Good Governance in the Human Resource Management at the Level of Local Government: The Empirical Study of Southern Part of Thailand

Jutamanee Trakulmututa
Faculty of Management Sciences
Prince of Songkla University
Thailand

Asst. Prof. Dr. Bussabong Chaijareonwattana
Faculty of Management Sciences
Prince of Songkla University
Thailand

Abstract

The purposes of the study were to indicate the level of good governance in human resources management of local government organizations in Southern part of Thailand and to examine if the good governance in human resource management differed significantly across the basic factors of local government organizations (which were sizes, age of establish, and groups of provinces) . Practical data were collected from 387 organizations. Stratified random sampling was used for the research method; mean, percentage, one-way ANOVA and qualitative analysis were employed for data analysis. The result showed that the means of Good Governance level were high ($\bar{X}$ = 3.72) and the highest level was the dimension in Rule of Law ($\bar{X}$ = 4.10), while the dimension in Rule of value for money were least if compare with other dimensions ($\bar{X}$ =3.55) For comparison in provinces, Songkhla showed the highest level in Good Governance as a whole ($\bar{X}$ = 3.87). For comparison in size of local organization large size of local organizations showed the highest level in Good Governance as a whole ($\bar{X}$ = 3.89). For comparison of organization established year, the results indicated between 7-9 years of established had the highest level of Good Governance as a whole ($\bar{X}$ =3.77). The result of one-way ANOVA showed that Rule of Merit (F = 6.89, p <.001), Rule Transparency (F = 4.01, p <.001), Rule of Accountability (F = 4.14, p < .001), Rule of value for money(F = 5.02, p < .001) and Good Governance in total (F = 4.50, p < .001) differed significantly at the level of 0.001across the sizes of provinces; and Rule of Law (F = 3.86, p < .01), Rule Transparency (F = 2.83, p < .01), Rule of Participation (F = 2.36, p < .05) differed significantly at the level of 0.05across the established age.

Keywords: Good governance, Human resources management, Local government

1. Introduction

In 1989 World Bank was the first to define the word of Good Governance in the report "Sub-Saharan: From Crisis to Sustainable Growth" and from that time the concept of good governance was spread over the world to be the way of sustainable development. In 1997 Thailand faced the economic crisis and used the IMF loan, which one of the agreement of IMF forced Thailand to accept was the concept of good governance to be incorporated in the government administration procedures. The first regulation of Good Governance in Thailand was implemented in 1999, and it was enforced at every level of government organization, especially, at the local level of government as it was considered to be the most in touch with the people.

Consequently, it was mandated in the constitution that Central Government must decentralize their authority in legislation to the local government level for local level government to determine the public policy, fiscal policy, and human resource management which conform the development of provinces and the development of country as a whole. It was notified in the regulation that the local government must establish the organization to watch over the merit systems for the local officers, to set the good governance process in the human resource management as the result of the process of decentralization of authority for the management of human resource**.** However, after a decade of decentralization in human resource management, there was significant evidence of the lawsuits which may indicates shortcoming of the law.

The statistics citation of the administrative courts shows interesting information. There were about the 48,290 lawsuits in the administrative courts from the year at the beginning of the court 2001 to 2009. There were about 8,446 cases accumulated to 17.49 % of total cases in which employees sue the employers (which is the highest rate compare with the other types), and in these number of cases there were 7,369 which involved the local government organizations. For these reasons, it would be interesting to review the level and effect of good governance in the process of human resource management at the level of the organizations of the local area government in Thailand. Therefore, this research focused in the implementation of good governance in human resource management of the local government in the Southern region of Thailand.

