

# The Perspective of HR Managers regarding Organizational Readiness for the AEC 2015: The Study of Private Hospitals in Chonburi

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**Abstract.** *The two purposes of this study were to explore the perspectives of HR executive officers concerning the influence of the ASEAN Economic Community on their private hospitals in ChonBuri and, secondly, to examine the actions which the HR department had taken to prepare the workforce towards the AEC, beginning in 2015. The interview technique was used as a data collection method in this study. A purposive sampling and snowball techniques were used to select participants who were HR managers in three private hospitals in ChonBuri. A qualitative data analysis method was employed and AtlasTi was the scientific software used in analysing the data. The result of this study revealed that HR managers were aware of the impact of the AEC on staff shortages as medical doctors and nurses can easily get new jobs in other hospitals inside or outside Thailand. HR managers believed that their staff needed a lot of training in English communication skills and to be trained more in cross-cultural areas. To prepare the hospitals for the AEC, HR departments need to perform the roles of corporate ambassador, strategic partner, administrative expert, employee champion and change agent. To have enough employees at that time, HR departments need to apply some effective recruitment strategies, training and development strategies and retention and engagement strategies. However, HR managers believed that the AEC would not impact much on big private hospitals in ChonBuri. This is due to the high regard in which the hospitals are held, the strong recruitment, selection and staff retention policies already in place, staff feeling more secure working within Thailand, the advanced medical technology employed in Thailand compared with overseas hospitals, the limited number of customers/patients coming from AEC countries and finally the existing competitiveness of the private hospitals and their striving to always be ahead of their competitors.*

## BACKGROUND OF THE STUDY

In 2015, the economies of 10 ASEAN member countries, including Indonesia, Malaysia, the Philippines, Singapore, Thailand, Brunei, Burma (Myanmar), Cambodia, Laos, and Vietnam will be integrated and made stronger due to the ASEAN Economic Community (AEC) agreements, promoting free-trade and single markets among ASEAN member countries. By accelerating economic growth through facilitating and allowing certain goods, services, funds, materials and skilled workers to move across borders freely among these 10 countries, businesses and markets can potentially be expanded, companies of the member countries can work beneficially and collaboratively, do business and enter into world markets. While the purpose of the AEC focuses on building a strong economy in the ASEAN region, it has found that the business environment has changed among these 10 countries. For instance, when it is easier to obtain supplies and materials through global outsourcing where suppliers can be found everywhere and take advantage of low cost business investment, many business and services will be encountering new competition from other ASEAN member countries.

Therefore, it is important for the HR department in organizations to change their role, working more purposefully managing their workforce and developing indispensable strategies to ensure their workforce's loyalty and readiness for the changes encountered within this new business environment.

While workers can be employed and travel freely from one country to another, due to the AEC new free trade agreement, only skilled workers in certain professions will be allowed to participate.

According to AEC Mutual Recognition Arrangements(MRAs), only 8 professional services will be allowed to move effortlessly. These professional services are engineering, nursing, architectural, surveying and accounting services, tourism professionals, medical practitioners and dental practitioners.

As hospitals are one of the business sectors employing largenumbers of medical practitioners, such as dentists, medical doctors and nurses, it was considered to be both beneficial and interesting to survey how HR managers in private hospitals in Thailand view the AEC and are preparing their organizations to face up to, facilitate and ensure organizational and workforce readiness for the AEC in 2015.

## PURPOSE OF THE STUDY

This research study hadtwo purposes:

1. To explore the perspectives of HR executive officers concerning the influence of the ASEAN Economic Community ontheir private hospitals in ChonBuri; and
2. To examine the actions which the HR department had taken to prepare the workforce towards AEC.

## RESEARCH QUESTIONS

1. A total of fourmajor research questions were addressed in this empirical study: What are the concerns that private hospitals might have from enteringthe AEC?
2. How can HR executives ensure the readiness of their organization for entering the AEC?
3. What are the roles of HR departments in ensuring the readiness of their workforce for the AEC?
4. What are HR managers' points of view regarding how serious is the possible negative impact on private hospitals derived from the AEC?

