

AN ANALYSIS OF THE HUMAN RESOURCE MANAGEMENT AND BUSINESS STRATEGY: A CASE STUDY OF THE PHILIPS (THAILAND) COMPANY LTD.

By

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Abstract

The most difficult aspect of management is managing HR, which is relatively inflexible and where mistakes are hard to rectify. Studies are being carried out to explore linkages between HRM and Strategy. New tools and techniques are yet to be improved. At present, the development of HRM stays behind the developments in business strategy.

The aim of study was to examine the existing HRM practice in the Philips Thailand Company Ltd. (Philips Semiconductors Thailand and Philips Electronics Thailand) and to investigate whether there was a relation between HRM and Business Strategy. Links between the HRM strategy and Business strategy was taken as the conceptual framework of the study. Primary data was gathered from questionnaire and annual reports, journal and web-sides of companies were explored to gather secondary data. Fifty managers given the questionnaire and Human Resource Managers of two divisions of the company were further interviewed.

It was found that well-defined and properly communicated HRM policy that is aligned with the business strategy of the company worked towards the achievement of company goals. Many managers were found to be very contended with the existing HRM policy and practice. Correlation between existing HRM policy and business strategy was found to be very significant. It was further found that existing HRM policy had a significant association with higher performance.

Key words: Corporate strategy, HRM strategy, Business strategy, Company's vision and mission statement, Development and implementation.