2. Literature Review

2.1. Good Governance

Since the economic crisis in 1997, Thailand has adopted good governance concept to apply on the government service. In the first time, good governance was translated into Thai language with a variety of words having common meaning. So, in May 1999 the Council of Minister had chosen the words 'Thammapibal' for government service and 'Kan-barihan-kijkan-ban-muang-tee-dee' for 'corporate governance'. Chaijareonwattana, B., & Lee B. (2001) have suggested in the article of Good Governance Indicators that good governance practice should cover the following aspects of Legitimacy, Transparency, Accountability, Efficiency & Effectiveness, and Participation King Prajadhipok's Institute (Thailand) defined the Good Governance as the discipline oriented of management which does not only cover the theories but also the practice to ensure best results. The Good Governance regulation of the office of the Prime Minister classified the indices into six major characteristics which are rule of Law, ethics, transparency, participation, accountability, and value for money (King Prajadhipok's Institute, 2004)

In 1999, Office of the Prime Minister in Thailand had legislated The Regulation of Good Governance (1999) ; it described the aspects of Good Governance in six dimensions which were:

- Rule of Law

The rule of law referred to a principle of governance in which all, institutions and entities, public and private, including the state itself, were accountable to laws that were publicly promulgated, equally enforced, and independently adjudicated; which were consistent with international human rights norms and standards. It required, as well, measures to ensure adherence to the principles of supremacy of law, equality before the law, accountability to the law, fairness in the application of the law, separation of powers, participation in decision-making, legal certainty, avoidance of arbitrariness, and procedural and legal transparency

- Rule of Moral

Rule of moral meant to ensure that the civil servants should work with justice and righteousness to promote self-development in the people, to be honest, diligent, patient, and upright in their way of living.

- Rule of Transparency

Transparency implied to the work that stakeholders were able to investigate in any process. For the government, transparency would help to reduce the corruptions, inefficiency of the civil servants and increase the performance as a whole.

- Rule of Participation

This rule meant to the opportunity to know and allowing contribution in decision making process in projects. It increases participation and capacity of the citizens in the procedures that effected to the living of the community. So, it resulted into increase in two ways communication and opinion exchanged between government and citizens.

- Rule of Accountability

Accountability was a concept in ethics and governance with a wide range of meanings. It was used synonymously as responsibility, answerability, blameworthiness, liability, and other characteristics associated with accountability.

As an aspect of governance, problems related to the public sectors, nonprofit and private (corporate) worlds had been central to discussions. In leadership roles, accountability was the acknowledgment and assumption of responsibility for actions, production, decisions, and policies. In the leadership roles, the administration, governance, and implementation were also included within the scope of the role or employment position and encompassing the obligation to report, explained and be answerable for resulting consequences. Further, administrative accountability is related to internal rules and norms. Some independent commissions were also introduced as mechanisms to hold civil servant accountable within the administration of government.

- *Rule of Value for Money*

Value for Money was the term used to assess whether or not an organization had obtained the maximum benefit from the goods and services it acquired or from the resources available to it. It did not only measure the cost of goods and services, but also took an account of mix of quality, cost, resources used, fitness for purpose, timeliness and convenience. All the information would be used to evaluate if goods & services constitute good value. Achieving Value for Money might be described in terms of the 'three Es' - economy, efficiency and effectiveness.

