

Research Article

A Study of Technical Personnel Loss of Thai SME Funded by China in Thailand: A Case Study of Y Company, a Catering Equipment Manufacturing Company in Thai-Chinese Rayong Industrial Zone

*Kun Li, International Chinese College, Master of Business Administration,
Rangsit University, Pathumthani, Thailand*

Abstract

In recent years, Thailand has attracted a large number of Chinese enterprises to invest in Thailand with its superior geographical location, open policy resources and good investment opportunities. Thai technical talents, as an essential backbone for the development of Chinese enterprises in Thailand, have laid a solid foundation for the sustainable development of enterprises. However, the problem of the loss of Thai technical talents exists objectively, which has a negative impact on human resource management, enterprise culture construction, production and management activities. It is very important and urgent to discuss the ways to find out and reduce the brain drain of Chinese enterprises in Thailand. Guided by field theory, ERG theory, incentive health care theory, Price model and other theories, this paper focuses on the problem of Thai technical brain drain in small and medium-sized Thai catering equipment enterprises through a literature review and a case analysis, hoping to improve the efficiency of cross-cultural human resources management and promote the smooth and orderly sustainable development of enterprises.

Keywords: *Small and Medium-Sized Enterprises; Thai Technical Talents; Brain Drain; Cross-Cultural Human Resource Management*

Received: April 29, 2021 **Revised** May 1, 2021 **Accepted** May 2, 2021

Acknowledgement : I sincerely thank my tutor, Dr. Jiang Haiyue, for her many suggestions on the revision of my thesis. At the same time, I would like to thank the teachers who have taught me, because of your teaching, I can successfully graduate.

Introduction

So far, few scholars have systematically studied the brain drain of Thai multinational enterprises from the perspective of human resource management. According to the overall investment data disclosed by the Thailand Investment Promotion Commission in 2019, there were 1624 investment promotion projects in

Thailand in 2019, with a total amount of 756.1 billion baht (about \$25.09 billion). Lin Lin, KPMG China Financial Consulting Service, said Thailand's friendly attitude and support to Chinese enterprises have led to more and more Chinese enterprises setting up branches or investing in factories in Thailand. According to data on total international direct investment in 2019, Chinese companies ranked first in the size of foreign investment enterprises in Thailand, with an investment of 260 billion baht (\$8.63 billion). According to the secretary-general of the Rayong Industrial zone in Thailand, the Thai government closed its doors and rejected a large number of enterprises thinking of building factories in Thailand under the ravages of COVID-19. Once Thailand opens its doors, more enterprises will enter the Thai-Chinese Rayong Industrial zone.

Research Purpose

There are three main reasons why we choose the problem of Thai technical brain drain Chinese small and medium-sized enterprises in Thai catering equipment as the research direction. First, technical personnel play a more important role in the management and development of small and medium-sized enterprises. Second, the problem of small and medium-sized technological brain drain is more intuitive. Compared to big companies that offer more pay and benefits and more room for advancement, due to limited resources and limited posts, the problem of technological brain drain has a greater potential threat to the development of enterprises. Third, small and medium-sized enterprises in catering industry are more typical. Bang Zongjie, Thailand's Director of International Trade Promotion, indicates that China has been Thailand's largest trading partner for six years in a row, Thailand is China's third largest trading partner in ASEAN, China's catering industry, manufacturing, services in Thailand has driven the strong development of the local economy. Choosing catering equipment enterprises as the research object not only represents the typical image of Chinese Thai enterprises in Thailand, but also promotes the sustainable development of catering equipment companies in Thailand.

Materials and Methods

According to psychologist Corleone's field theory, the lower the individual's ability, the less resources available in the and the lower the salary. The lower the salary, the worse the enterprise environment, the more serious the technical brain drain.

According to the ERG theory put forward by Professor Clayton of Yale University in Maslow, this paper holds that whether the survival needs, relationship needs and growth needs are satisfied in the enterprise have

an impact on the retention of technical talents. When survival needs, relationship needs and growth needs are met in turn, the higher the level of needs are met, the less technological brain drain.