## SIGNIFICANCE OF THE STUDY

This study was designed to make a theoretical contribution to knowledge, as well as a practical contribution towards facilitating entry to the AEC. The significance of this study is that:

1. The findings can provide new roles within the HR department to ensuring the readiness for the AEC in private hospitals as the new body of knowledge in the HR literature;
2. This study highlights the way hospitals evaluate their workforces' readiness for moving towards the AEC;
3. It allows HR practitioners to acknowledge some possible changes in their environment while raising everybody's awareness of some potential impacts of the AEC on private hospital businesses;
4. This study highlights some useful strategies that the HR department in the big private hospitals should adopt to ensure the readiness of their workforce to enter the AEC. It, therefore, helps other hospitals to view it as a guide, revise the way their HR departments have been operating and plan some essential support to ensure the readiness of their organization;
5. The research findings could lead to new possible research relating to the working of HR concerning the impact of the AEC; and
6. It allows educational institutes responsible for training the hospital workforces to be aware of current hospital employees' characteristics that have been demanded by hospitals within the AEC.

## DEFINITIONS OF TERMS

1. HR department refers to a division of human resource work where HR staff have operated HR jobs or groups of jobs. The jobs or groups of jobs may involve staffing jobs, such asworkforce planning, recruitment, and selection, training and development jobs, the work of employee relations,

and performance appraisal and management.

2. Organizational readiness refers to the perspective of HR executives and HR officers regarding the promptness and keenness of their workforce for entering the AEC, the plans and the way they implement HR policies to guarantee the readiness of the workforce and organization for entering the AEC, as well as issues of obstructions impeding the success of their ability to carry out the jobs.

3. AEC 2015 refers to the new pattern of agreement aiming to build up the strong economies of the 10 countries of ASEAN members under the name "ASEAN Economic Community".

4. Private hospitals in Chonburi refers to three big private hospitals located in Chonburi province, Thailand.

## LITERATURE REVIEW

### What is AEC?

AEC is the economic integration of 10 member countries in South East Asia. These 10 countries have been working together in signing the ASEAN Free Trade Agreement (AFTA) which has been used since January 2010. The aim is that all member countries will operate as a single market, with all barriers removed permitting a free flow of goods and services, labor and capital. It is intended that, when this happens, ASEAN will become a force to be recognised throughout the World, attracting lots of investment and ensuring doing business becomes easier with much fewer restrictions and impediments to trade. In addition to these economic aims, it is hoped to also focus on ensuring human rights are recognised, social progress is universally made and cultural development enhanced, as well as creating peace and stability throughout the region. It is hoped that all people of the ASEAN region will work together in partnership to create a peaceful, stable and prosperous community.

### Labor Situation when Thailand Enters AEC

It has been predicted that possible trends and new situations happening to labor forces at the time Thailand enters AEC include: 1) A high movement of skilled workers from Thailand to other developed ASEAN countries and the movement of skilled workers from other countries to Thailand; 2) high labour competition where employers get more choice; 3) an increase in gaps of skilled workers who have to improve their working skills to get a better job; and 4) the high need for skilled workers possessing certain working skills, such as languages, cross-cultural skills, technological skills and international mind sets (Tuekta, 2011; SCB Economic Intelligence Center, 2013).

### Reviewing Benefits of AEC on Healthcare Business in Thailand

In a meeting held by the National Health Commission Office of Thailand, Pholchareon, Director of Thailand Health Impact Assessment Committee (cited in Bangkokbiznews, July 3, 2013), highlighted that when Thailand enters the AEC, health service sectors will become more competitive, as both foreign investors and customers are coming to Thailand in increasing numbers. There will be an increase in the number of foreign shareholders investing in the private healthcare sector. For example, according to the AEC regulations, up to 70% instead of 49% shareholders in private hospitals can be foreign investors. By receiving more foreign direct investment, the sector has more potential to grow and become more competitive. According to the SCB Economic Intelligence Center (2013), the healthcare sectors in AEC member countries may take advantage of: 1) doing their service business overseas; 2) their customers can travel overseas to use the service; 3) set up their branches in other countries; and 4) sending their employees to work in their overseas branches. Moreover, in the healthcare sector, it is believed that some private hospitals have plans to expand their businesses overseas. By doing this, Thailand could benefit from setting up new private hospitals or branches in developing countries, such as in Laos, Cambodia, Myanmar, Indonesia, and the Philippines.