2.2. Human Resources Management

Allan Boroughs, Ian Hunter and Les Parmer (2008) presented the scope of process for the Human Resource Center of Excellence as shown in Fig1
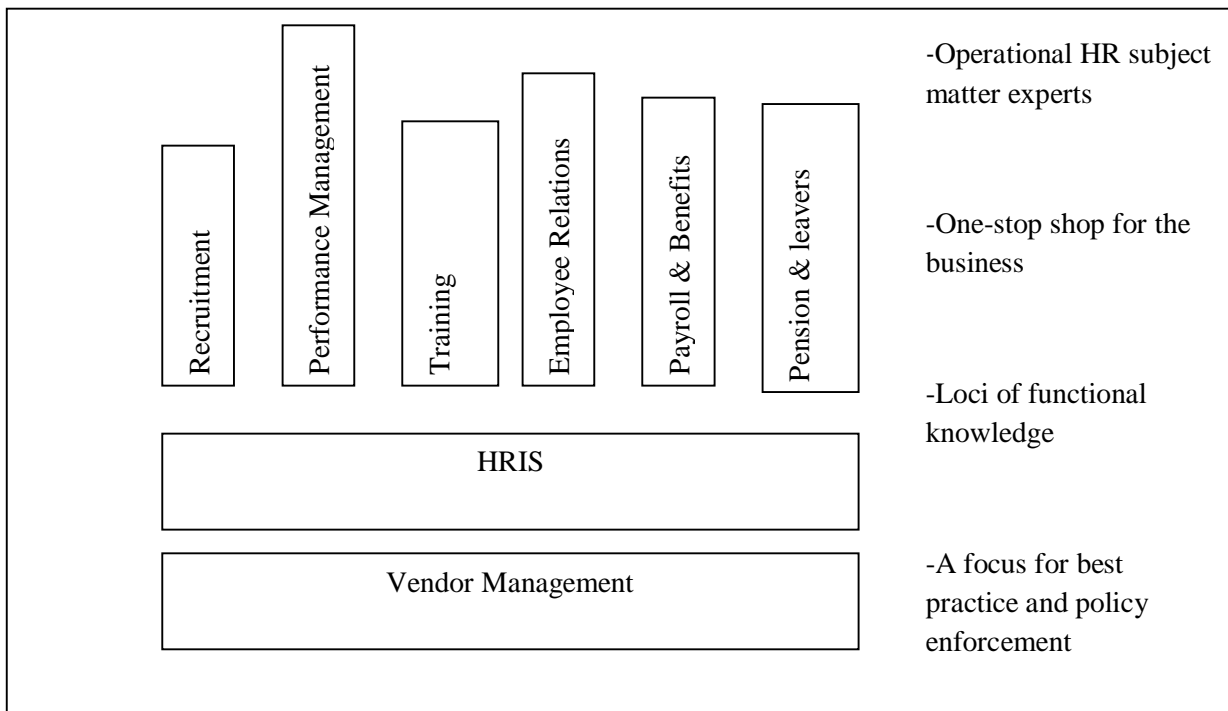

Fig1 the scope of process for the Human Resource Center of Excellence

From the Fig1, the description of each process was given below;

- Teams of recruiters who supported and planned large scale recruitment campaign and who might deploy sophisticated assessment centered tools where local resource was either not available or insufficiently skilled.

- Performance management meant to individuals who were able to create policy and design advice to support local business units.

- Training meant to deliver the resources or to manage the relationships with specialist from external providers.

- Employee relation meant to overall responsibility for managing union relationships within the business units as well as providing support in meeting legal and compliance responsibility and in key elements of disciplinary grievance, redundancy and sickness management process.

- Pay and benefits, which is provided to business specialist, are advised as reward policy payroll, benefit and tax.

- Pension and leavers meant to relevance of pension policy formulation with the complexities associated with merger and acquisition.

- Information Systems meant the extent of the capability held in the Center of Excellence depends on where accountability for maintenance lies-in HR or IT where full technical support could reside in either. As a minimum 'super users' would be needed as would the expertise to provide strategic manpower and succession planning and reporting.

- Vendor management was to be integrated within each of the Center of Excellence teams where deep subject knowledge was held or in a single team where specialist procurement skills could be leveraged.

Boonsri Prommapan et al. (2004) have defined the human resource management process of local governments in Thailand into four components which were:

1. Human Resource Procurement, consisted of five factors; human resource planning, task analysis, searching, selection, and appointment

2. Human Resource Reward, consisted of six factors; promotion, salary increase, performance appraisal, remuneration, transfer, and motivation

3. Human Resource Development, consisted of three factors; training, education, and career planning and development

4. Human Resource Maintenance and Preservation consisted of personnel rapport, health and security, disciplinary action and discharge.