According to the theory of incentive health care put forward by American psychologist Herzberg in 1959, this paper holds that the supply of enterprise incentive factors and health care factors has an impact on the retention of technical talents. The health care factors in the enterprise determine the basic factors of whether the employees lose, and when the health care factors are missing, the brain drain behavior occurs. The incentive factors further reduce the probability of the loss of technical talents and enhance the loyalty of technical talents to enterprises.

According to Price's theoretical model, this paper holds that: wages, integration, basic communication, formal communication summarizes the basic needs of individuals for enterprises, low wages, poor integration, less basic communication, lack of formal communication, technical personnel good sense is low makes low sensitivity of skilled personnel, there are hidden dangers of personnel outflow.

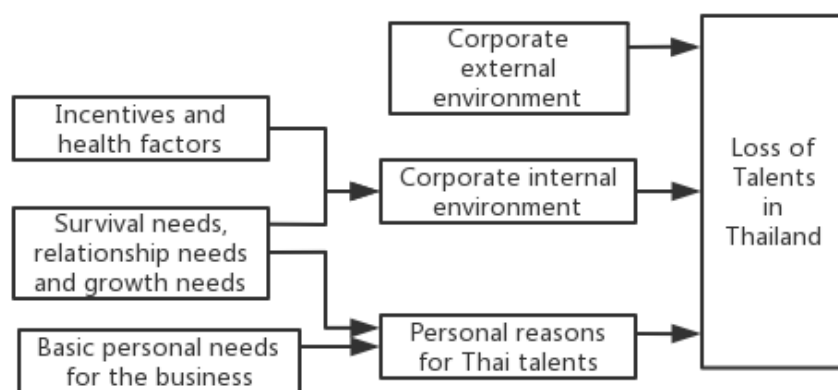


Figure 1 is the theoretical framework of this study

According to the research idea of this paper, we need to take the lead in investigating whether the Y company has the problem of Thai technical brain drain, and further discuss the concrete manifestation and the reason of the problem of Thai technical brain drain. Under the guidance of this idea, combined with the theoretical framework identified in this paper and the research results of previous scholars, the research tool is determined as an interview outline. The main reason is that the interview outline can better understand the specific situation of Thai technical brain drain, and more likely to obtain relevant information to analyze the

causes of the problem (the questionnaire can obtain the content is closed, limited, interview can obtain the content is semi-open, in-depth).It should be pointed out that the questionnaire should be aimed at human resource managers and Thai technical talents who have left their jobs, which is an effective way to understand the current situation and causes of the loss of Thai technical talents from both the enterprise level and the individual level. On the issue of interview outline, the theoretical basis and previous scholars as a guide.

Table 1 List of survey subjects

number	gender	age	previous employment	technical grade	length of service in Y
001	male	46	Administration	A	4
002	male	45	Product management	A	2
003	male	32	Product Parts Factory	B	1.5
004	male	34	Purchasing Logistics Department	B	3
005	male	33	Warehousing Department	C	3.5
006	male	27	Product Parts Factory	C	2
007	female	33	Sales Department Brand Promotion Department	D	2.5
008	male	26	Product Parts Factory	D	0.5
009	male	39	Product management	B	3.5
010	female	39	Administration	B	2
011	female	31	Administrative Training Centre	C	2
012	female	29	Product Design Department	D	1.5
013	male	46	Technical Support Department	B	2.5
014	female	36	Financial Department	B	2
015	female	31	Administrative Personnel Centre	C	1
016	male	45	Administrative Personnel Centre	C	0.5
017	male	30	Technical Support Department	C	1.5
018	female	46	Product Design Department	A	0.5
019	male	32	Financial department	D	1
020	male	27	Technical Support Department	D	1
A01	male	44	Administration	/	4

A02	female	39	Administrative Personnel Centre	/	3.5
A03	female	34	Administrative Personnel Centre	/	2
A04	female	34	Administrative Training Centre	/	1.5

The research is divided into two parts, the first part is for the Y company has left the Thai technical personnel interview research, the second part is carrying out the interview for the Y company on-the-job human resources management personnel (administrative department personnel center, training center). The research time is June-August 2020. The two kinds of interview research were carried out cross, and the interview was completed in October.