## Reviewing Concerns of AEC on Healthcare Business in Thailand

Based on the Asean Mutual Recognition Arrangements (MRA), seven careers may move to work freely in 10 ASEAN member countries, including dentistry, medicine, nursing, engineering, architecture, accountancy services, and surveyors. It can be seen that three out of the seven careers are staff skilled in the healthcare service sector. The Business Research Department of the Export-Import Bank of Thailand pointed out that, under these circumstances, it could be anticipated that a challenging trend will be that when a number of these groups of staff move to work outside their home countries, the countries where they move from not only encounter a problem in doing business in the healthcare sector, but also may not have enough medical experts and specialists who can look after that country's population.

This might be the case within the Thai healthcare sector if a number of Thai medical staff and experts move out and work in Singapore or Malaysia, where they can earn a higher income. According to the SCB Economic Intelligence Center (2013), the countries, such as Malaysia or Singapore, which can pay their skilled workers at a higher rate may attract workers from other ASEAN countries to relocate there. Losing medical doctors and staff can be seen as a good example of the brain drain.

The director of the Medical Council of Thailand, Kusalanan (as cited in Eduzones News Network, 2013) believed that the situation will be worse at the beginning of the AEC in 2015 when not many foreign medical doctors will move to Thailand. As a result, the chance is that Thailand is at risk of losing teams of medical experts or there will be a brain drain in the healthcare sector in Thailand. Also, not having enough medical staff in the country can be viewed as a serious impact on the country.

According to the SCB Economic Intelligence Center (2013), Thailand has already quite a low number of medical staff. The low number of medical staff in Thailand has become an even more worrying issue when The United Nations projected that a growth in the aging population within ASEAN countries will increase to 15% in 2025 and to 22% in 2050. These increased numbers of an aging population in Thailand and in neighbouring countries can, therefore, lead to a highly competitive demand of recruiting medical staff from any potential ASEAN member countries. Furthermore, it is worth considering that when more customers of the healthcare sector from neighbouring countries come to use healthcare services in Thailand, more numbers of medical staff will be needed. Mitchop (as cited in Matichon online, July 3, 2013) agreed with this when he reported, in a meeting held by National Health Commission Office of Thailand, that, while we already have limited numbers of medical staff to look after Thai people, we need to share our medical staff for treating a number of overseas customers. The reason that Thai hospitals could grow and attract many overseas customers when the country enters the AEC can be seen when Tongdang (2012) highlighted that 28 hospitals in Thailand (which is the highest number of hospitals in Asia) have received the international standard certificate called JCIA (Joint Commission International Accreditation), and also that the medical cost is also considerably cheaper than in many countries. For example, it is 5 times cheaper than seeing a doctor in USA, and it is 30-40% cheaper than visiting a hospital in Singapore. Furthermore, when new branches of hospitals are set up in other countries, a number of medical staff could also be easily transferred from Thailand to work in other countries, according to the MRA agreement.

## HR Department Roles in Building Organizations' Readiness for the AEC in 2015

To gain competitive advantage in doing business when countries enter the AEC, the quality of human resources has been considered as one of the key success factors in business operations. PMAT (2013) conducted a study to create a conceptual framework HR System for the Thai Business Sector in the AEC context. Their model suggested that the coming of the AEC will impact Thai business organizations in seven ways: 1) The overall picture of business operations where the single market allows capital and human resources to move from Thailand to other countries; 2) the change of organizational strategies which many organizations need to adopt and operate in more strategic ways to gain a competitive advantage; 3) HR strategies must be changed from local levels to international, multinational and global levels; 4) the use of highly effective HR operating systems which support the

international HR operating function more; 5) an introduction of new and effective HR infrastructures that match with international operations; 6) new international HR evaluation; and 7) new ways of evaluating the success of an organization's operations.