2.3. Local Governments in Thailand

Thailand was divided into 76provinces and the metropolitan municipality Bangkok. (Bangkok was one province until 1972) Each province was divided into districts. Each province has one capital district. The subdivisions were call 'tambon'. The tambons were further subdivided into 'muban', which were usually translated as villages, though they did not necessarily cover one single settlement. In addition to these subdivisions, there were also cities and towns, which took over some of the responsibilities of the districts and communes on the area covered by the local governments. They all had an elected board and an elected mayor.
The local governments had 3 levels which were:

2.3.1. Cities or towns administrative organizations that are called Or-Bor-Jor

2.3.2. Municipalities which were further divided into three different levels of municipalities

2.3.2.1. Thesabannakhon (city): having more than 50,000 citizens, population density higher than 3,000 per km²

2.3.2.3. Thesabanmueang (town): having more than 10,000 citizens, population density higher than 3,000 per km² - or a provincial capital

2.3.3. Thesabantambon (sub-district municipality): having more than 5,000 citizens, population density higher than 1,500 per km²

2.3.3. Sub- districts administrative organizations which divided by size into 3three sizes; large, medium, and small

In addition to the population the local government organizations need to have enough tax revenues for the administration and to be able to execute the offices of administrations. Towns and cities were subdivided into communities, which were equivalent to the villages of rural areas.

3. Research Questions

How much does the local government in Thailand concern about good governance in human resource management?

4. Research Objectives

4.1. To measure the achievement of good governance in human resources management of the local governments in Southern Part of Thailand.

4.2. To examine if the Good Governance in human resource management differed significantly across the basic factors (size, age of establish, and group of provinces) of organization.
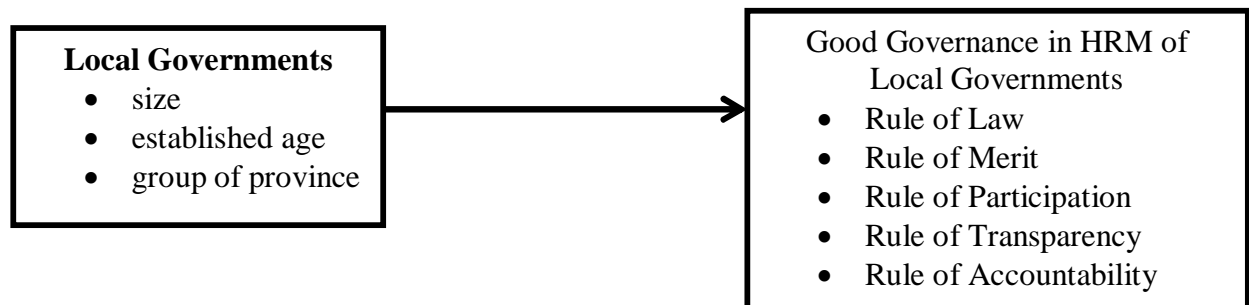
5. Hypothesis

H1: The achievement of good Governance in human resource management would be in high level.

H2: The highest level of Good Government dimension would be Rule of Law.

H3: The Good Governance in human resource management differed significantly across the basic factors (size, established age, group of provinces) of organization.

6. Conceptual Model

```
┌─────────────────────────┐                  ┌──────────────────────────────┐
│   Local Governments     │                  │  Good Governance in HRM of   │
│   • size                │ ───────────────► │     Local Governments        │
│   • established age      │                  │   • Rule of Law              │
│   • group of province   │                  │   • Rule of Merit            │
│                         │                  │   • Rule of Participation    │
│                         │                  │   • Rule of Transparency     │
│                         │                  │   • Rule of Accountability   │
└─────────────────────────┘                  └──────────────────────────────┘
```

7. Research Method

Quantitative data for this study were collected from local governments in Southern Part of Thailand. The local governments in Southern Thailand consist of 1190 organizations. Approximately 400 organizations were chosen by stratified random sampling and 1600 questionnaires distributed. Four questionnaires for each organization would be calculated to represent an average of the organization. Response rate of the questionnaires was about 96.75 %, 1548 questionnaires from 387 organizations. The questionnaires used five-point Likert's scales anchored by "strongly disagree" and "strongly agree" to measure the index in six dimensions of Good Governance in human resource management. Cronbach's Alpha was used to assess the reliability of each of the measures. The Alpha of all scales exceeded the cut-off 0.60 recommended by Sekaran (2003). Table1 showed that the Cronbach's Alpha for the study were between 0.83 and 0.97, which registered acceptable.

