and Quality Problems

Content of Human Resource Management Adjustment	$\bar{X}$	S.D.	Degree of Severity
The Ability of Human Resource Adjustment in hiring of Skill Labour to cope with the shortage and the quality Problems.	3.170	.697	Medium

**Table 3** Average ( $\bar{X}$ ), Standard Deviation (S.D.), Degree of Severity of Human Resource Management Adjustment in Hiring of Skill Labour

Adjustment	Number (n = 106)	Percentage (%)
1 Increase the wage structure	55	43.3
2 Increase hours of overtime work	33	26.0
3 Take from other competitive firm by increasing benefit	11	8.7
4 Change employment status from Overtime to full time	16	12.6
5 Others.	12	9.4
<b>Total</b>	<b>127*</b>	<b>100.0</b>

\* Respondents can select more than one management adjustment

**Table 4** Number and Percentage of the Management Adjustment of Labour Shortage Problems

Adjustment	Number (n = 106)	Percentage (%)
1 More Improve skill Training	62	48.4
2 Increase payment	38	29.7
3 Assessment skill level	21	16.4
4 Others	7	5.5
<b>Total</b>	<b>128*</b>	<b>100.0</b>

\* Respondents can select more than one management adjustment

**Table 5** Number and Percentage of the Management Adjustment of Labour Quality Problems

## 8. Discussion

The result of this research indicated that gems entrepreneur's opinion on the degree of severity of human resource management problems in overall dimension was at a moderate level. It could be interpreted that these problems weren't too difficult to solve. Data in table 1 showed that most of the sampled firms were small investment capital and small in size with the number of employees less than 200 workers, type of business mostly in the form of corporation.

The analysis, in table 4 the study shows the management adjustment of labour shortage problems composed of (1) Increase the wage structure, (2) Increase hours of overtime work, (3) Take from other competitive firm by increasing benefit, and (4) Change employment status from Overtime to full time. Obviously, increase the wage structure was the first way that entrepreneur should using for adjustment in management of labour shortage problems.

The analysis, in table 5 the study shows the management adjustment of labour quality problems composed of (1) More improve skill training , (2) Increase payment , and (3) Assessment skill level. Obviously, more improve skill training was the first way that entrepreneur should using for adjustment in management of labour quality problems.

However, the results of this study also show that (1) the shortage of skilled labour was found, according to its respective severity, in the following works: jewelry engraving, jewelry body assemble, and jewelry lapidary and (2) labour quality problems are presented, according to its respective severity, in the following works : jewelry body assembly and jewelry engraving.

## 9. Recommendation

The gems business is highly competitive. The need to apply advance production technology and match customer order with production capacity are very vital as respondents confirm in this research survey that those are necessary to the success of the business. Also, knowledge and skill of worker to keep pace with change in work design are needed. Those reasons impact to the way of management

adjustment by (1) more improve skill training and (2) assessment skill level of labour. Generally, when employees gain more skill and experience, the quality of work will be highly productivity and good quality in their product that they produced. Finally, those skill labour can get more payment in compensation. It may be a result of the fact that gems industry needs to employ workers who are highly skilled and firms have to pay more for that experienced skill.

The findings of this research that the success of gems business is highly competitive due to rapid changes in economic conditions as well as business external environment. Then, a proper response to the situation may be that gems entrepreneurs should invest more on labor-saving technology, apply modern and efficient work design, and improve the productivity of their labor forces. So the effective entrepreneurs should have the understanding and judgement necessary to prepare themselves for surviving and growth in the future.

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