Roongrungsuke (as cited in Post today online newspaper, November 12, 2012) expressed her concern regarding how HR departments might prepare themselves for the new challenges coming with the AEC. She highlighted obvious problems that HR departments will encounter when countries enter the AEC: 1) a high level of competition in recruiting a talented workforce; 2) training both new staff who might be foreign and existing staff to communicate and work together; 3) retaining staff, and thinking about offering attractive compensation packages; and 4) managing cross-cultural diversity of staff. She suggested that HR needs to consider some extra things they need to do in their jobs. HR departments should perform the following roles: 1) building a reputation to ensure employees choose their company or organisation or creating employer branding which will attract talented workers; 2) informing gen Y staff about their career development and possible succession plans; 3) developing a partnership role with the CEO and all department managers, ensuring they understand all possible risks relating to the company's workforce; and 4) being alert about international labor laws and developing trends regarding recognising talents and rewarding them accordingly.

In addition, Langhong (2012) claimed that, in order to improve staff's knowledge and skills and suitably carry out HR functions, HR departments themselves must think about new ways of doing their HR work. The new strategic ways include taking a new role as a strategic partner of the CEO. Put simply, the staff in the HR department must fully understand their business' management and the business environment in which it will operate, being able to analyze business trends and the environment and the workforce development policies that are planned and developed strategically. Moreover, they must also know techniques to reduce their workforce's competency gap. In other words, they should be capable of deficiency investigations and training the necessary knowledge and skills of their workforce, as well as implementing new human resource management (HRM) techniques to ensure the development of their employees.

To adapt to the coming of AEC in Thailand, based on these trends, Tuekla (2011) further proposed that both HR themselves and the HR functions must be changed. HR staff need to adapt themselves to new situations by improving: 1) their English skills; 2) their international mindset and thinking skills; 3) cross-cultural and diversity management skills; and 4) their knowledge about international HR working. This must be done in two spheres, at both the policy level and the operational level. To manage HR effectively, traditional HR functions need reviewing. HR staff should consider some new strategic ways of doing their everyday jobs. These include: 1) setting up new criteria for recruiting new employees; 2) developing some overseas working skills training programs; 3) preparing and creating possible policies and procedures for sending their employees to work overseas; 4) revising promotion criteria for overseas experienced workers; and 5) working collaboratively with educational institutes to share useful information about the characteristics that the organization needs from new graduates.

Reviewing the above literature indicated that the healthcare sector, especially in private hospitals, will be one of the most challenging business sectors influenced by the possible movement of medical staff, such as doctors, nurses and dentists. This challenge could cause a lot of trouble, not only in the overall picture where Thailand can expect to have a shortage of skilled doctors and nurses in the country to treat patients and to look after the increasing numbers of an aging population within the country, but also private hospitals themselves may lose their medical staff if their HR department does not develop a plan to work strategically. This study, therefore, needed to be carried out to explore the perspectives of HR executive officers concerning the influence of the AEC on their private hospitals in Chon Buri, and also to examine actions which the HR departments have taken to prepare their workforce for the AEC.



## RESEARCH METHODOLOGY

### Research Design of the Study

A qualitative approach was used as the main methodology in collecting and analysing information from HR executives of three private hospitals.

### Selection of Participants

The population of this study were HR managers working in private hospitals in Chon Buri. To gain rich information, the techniques of selecting participants employed in this group were: 1) purposive sampling choosing to collect information from HR executives or managers; and 2) snowball techniques linking one participant to another.

### Data Collection Tools

In this study, a semi-structured interview was developed as a tool to gain in-depth information from HR executives. To develop the interview schedule, a suggestion proposed by Patton (1990, pp.290-291) was implemented. According to the suggestion, six types of interview questions were developed. These were: 1) behaviour/experience questions; 2) opinion/value questions; 3) feeling questions; 4) sensational questions; 5) knowledge questions; and 6) demographic/ background questions. After producing the first draft, content validity was approved by three experts in the HR field. The interview schedule was pilot tested with an HR manager of a hospital in Chon Buri which was not in the group of sampling to ensure that the draft questions were not ambiguous.