Table 1: Cronbach's Alpha for Research Variable

Variable	Number of item	Alpha
Rule of Law	6	0.831
Rule of Merit	6	0.845
Rule of Transparency	6	0.898
Rule of Participation	6	0.900
Rule of Accountability	6	0.923
Rule of value for Money	7	0.943

Qualitative data were collected by interviewing from 9 officers of the committee of sub district administration officers and the committee of municipality administration officers (3 committees per 1 province). They were authorized in human resource management to confirm the results of the quantitative questionnaires.

Mathematic Mean, Percentage, One-way ANOVA and qualitative analysis were employed for the data analysis.

8. Research Results

8.1. From Fig. 2 The Mathematical Mean Showed that the Dimensions of Good Governance in HRM were in High Level, Especially Rule of Law was the Highest and Rule of Value for Money was the Least.
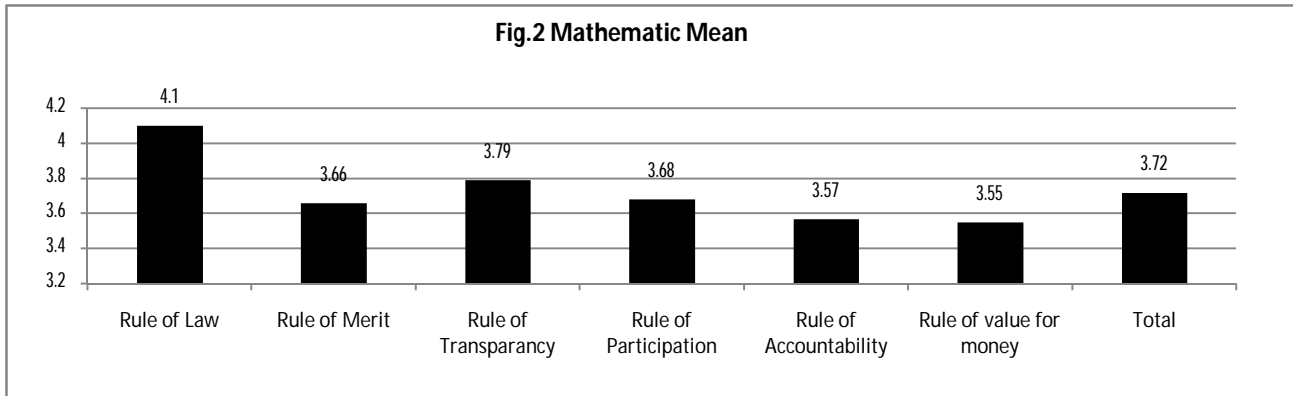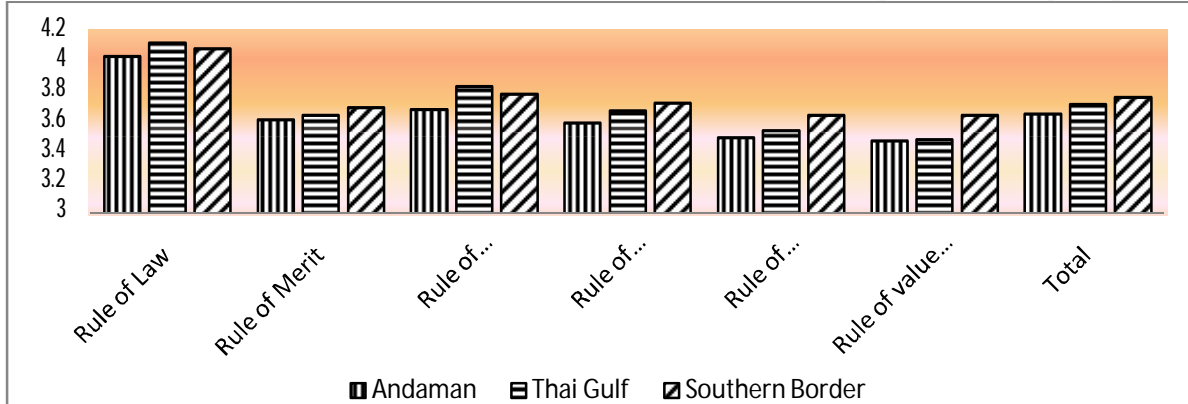

