

Personnel Management Association of Thailand (PMAT)

Bangkok, Thailand
4 May 2015

1. Current economic and political situation in the country

Economy and labour market situation

Bank of Thailand announced that average total year GDP of 2014 was 2.3%, better than expected. In the first month of this year (January), GDP was 2.5% even the low farms price was not good (rubber, palm and rice) while inflation was only 1.3%. The main factor which help situation improve was the oil price, it continue to decrease and may be higher again in the next five to six month.

The government is worried about the household debt which shown rather high so the government must accelerate spending as quickly as possible to drive economic growth. With export prospects looking dim, the government is now pinning its hope on state spending. Promoted on touring industry for Thai people to any inbound destination will receive the tax deduction for family accommodation, provided extra-long holiday for some occasion.

Thailand should undertake reforms to beef up competitiveness in preparation for the fast approaching ASEAN Economic Community (AEC). The AEC which is set to kick off late this year, should become a part of the national agenda. Develop special economic zones (SEZs) and intensifying small and medium-sized enterprise (SMEs) development were the top priorities for sharpening the communities competitiveness. Development of SEZs is crucial to facilitate increased border trade in the AEC. Thailand hopes to open two SEZs close to the border this year.

Thailand must improve its railway connectivity to emerge as a regional strategic hub, focusing on the East-West Economic Corridor. Ports and airports also require upgrades for the country to be a hub. Maintaining political stability is important to keeps investors interested in Thailand in order to demonstrate to the global community the country can manage its domestic affairs.

Recently, Bloomberg News announced its survey around the world entitle The Happiest economies in the world. Thailand was rank first among the countries around the world. The survey was using the Misery Index which based on Bloomberg calculations of what's known as Misery Index. Unemployment and inflation are the two factors that make consumers unhappy, are remarkably low in the 15 countries which were Thailand, Switzerland, Japan, South Korea, Taiwan, Denmark, China, The United States of America, Norway, United Kingdom, Australia, New Zealand, Iceland, Malaysia and Germany.

The analysis focus on inflation and unemployment only which is not really true because even the inflation was low but the cost of living was high. It's contradictory! In term of unemployment, as Thailand is agriculture country, whenever people got jobless in town, they always return to their hometown which can easily turn to be farmers or self-employed. However, The real situation of the economic is well enough and continue to improve better and better because of the strong foundation, more investment to come from the major investors especially Japan, better political atmosphere make life peaceful.

Unemployment rate are still low (0.5%) among the past three year. Approximately 300,000 of graduated students couldn't find the job while the shortage of vocational level for auto industry is still high (3%). There are more than 400,000 bachelor degree graduated who are unemployed during the past three years. Most of the employers want to hire only skills or semi-skilled at vocational level. Auto industries, spare-part industries have to offer the special program for apprenticeship with the contacted-school and offer job when they finish studied. The minimum wages rate which the previous government set is still using for the third year, help the employers control the cost and willing to hire more employees.

The Ministry of Labour set up many measures to help the unemployment, disabilities and labour shortage in some industry by allow to hire the migration from the neighbour countries such as Myanmar, Cambodia and Lao, open the one-stop service for registration near the borders. Supporting the employers to train and develop their employee's skill and knowledge can receive tax deduction. Moreover, as Thailand is going to be the society for the old age, many plans for helping the old age to prepare their lives such as Social Security, Health and Earning and try to reconsider on the retirement age.

Political situation

After eight months of Country Reform under The National Council for Peace and Order (NCPO), Thailand was back to normal even under the Martial Law. People welcome the soldier government which committed to have the general election by this year. Many committees had been set up to amend the constitutional law. The NCPO announced that they would be moving forward with a clearvision during 2015-2020 that they would make Thailand to Stability, Prosperity and Sustainability. The new draft of Constitution is on process under the Constitution Drafting Committee (CDC). It was concluded that under the new charter the National Reform Council (NRC) and the CDC will continue to function until the House of Representatives convenes its first meeting.

Some Western countries could not understand the real situation and tried to request the government to have the election as soon as possible. However, The NCPO confirmed the general election should be taken around the end of this year. There are many polls which conducted by the major universities show that more than 75% of the respondents trusted in the government, don't want to be hurried for election. Nobody harm from martial law except for those who stands against the coup.

2. HR challenges

The 5 main challenges facing the HR profession in Thailand at present are:

- Leadership Development
- Recruiting, Managing, and Retaining Talent (especially millennial talent)
- Engagement
- Diversity Management
- Labour Shortage (ranging across the spectrum of human resources, from the unskilled workers needed in construction sites to managerial positions)

3. PMAT projects and initiatives

Major area of PMAT activityinclude the following:

- After signing the MOU with Thailand Professional Qualification Institute (Public Organization) or TPQI at Thailand HR Forum 2014 held on July 29th to develop Thailand HR Occupational Standard and Professional Qualification with major sponsorship of TPQI, PMAT held Project

Kick-off session with of 80 participants who are top HR from organizations, highly experienced HR practitioners, and academics at Maruay Garden Hotel, Bangkok on October 14th, 2014 to gain participation from Thailand HR Community in the develop process. Following the kick-off session, PMAT held 16 individual focus-group workshops to develop the occupational standard which cover mainly 8 HR functions plus 1 of OD which makes the total of 9 functions to be called as a whole as HR Expertise. Moreover, under this project PMAT also identifies 8 generic competencies named as HR Professional Practices needed for HR persons to be successful. PMAT has presented HR Competency model to Endorsement board and for public hearing in December 2014.

4. Scheduled Conferences

- On November, PMAT held the last annual event of 2014, PMAT HR Day 2014, to celebrate our 49th anniversary with the main theme of HR in VUCA World which received a huge response from approximately 800 participants including organization leaders, HR leaders, HR practitioners, academics, and those interested persons from both private organizations and government organizations. At the event, we were honoured to have honourable guest speakers from leading organizations both domestically and internationally share their findings, concepts, knowledge, and practices related to HR. Some of our speakers are Mr. SigveBrekke of Telenor Asia, Ms. DaraneeTiradnakorn of Nestlé Indochina Region, Mr. TeeraWerathamsathit of BerliJucker BCL., Mr. Derrick Kon of The Conference Board, Mr. Andrew Buksin of Siam Commercial Bank, Mr. JirawatTaengjanegitof McThai, and etc.
- In 2015, PMAT will hold PMAT HR Forum 2015 by the second quarter 2015 and, to note our 50th anniversary, we will hold PMAT's 50th Anniversary in November 2015 in place of PMAT HR Day 2015.

SuchadaSukhsvastinaAyudhya

Advisory Board Member

Personnel Management Association of Thailand