### Rigor

To ensure the quality of this study, several rigor techniques have been chosen according to suggestions proposed by Johnson and Christensen (2004, p.250). The techniques included: 1) researcher-as-detective; 2) extended field work; 3) low inference descriptors; 4) participant feedback; and 5) reflexivity.

### Data Collection Method and Process in this study

#### **The process of data collection methods was divided into seven stages:**

1. Each HR executive of each hospital were identified as informants.
2. A formal letter explaining the research objectives, data collection methods and an example of a consent letter requesting permission to engage in research was sent to the authorities of the three hospitals.
3. The criterion sampling process was started by identifying the ideal characteristics of HR executives, then searching for cases that met the criteria. A snowball technique was used to link a qualified HR executive from one to another who also met the criteria.
4. Collecting data by developing good rapport with the selected participants and conducting interviews with them in their offices.
5. Recording all information, as well as observing their body language before transcribing all dialog and memos.
6. Resolving field issues: analyze possible problems that may happen during the fieldwork and try to develop plans of solution to overcome such problems.
7. Storing all data in a well-organized, confidential format, together with the researcher's daily diary, in a computer system for further analysis.

## Data Analysis

After transcription of all information from the audiotape, AtlasTi was used as the computer software to analyse the raw information. Twenty-five codes were created during the analytical process to search for only information that was useful to address each research question. After the information was grouped the researcher had a look at the information in each group to search for the essential information for answering each research question. The findings of each research question were explained and some verbatim statements were provided for readers as meaningful supportive evidence.

## DESCRIPTION AND DISCUSSION OF FINDINGS

To address the first research question, "What are the concerns that private hospitals might have from entering the AEC?", it was found that HR managers considered that there were two major problems, including employee shortages and staff's poor communication and cross-cultural skills.

The first possible impact of the AEC on the private hospital businesses might be a shortage of medical staff. This is because: 1) of high demand, but a lack of supply of medical practitioners; 2) more nurses prefer to work outside the hospital; and 3) many nurses go to study English or work abroad.

While there is a demand for hospital nurses, universities in the area cannot produce enough nurses to supply the demand needed by hospitals. For example, Manager1 claimed that "it has been a concerning issue for many years and it should be regarded as a problem on the national level. It has not happened only in public hospitals. Not having enough nurses is also a problem in private hospitals where they can be paid well."

Moreover, many nurses prefer not to do a nursing job. For instance, Manager1 claimed that "as nurses can work in many areas, rather than working in hospitals, many agencies have recruited nurses to work in business sectors. They could work in different types of companies, such as milk factory, medicine companies or even in the airline businesses. The coming of the AEC may increase the number of other workplaces that need nurses. The agencies will get nurses part-time jobs. Not working in hospital means that they do not need to do administrative jobs such as those ISO or quality control jobs."

In addition, young nurses may leave Thailand to study English or work overseas. In the case of studying English, this might be a kind of signal telling us that they are willing to work outside the country. For example, Manager1 claimed that "in nurses' society, we have all known that one reason that we could not get new graduated nurses straight away after their graduating is because they want to go to study English overseas." Manager2 told other related experience, stating that "after doing exit interviews, we found that in the last 2-3 years, many nurses claim that they would like to go to study English overseas. Many of them left for Australia." Manager1 clarified that "due to the fact that Thai nurses are unique with high touch of Thai, they could look after patients very well. This leads to the high demand of Thai nurses in overseas markets. AEC allows them to work overseas easier and they may eventually decide to leave the country. Singapore, for example, always pays nurses well. Thai nurses will definitely leave for Singapore. Manager3 added that "while most baby boomer nurses remain working in Thailand, many Generation Y nurses choose to gain new experience working overseas."

The second area of concern is the need for improving employees' communication and cross-cultural skills.

In the case of the staff's poor English language ability, the hospitals still use a lot of interpreters even though staff should actually communicate with foreign customers. For example, Manager1 stated that "at the moment, to look after our foreign customers, we use a lot of translators who are native Japanese, English, and Chinese but we need to prepare and encourage more employees to communicate with our customers in English. One of our weakpoints is English language ability. Almost every position needs to improve this skill. We view that medical doctors and staff in the international ward need to improve their English a lot as it is unavoidable for them to meet our foreign customers." Manager3 also revealed that "we have to employ a lot of interpreters. We have almost 20

countries and some of these native speakers are from AEC member countries.”