8.2. For the detail of provinces comparison showed that Songkhla was the highest and Satun was the least in Fig.3

**Fig. 3 Mathematic Mean of Good Governance in HRM compared by the province**
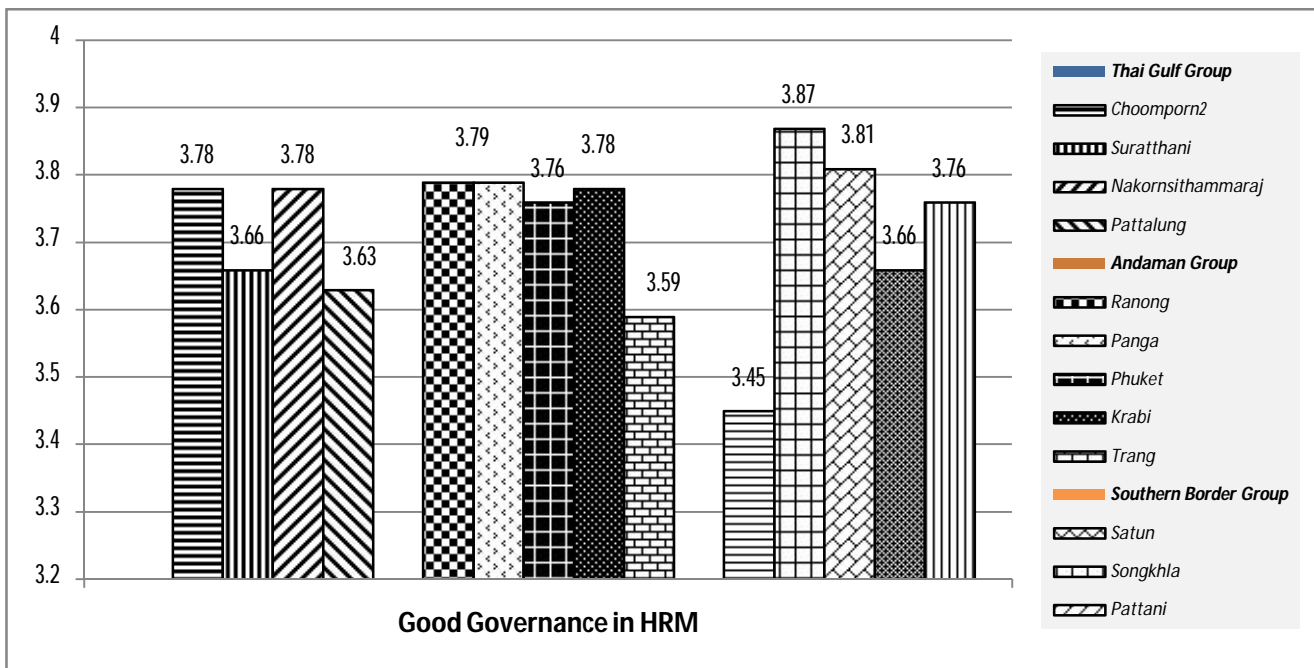
8.3 From Fig.4 showed the level of Good Governance compare by Group of Provinces found that the highest was Southern Border Group and the least was Andaman Group. In the detail, Southern Border was the highest in most of the dimensions except Rule of Law and Rule of Transparency which Thai Gulf Group was the highest. The least of every dimension was Andaman Group.

