

Young Professionals In Thailand Expect 'GLOBALLY COMPETITIVE' Working Conditions

Our recent work with organizations in Thailand suggests that young professionals have vastly different expectations of their employers than older generations. I have always spoken very fondly of many aspects of 'the Thai' way and have actually written in my Australian publications about how Australia can learn from the great commitment many Thai workplaces have to teamwork and support in the workplace.

Global Expectations

The reality we face, however, is that young professionals, whether in Australia, Thailand, China, USA or the UK, have a more global and generally complex view of what an employer should provide to them. Internet, global business forums, cross-international education and a multitude of other communication factors have all influenced the new work paradigm. So employers in Thailand with young professionals who only consider 'the Thai way' for employment methodology are likely to have retention issues (just as an employer in Australia will have if they only consider 'the Australian way'). So what is it that young professionals want from employers globally and in Thailand? The answer may well be a combination of global, national and industry competitive employment conditions, complimented by a personalized approach that recognizes the peculiarities of individuals from a particular profession or business function (a marketing executive's work paradigm may be somewhat different to an IT professional). All of this means that the key factors driving retention are complex and employers of professional workforces are faced with the challenge of keeping abreast with fast changing expectations of employees.

Our recent experience indicates that young Thai professionals are valuing a range of employer attributes that require a level of excellence in Human Resource Management. These attributes include:

- **A work environment to be 'professional'**. For example good inductions, transparent and consistent organizational processes and a computer on their desk the day they arrive.
- **Good Career Management** – an organization needs to be seen as a partner in the individuals career management process. I suspect a greater expectation on employers to be paternalistic in their approach to the individual life in the organization.

- **First Class Training** – effective organizational specific skills training is considered a must! For many young professionals it is an indication of an organization's professionalism. Self development training either through universities or international training organizations is a big selling point. Among professionals, Thailand continues to be one of the most 'qualification obsessed' workforces I have observed.
- **Effective Job Design** – An increasing indication that Thai professionals expect jobs to be well thought out and strategically placed within the organization. It's part of 'delivering what you promised you would deliver'.
- **Opportunity and Participation** -More young Thai people seem to indicate an interest in being able to influence the decision making at work and how the work environment operates
- **Paternalistic and Consistent Leadership** – As mentioned above, young Thai professionals are taking a lot more interest in the capacity of their leaders to lead in a global style. Traditional attitudes about leadership hierarchy remain somewhat strong in Thailand but involving and motivating leaders are in greater demand. Part of the reason for this may be because more young professionals are being educated to believe in western concepts about leadership – in particular that one earns leadership credibility through demonstrating a capacity to influence others around them, rather than a hierarchical evolution based on number of years service.
- **Competitive Remuneration** – Definitely. Especially in areas where there is a labour shortage such as engineering, the demands are getting higher on providing a broad range of benefits and incentives. Solid base wage levels continue to be important to educated Thai professionals due to their penchant for security. Remember, for many, education is the key to a secure and prosperous life.
- **Job Security** - Globally there is a seemingly growing and unfair contradiction among young professionals; provide me with secure employment conditions but don't expect me to stay with you if you cant keep up with the remuneration, benefits and practices being offered by other employers. In Thailand the contradiction seems even more acute. Job security is a base need for Thai's. The company's market, financial and cultural strength needs to be demonstrated consistently or turnover in high-risk positions will quickly increase.

Dealing with Retention Problems

Retention is a strategic issue and there are a number of key things your organization can be doing to keep its good employees. These include:

- **A proper Human Resource plan** that recognizes and measures retention related business disciplines as a major business issue
- **Putting in place tools** that allow you to measure the job satisfaction level of key employees and diagnose core HR related issues. You must keep a close eye on the changing needs of your key people.
- **Changing the Performance Management system** to Career Management process and make the focus both past performance and future career development
- **High potential employee programs**
- **Score cards** that allow the organisation to measure each manager's commitment to retention strategies.
- **Ensure that key HR practices are measurable** and managers are rewarded, or penalised financially for failure to deliver on these.