Data collection process

From the interview time, the total interview time for 20 employees and 4 human resources management staff was 302 minutes, and the average interview time was 12.58 minutes per person.

Table 2 Duration of interviews

Type of respondents	Number of interviews	Total duration of interviews	Average duration of interviews
Technical Talents in Thailand	20 persons	251 minutes 02 seconds	12 minutes 33 seconds
Human resources management staff	4 persons	51 minutes 11 seconds	12 minutes 47 seconds
total	24 persons	302 minutes 13 seconds	12 minutes 35 seconds

1. Results and Discussion

Table 3 Current Situation of Talented Talents in Y Company

Overview of Y company's Thai technical brain drain over the past five years (N, person,%)

year	2015	2016	2017	2018	2019	mean value
Losses	14	10	16	18	21	14
Losses rate	15.9%	18.3%	18.2%	19.4%	20.7%	18.8%
Amplification	/	2.4%	-0.2%	1.3%	1.2%	/

Note: The year statistical cycle is 0:00 on January 1~23:59 on December 31

Loss rate = current year's losses/ maximum current year

Amplification = current year losses rate - last year losses rate

Source: Internal Employees

According to the above table, the average turnover rate of Thai technical talents in Y company is 18.8, which is far beyond the internationally recognized normal range (15%). At the same time, in the past five years, the number of Thai technical brain drain has been increasing day by day, and the turnover rate in the past three years has been increasing year by year, Y the company has a prominent problem of Thai technical brain drain.

This article specific interview content analysis mainly divides into three aspects analysis, see the paper for details. In the external environment of enterprises, the main reasons for the loss of Thai technical talents are as follows: First, the support dividend of China's investment in small and medium-sized enterprises in Thailand has disappeared. With the transformation of the government's support policy, the Thai government is now vigorously attracting investment in emerging high-tech industrial clusters. Equipment manufacturing enterprises from the first echelon to the second echelon, support is relatively declining, corporate efficiency is affected, employee performance is affected. Second, the overall business environment of Rayong Industrial zone is in a state of sub-health. So far, the new crown epidemic has lasted for one and a half years. The Thai government issued emergency and curfew orders in March and June 2020. Many enterprises, including Y companies, have been cut. Third, the competition pressure in the same industry of catering equipment in Thailand is increasing day by day, as a multinational enterprise to the local market affinity is far less than the local brand, the company pressure.

In the internal environment of enterprises, the main reasons for the loss of Thai technical talents are as follows: First, the overall satisfaction with the compensation and welfare of enterprises is not high, the same standard of technical staff wages in Y are lower than the same industry companies; The performance appraisal procedure lacks the scientific nature, the direct leadership will influence the appraisal result greatly; The performance appraisal standard lacks the pertinence, the same technical rating Chinese staff and the Thai staff, the Thai staff has the better language superiority, but has not been treated fairly; Secondly, the use of incentive means is not comprehensive, incentive means as a means to activate the enthusiasm of Thai technical personnel to enhance enterprise loyalty, the company performance appraisal mechanism is virtually empty in Y; Third, the talent promotion mechanism is not friendly, such as running for deputy manager of sales department, but need to know Chinese, Thai financial and technical personnel want to obtain technical grade certification, but need to pass the international certificate, the difficulty is relatively high; Fourth, the lack of appropriate

communication and listening channels, the lack of Thai technical personnel' opportunities to participate in the company's decision-making and platform for advice, it is difficult to establish a sense of belonging and participation of Thai technical personnel. Due to language, culture and customs differences, Thai staff and Chinese staff in addition to official communication, basically have no communication. "Small group" phenomenon in the company is obvious in the Thai technical staff group and Chinese staff group, but also because of Chinese enterprises, Thai employees are invisible "marginalized".