Fig.4 Mathematic Mean of Dimensions of Good Governance in HRM compared by groups of province

But the analysis in detail, the One-way ANOVA resulted that only Rule of value for money differed significantly at the level of 0.001across the groups of provinces. (F =4.29, p < .001)

8.4 For the detail of size of organizations comparison showed that the level of Good Governance in HRM. Large size of Sub- districts administrative organizations was the highest and Town Municipality was the least in Fig.5.
Fig.5 Mathematical Mean of Dimensions of Good Governance in HRM compared by sizes of province.
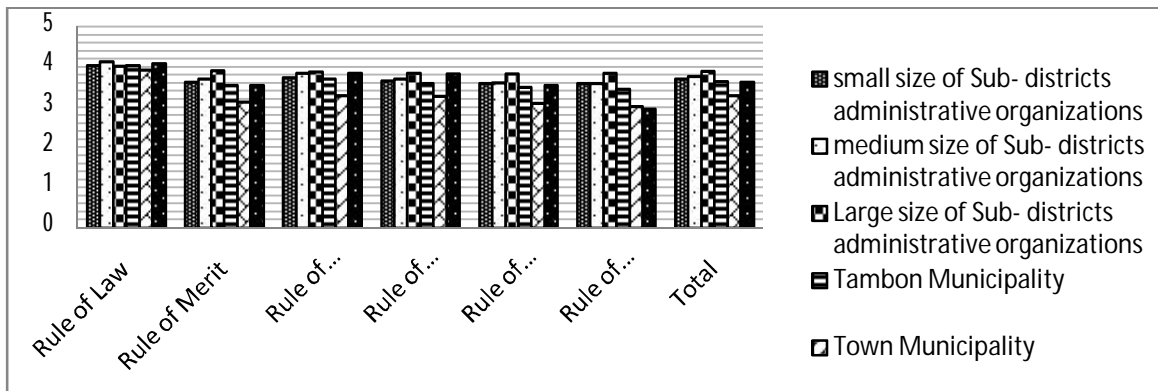
But the analysis in detail, the One-way ANOVA resulted that Rule of Merit (F = 6.89, p <.001), Rule Transparency (F = 4.01, p <.001), Rule of Accountability (F = 4.14, p < .001), Rule of value for money(F = 5.02, p < .001) and Good Governance in total (F = 4.50, p < .001) differed significantly at the level of 0.001across the sizes of provinces.

8.5 For the detail of established age of organizations comparison showed that the level of Good Governance in HRM of 7-9 years was the highest and 1-3 years was the least in Fig.6.

Fig.6 Mathematic Mean of Dimensions of Good Governance in HRM compared by established age of province
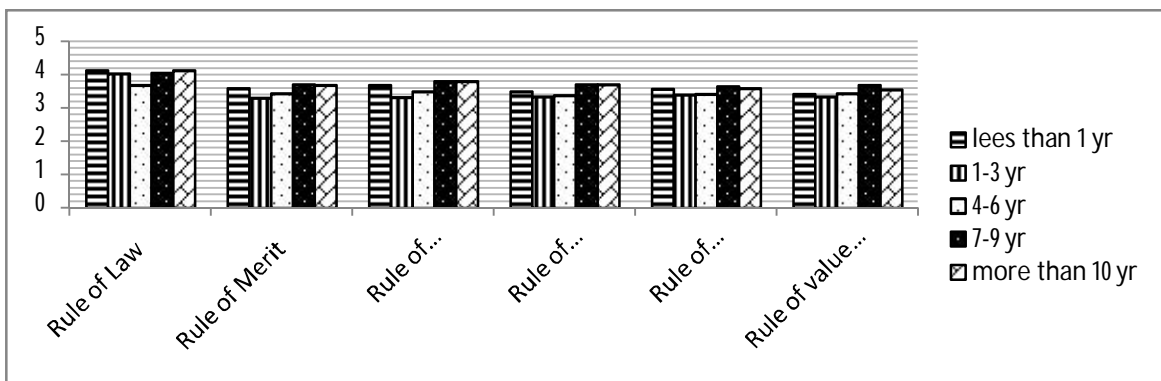
But the analysis in detail, the One-way ANOVA resulted that Rule of Law (F = 3.86, p < .01), Rule Transparency (F = 2.83, p < .01), Rule of Participation (F = 2.36, p < .05) differed significantly at the level of 0.05across the established age.