In the case of the staff's poor cross-cultural skills, the hospital HR managers believed that our staff could provide better services if they understood more about the cultural differences of our customers. For instance, Manager1 pointed out that “we must train our staff to know more about other countries' cultures. This is to ensure that we can service them the best.” Manager3 asserted that “this year, we emphasise a lot on cross culture. Although our people have done well in service. I think that it would have been better if we focussed more on the culture of each of our customers.”

To address the second research question, “How can HR executives ensure the readiness of their organization for entering the AEC?”, HR managers believed that they need to: 1) exercise their HR planning to recruit an adequate number of employees; 2) train and develop employees' working skills; and 3) retain and engage their staff.

To recruit and select enough numbers of the right medical practitioners to look after foreign customers, the HR department needs to implement a wide range of staffing strategies. These include committing the hospitals to nursing students early in their study, choosing particular media channels for recruitment, developing relationships with educational institutes and selecting the ‘right’ candidates:

1. Making a commitment to nursing students while they are studying, by giving scholarships. An example of this can be seen as follows. Manager1 maintained that “hospital has decided to give scholarships to nursing students who are studying in their 3rd year so that after graduating they could come to work with us.” Manager2 also used this strategy, claiming that “we have given them scholarships and we go to recruit them since they are 3rd year students. We do not wait until they graduate.”

2. Searching for new effective job advertisement channels that allow potential candidates to see them. For instance, Manager1 claimed that “we are now carefully selecting some effective media sources to post our job advertisements in. For example, more medical doctors, do not read xxxx newspaper but read YYYY one. These groups of people tend to search for their jobs on ZZZZ websites. We always check this from them after they join us.”

3. Cooperating with educational institutes, not only by offering an opportunity to nursing students to gain their working experience from coming to train in the hospitals, but also by doing campus recruitment. For example, Manager1 thought that “for nurses we need to do campus recruitment, we also allow them to do internship with us, we post this in newspapers.”

4. Strictly selecting the right candidates to cope well with hospitals' cultures. For instance, Manager2 believed that “although we need a lot of nurses and staff, it does not mean that we will take anyone. The person that we will take needs to cope well with our organization's cultures. We stop selecting staff based on who they know rather than what they know but we use competency based system to select our potential candidates.” Manager3 agreed with this view, explaining that “we need to use some sophisticated recruiting strategies to get new employees who are not only good at working but also right for our organization. This is important because it is possible that people who work well may leave our organization if they are not the right ones for our organization.”

Furthermore, hospital HR managers believed that, to train and develop skills, employees need to perform in their working life for the AEC, which could help them to increase their job satisfaction. The hospitals, therefore, subsidized and encouraged their staff to attend English courses. For instance, Manager3 revealed that “the hospitals support and motivate some groups of employees to attend English class with foreign teachers.” Manager2 added that “we employ full-time English native speakers to teach our employees English. We provide them a lot of E-learning lessons. We encourage them to attend TOEIC and TOEFL test which we pay for their test. If they could obtain a high score, we give them more incentive. We need to ensure that they need to learn English seriously by setting this as a policy. We have our target group and they have been chosen from their job level. Studying English becomes one of their jobs. It's like we pay for the time they come to attend our class.”

Additionally, engaging and retaining their staff helped to ensure their hospital's readiness for the AEC. This can be done by: 1) offering employees attractive salary and welfare benefits; and 2) ensuring their high job satisfaction and career growth.



In the case of offering employees an attractive salary and fringe benefits, the private hospitals paid their staff higher salaries than many hospitals in the market. For example, Manager2 asserted that “when we position ourselves about paying our medical staff, we prefer to pay by leading the market. If we do not attract them this way, we may lose them. Apart from offering attractive salary, we are thinking about introducing flexible benefits where they can select choices of benefits.” Manager1 added that “we need to reward potential medical practitioners. Some certain groups such as nurses working in operation room, ICU, IPU, their high skills are not easy to train and we need to pay more attention to ensure that they are happy to work with us.”