In terms of personal reasons of Thai talents, the reasons for the loss of Thai technical talents mainly include: First, lack of adaptability of Thai technical personnel. Thailand is a democratic country. As a Chinese-funded enterprise, there is an inherent "class division" in the management mode of Y enterprises. Generally speaking, "class" is relative to "democracy". The former emphasizes hierarchy, the latter emphasizes equality, and the two are difficult to integrate; Secondly, the personal identity of Thai talents to corporate culture is low. Y companies occasionally has work overtime phenomenon, compared with employees who identify with overtime culture, "forced overtime" Thai employees in the process of overtime feel suffering and resistance; Third, personal development and family reasons influence, because of the geographical location of Luo Yong Industrial zone, many Thai employees chose to resign for personal development and family reasons.

Conclusion

According to the interview with the former Thai technical talents and human resource managers, we can sort out the problems existing in the loss of Thai technical talents in Y company as follows: first, the profit-seeking loss is serious; second, the hidden loss exists; third, the scale of the loss fluctuates in stages;

According to the research framework of this paper, through the interview of the retired Thai technical talents and human resource managers, the specific reasons for the loss of Thai technical talents in Y company are summarized. In the internal and external environment of the enterprise mainly reflected in: first, the support dividend of China's investment in small and medium-sized enterprises in Thailand disappeared; second, the overall business environment of Luo Yong Industrial zone was in a sub-health state; third, the competition pressure in the catering equipment industry in Thailand was increasing day by day. Fourth, the salary performance system construction is not perfect, the basic salary is difficult to obtain the effective safeguard; Fifth, the use of incentives is not comprehensive, employees can not get performance incentives in performance appraisal; sixthly, the promotion mechanism is not smooth, Thai technical personnel through promotion to achieve personal development needs are difficult to meet.

In the Thai talent individual aspect, mainly includes: First, not satisfactory to the enterprise salary welfare overall ;Second, the overall satisfaction with the leadership of the enterprise is not high (leadership trust, leadership style);Third, the overall satisfaction with corporate atmosphere perception is not high (democracy, tolerance and other corporate environment).Fourth, it is difficult to meet the matching needs of Thai technical talents' individual ability in enterprise jobs (insufficient adaptability);Fifth, there is a contradiction between the actual personal value identity of Thai technical talents and the needs of enterprises for personal value (the identity of individuals to corporate culture is low);Sixth, personal development and family needs can not be met.

Finally, To the problem of brain drain of Thai nationality in Y enterprises found in this paper, some suggestions to improve the brain drain of Y enterprises are put forward in combination with the previous literature: First, formulate the enterprise development strategy to meet the needs of the market. Second, establish and improve the salary system. Third, optimize the personnel development channels. Fourth, create a healthy and friendly corporate culture and improve the level of human resources management.

References

- Grah, B., Dimovski, V., Colnar, S., & Bogataj, D. (2019). "Modelling the nurses employment dynamics in the ageing society". *IFAC-Papers Online*, vol.52(25), 219-224.
- Meijuan, H. (2018). "Foreign turnover model impact factor extraction path analysis ". *Science and Technology Management Research*, vol.028(005),127-128.
- Noltemeyer, A., James, A. G., Bush, K., Bergen, D., & Patton, J. (2020). "The relationship between deficiency needs and growth needs: the continuing investigation of maslow's theory". *Child & Youth Services*, vol.(6), 1-19.
- Rosis, S. D., & Vainieri, M. (2016). "Incentivizing ict in healthcare: a comparative analysis of incentive schemes in Italian regions". *International Journal of Healthcare Management*.
- Gaiju, S. (2017). "Analysis of the efficiency of employees from the perspective of human resource management —— based on the theory of fairness and two-factor theory ". *Modern economic information*, vol.(4),170-170.