Of course there are a range of other core strategies that can be introduced. For further information please telephone IHR Asia on Tel: 66 0 2627 9344 or email khunlinda@ihrasia.net.

Did you Know?

As of January 2007 the minimum daily wage rate for Bangkok was 191 THB. The lowest minimum daily wage rate in Thailand is 143 THB applicable in Nan Province. This national regional system of minimum wage rates varies from Australia where there is a dual system of minimum wages.

The first and recently introduced system is known as the Australian Fair Pay and Conditions Standard and has a guaranteed minimum wage of \$13.47 (approx 347 THB) **per hour**. This system is run by the federal government of Australia. To make things more complex for Australian employers some regions of Australia have maintained a traditional system called Awards. Awards have a different set of minimum pay and conditions

You can meet IHR Australia CEO, **Stephen Bell** at the The Australian Corporate Training and Business Consultancy Showcase at Sukhothai Hotel in Bangkok March 29 and 30. Stephen will be more than happy to discuss your Human Resource challenges. For further details please email khunlinda@ihrasia.net

Keeping up with Thailand's Human Resources Today: Better Pay, Leadership, training and development

A 2006 survey by of human resources in Thailand has highlighted some interesting trends that provide important insights for employers regarding their business strategies for 2007 and the future (see Watson Wyatt Worldwide, HR Trend Thailand Q4-2006). Participants were questioned about reasons for leaving employment, experiences of recruiting, possible reviews of employee benefits, training problems, and on certain topics the report offers worldwide comparisons. Staying informed on the fluctuations in human capital is imperative to keeping your organization ahead and maintaining a competitive edge.

The survey queried participant's reasons for leaving their jobs. The results showed that 36% of respondents indicated that better compensation was the main reason for leaving. Better career opportunities were the next most popular reason for leaving your current position. After that, reasons for leaving drop off significantly to many different reasons. It seems that in Thailand's labour market people will leave their job if they are not satisfied. Working individuals are expecting more from their employers than they had in the past. The current trends are revealing that employees in Thailand are pursuing opportunities for better remuneration and prospects for further skill development.

Global comparisons highlight how important wages are for workers all over the world today. Global figures also indicate payment was the main reason for leaving a job and this reason was given by people aged from under 30 right through to those 60 and above. The global rates showed that 68% of people under 30 years of age were leaving their jobs due to pay rates. The results for Thailand and worldwide show that if your business cannot offer competitive remuneration packages you will lose skilled staff, especially those in the under 30 age bracket.

The reported findings indicate that in Thailand human resource managers are experiencing problems in recruiting people into engineering positions, production work and marketing and sales. Taken together with the results described above, it seems a significant problem is emerging. If it is hard to attain and keep young people in positions such as engineering, production, sales and marketing, a difficult situation is being created where there is a lack of fresh, innovative ideas and skills coming into areas which are crucial for driving development.

There are employers in Thailand addressing the current situation, considering strategies they can pursue to retain their employees. Some employers have made plans to review certain benefits. Healthcare benefits, petrol allowance, provident funds and life insurance were the most common. There are employers also focused on training needs. The main area of interest is leadership development with 12.9% of respondents indicating the need for training in



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these skills. Competency development was a focus of training as well as high performance in teamwork and development.

IHR Asia's human resource consultants can address all of the issues outlined here and help your business to achieve a competitive edge. IHR offers interactive and dynamic training programs lead by experienced and creative professionals. IHR's training programs take people through real-life issues using Workplace Reality Theatre and demonstrate working through potential problems with interactive role-play by professional actors.

*IHR Asia is also experienced in **Leadership, Coaching and Development**, helping people reach their full capacity as effective leaders. Consultants of IHR Asia can advise your company on the important issue of today's labour market, attracting and retaining talent through remuneration strategies that will align with and support your overall business objectives. IHR Asia can provide the necessary tools your business requires to inform and develop strategies for the future success of your business.*