9. Conclusion

From the research found that the achievement of good Governance in human resource management of local government in Southern Part of Thailand was in high level approval of the hypothesis1. And the highest level of Good Government dimension was Rule of Law causing the approval of hypothesis 2. And the approval of hypothesis 3, the research showed that the Good Governance (in total) in human resource management of local government in Southern Part of Thailand differed significantly only across the size of organization.

10. Recommendation

The study of Good Governance in HRM would help the local government in having awareness of achievement in the administration in the part of HRM and use that information to improve their own procedural system for achievement in future.

References

Boonsri Prommapan et al. (2004).*Raingan Kan Vijai Kan Pattana Kreungmeu Cheewat Samrub KanPramernpolkanpokkrong Suan ThongTin (The Report of HR Index development for Local Government Appraisal)*, Bangkok: Ministry of Interior.

Boroughs, A., Hunter I., Parmer L (2008*). HR Transformation Technology: Delivery Systems to Support the New HR Model*. Hamshire: Gower Publishing

Chaijareonwattana, B., & Lee B. (2001).*Raingankanwijaitoicheewat Thammapiban (The report of Good Governance Index).* Bankok: King Prajadhipok's Institute.

Creswell J. W. (2003). *Research design qualitative, quantitative, and mixed methods approache*s. London: Sage.

_____, (2007).*Qualitative research design.*London: Sage

Holloway, W. V. (1951). *State and local government in the United States*. New York: McGraw-Hill.

King Prajadhipok's Institute. (2004)*Watradabkanborihanjadkanteedee(To measure the good governance).*Bangkok: King Prajadhipok's Institute .

Maogoto, J. (2007). The good governance crusade in the third world: A rich, complex narrative – magic wand or smoke screen?.*International Community Law Review* 9: 375-385. DOI:10.1163/187197407x261395

McLean, M. (2006). Evaluating the importance and performance of human resources function: An examination of a medium sized Scottish retailer *Journal of Retailing and Consumer Services* 13: 143-156. DOI:10.1016/j.jretconser.2005.08.011

Office of the Prime Minister. (1999). *The Regulation of Good Governance*. Bangkok: Office of the Prime Minister

Pengsuwan, P.(2004). *aingankanwijaithammapibankabprasitthipabkanborihankongtessaban (The Research report of 'good governance and efficiency of municipality administration)*. Bangkok: Mahidol University.

Phongpaichit, P. (2001). Good governance: Thailand's experience. *Paper for Asia Pacific Finance Association (APFA) annual conference*, Bangkok.

Prommapan, B., Promjui, S.,&Juito, S. (2005) *Raingankanwijaikanpattanasamrapkanprameanpolkanbarihansuanbookkolsuantongtin (The research report of 'Developing the good governance index for evaluate the human resource management of local government')*. Bangkok: Ministry of Interior.

Robson, W. A.(1953). *A local government in encyclopedia of Social Science.*Vol.X , New York: The Macmillan Company.

Sekaran,U. (2003). Research method for business: A skill building approach, 4th edition, San Francisco: John Wiley & Sons.

Schuler, R, S. (2000). The internationalization of human resource management.*Journal of International Management*6:239-260.

Schuler, R. S., Jackson, S. E. (2007). *Strategic human resource management*.Oxford Blackwell.

Storey, John. (2007). *Human Resource Management A Critical Text*. London: Thomson Learning.

Thongsuth, W. (2007) *Kanborihanjadkanteedee (Good governance)*. Bangkok: Intapas.

Uwanno, B.(1999). *Kan sang ThammapibanNaiSangkom Thai (How to set the Good Governance in Thai Society)*. Bangkok: Winyuchon.

Weber, Y., & Tarba, S.Y. (2009). Human resource practices and performance of mergers and acquisitions in Israel.*Human Resources Management Review*. doi:10.1016/j.hrmr.2009.08.007

Wit, D. (1967)*A comparative survey of local government and administration*. Bangkok: Kurusapha Press.