Moreover, the hospitals took good care of their staff by promoting high job satisfaction and a good career development plan. For instance, Manager2 highlighted that “apart from paying them highly, in our hospital, we look after them well. We provide a lot of incentives. They have free meals and etc... We survey our staff’s job satisfaction earlier, but now we use engagement. It allows us to know them in more detail. We can look after them more based on their generations, departments and etc.” Manager1 claimed that “employee engagement is our HR intervention to keep our staff.” To let all employees have a vision about their clear career development plan, Manager2 maintained that “we help to make them feel that they will grow within our hospital. To retain them, not only do we assign them a mentor, but we also communicate with them at the beginning about our career development system. They can check their career road map. They know how they could grow in our organization, what steps could they take, what is the salary structure and what are their job evaluation criteria.”

To address the third research question, “What are the roles of HR departments to ensure the readiness of their workforce towards the AEC”, HR executives thought that, to attract new potential candidates and keep current employees, the HR department needed to perform the roles of effective corporate ambassador, strategic partners, administrative expert, employee champion, and change agent.

The role of effective corporate ambassador can help to attract competitive candidates. This can be seen in the following claims. Manager3 claimed that “we need to become the employee of choice to ensure that people know us and want to work with us. This can be done by looking after our employees well. The word of mouth will attract many qualified candidates.”

The role of administrative expert is about knowing well both the HR and business functions. Manager2 thought that we need to know how to work in our job. For example, before we may not have been good at selecting people, but now we need to think about how to create interview questions to get candidates that have both the core and functional competencies that our hospital wants. Manager1 claimed that, “while we need to offer our employees attractive salary, it is our HR job to control the cost. We need to both retain our staff and balance the cost to our organization. Manager3 asserted that we use balanced scorecard to administer our HR work, look at and analyze all dimensions. They are finance, internal processes, customers and learning and growth. We work collaboratively with Corporate HR to ensure we are operating in accordance with each other. Manager3 believed that “we work so hard to pass and achieve JCIA standard or at least the Hospital Accreditation (HA) one. We need to know what and how to do everything. While we learn and work hard about this, they help us a lot in terms of doing HR administrative work correctly”.

The role of employee champion allows hospitals to create happy workplaces, increase employees’ job satisfaction and retain them. Manager3 agreed that “it is our job to look after our staff because they will take care of and impress our customers. We conduct a lot of surveys and focus groups so that we can make plans to ensure that we can engage with our staff well. The findings show that our staff are happy and enjoy working with us.”

In addition, the HR department needs to act as a strategic partner with the CEO. Manager2 said that “as I am a member of HRM association, I often have a chance to share what I have learned and my ideas about the AEC and its possible impacts in the meeting with HR committees and they all agree with my ideas. I can say that we have been supported well by our management team. Once ideas become part of the policy, everybody pays attention and things can move fast.” Manager2 added that “recently our management says that HR need to work as HR driver not just partner. That means they expect us to lead and help to change our organization.”

To prepare employees for the change, HR departments need to act in the role of change agent. Employees need to know what will happen to them and be prepared for the change, information about the change needs to be communicated by the HR department. Manager1 pointed out that “it is also our job to prepare our employees for the AEC and changes in the future. We have partly told them about what will happen in three years’ time and what they need to know. For example; they need to know and communicate in English. Our training courses therefore, emphasize more on improving their English skills. We make a soundtrack lab for them. When we train General Service Behavior course (GSB), we also tell them about culture and this year is the first year that we do.”

To address the final research question, “What are HR managers’ points of view regarding how serious is the possible negative impact to the hospital derived from the AEC?”, most managers believed that there will not be such a strong impact on their hospitals. This is due to the following reasons:

Firstly, the reputation and high level of competitiveness of the hospitals can profoundly keep their medical practitioners. Manager3 thought that “we would say that if we compare ourselves with a hotel, we are a five-star hotel. Therefore, if doctors and nurses would like to leave us, we are sure that they must think seriously and carefully.” Manager2 pointed out that, “although we are a small hospital, but we are so strong. We obtain a number of quality assurances at the national and global level. We have got HA, which is the highest award in Thailand. We have also got JCI. Our brand is in the market and people already know us.”

Secondly, advanced medical technology and good training makes their employees happy. Manager3 maintained that “our businesses are ready to compete with other hospitals as we invest a lot on buying good medical technology and training our people. This is our strength. We pay very much attention to training our people. While some budgets may be cut, our training and developing budget has remained the same.”

Third, looking after their employees well can profoundly engage their medical practitioners. Manager3 claimed that “we look after our doctors very well. We have an association of medical doctors to take care of them well.” Manager2 asserted that “to look after our people, we have enough budget. Moreover, we have won employee relations awards every year for four years and we hope that we will get again this year. We would like to make our hospital to become branded as caring for our employees.”

Fourth, their staff realize that it could be very risky to work overseas, as patients in other countries could sue them if they make even little mistakes. Manager1 believed that “doctors and nurses are aware of patients’ rights in other countries. It is easy for them to be sued and it is not worth taking risks. Our president who is working in the law area has told our medical doctors that we should live our life efficiently. It is possible that we could get sued easily when working overseas. Working in Thailand allows you to have enough money to look after us until the end of our lives. And we have discussed about this in doctor meetings almost every week.”

Fifth, there are not many patients or workers coming from the AEC countries to live in Chon Buri. It is, therefore, unnecessary to worry too much about preparing hospitals to service the AEC people in particular. Manager3 believed that “we provide good training to our staff all the time. However, when we train them to master new skills, we focus on skills that benefit our customers first. Since not many patients who are living in Chon Buri come from AEC countries, our customers are still Thai and westerners. Sixty percent of our customers are foreigners, but they are more westerners from Europe, Australia and America. Although we do employ some Myanmar or Cambodian interpreters to work for us, we do this to prepare for our business and this does not concern us much about AEC.” Manager1 supported this, “as we also take care of patients using their social security rights, most customers are local Thai. We may have some foreign customers. We do not have Cambodian or Laos customers. Our customers are Thai, Japanese Chinese and Korean respectively.” Manager2 pointed out that “90% of our customers are Thai and only 10% are foreigners. In this area, Japanese have become the majority of our foreign customers and most of them are managers in companies around here. We think that we can handle them ok.”

Finally, to ensure their competitive advantage, the hospitals keep updating themselves on the

AEC situation and analyzing their business environment all the time. Manager3 maintained that “all the time we keep ourselves ready for the coming of new competition. It does not matter whether it comes from AEC countries. We keep our eyes on our potential competitors if we have heard about them.” Manager2 highlighted that “apart from doing our best to be ready for AEC, I think it is a process of seeing, adapting, seeing and adapting (play it by ear).” Manager1 claimed that “we do not think we need to employ more interpreters, we are sure that if there is a need to find one for communicating with customers from AEC countries (which are not many), we can find one easily at that time in this area.”

## CONCLUSIONS AND SUGGESTIONS

This study found that HR executive officers in private hospitals in Chon Buri believed that the coming of the AEC may lead to a shortage of medical practitioners, such as nurses and doctors in hospitals in Thailand. This group of staff, nurses in particular, have already been difficult to recruit, due to the limited number of new graduate nurses that local universities can produce each year. Moreover, while young nurses tend to go to study English overseas, some current nurses leave hospitals to work freelance or outside hospitals. HR managers thought that medical practitioners need to improve their English communication skills and knowledge about cross-cultural issues. A number of solutions that the HR department have used include applying new staffing techniques, training and development of current staff, as well as retaining and engaging them. When discussing about the role of the HR department in preparing their staff towards the AEC, the researcher found that the HR department needs to perform the roles of effective corporate ambassador, CEO strategic partner, administrative expert, employee champion and change agent. HR managers believed that private hospitals in Chon Buri may not experience much impact on the coming of the AEC due to: 1) the high reputation of the hospitals; 2) the way employees are well looked after and engaged by the hospitals; 3) the safest place to work compared to overseas hospitals; 4) the advances in medical technology compared to overseas hospitals; 5) the limited number of customers coming from AEC countries; and 6) the effective practices hospitals operate with to beat their competitors and remain competitive in this business.

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