

# Cross Case Analysis of Talent Management in Thai SMEs: Multiple Case Studies Approach

- Thanasit Phoemphian
- Saratid Sakulkoo
- Chalong Tubsree

**Abstract:** *The purpose of this study is to explore the talent management practices of SMEs in Thailand. A qualitative research approach was applied to answer the research questions proposed for this study. The researcher did a pilot study in order to start this research project with 5 participants who are presidents of SME associations. The researcher then applied a multiple case study strategy using four SME case studies in the Bangkok area. Purposive sampling was used to identify 16 participants, who were working in these SMEs. The data collection tool was in-depth, semi-structured interviews. The data were analyzed by manual coding to classify and group them into twenty one categories. Next, the researcher did cross-case analysis to compare all the cases and explore the concepts for differences and similarities. The implications for this study were divided into two levels: (1) the individual level; (2) the SME level. In conclusion, this research reports and reveals the important role and benefits of the SME business in Thailand, as well as to the ASEAN Economic Community in terms of the economy and labor force.*

**Keywords:** Talent Management, SMEs, Cross Case Analysis, Thailand

The current economy shows that SMEs are an important engine of economic growth in many countries around the world, especially in developing countries such as Thailand. The growth of SMEs has increased steadily because the initial investment is not very high and management is not complicated when compared to large businesses. As a result, SMEs have the flexibility to adapt quickly. The role of SMEs is not only just a business to support the economic growth of the country, but also it has a very important role to lead the distribution of income. This helps strengthen the economy and promote sustainable economic growth.

Recent data from 2012 showed that the total number of enterprises in Thailand was 2,781,945, of which 2,739,142 were small and medium enterprises, or 98.5% of the total number of enterprises (OSMEP). The number of small enterprises totaled 2,724,902, or 97.9% of the total number of enterprises and 99.5% of the total number of SMEs. This accounts for SMEs assisting in the distribution of economic activity for the region, as well as leading to economic development and sustainable growth.

In 2012, the number of people employed by enterprises of all sizes totaled 14,662,812. Of this number, large enterprises (LEs) employed 2,251,547 people and SMEs employed 11,783,143 people, or 80.4% of overall employment. Small enterprises (SEs) employed the greatest proportion of all enterprises at 71.8% as well as of SMEs at 89.4%. The GDP of small and medium enterprises (SMEs) in 2012 was THB 3,859,587.6 or 36.6% of the country's GDP, and the GDP of SMEs expanded 0.6% per annum (OSMEP, 2012).

Thai SMEs are challenged with many factors such as increased competition among SMEs and large companies. The policies of the government affect SMEs, such as the THB 300 minimum wage. The challenges of the implementation of the ASEAN Economic Community (AEC) are other factors.

The biggest fears of SMEs is not only increasing wages and joining the AEC, but also the loss of talented employees. A very serious concern of managers of small organizations is that young talented employees will use small companies as a stepping stone to larger companies or more rewarding jobs. After smaller firms have trained them, then they move on to larger firms. It seems that younger people lack the stamina to work for one company or in one position for many years. They look for more challenges at new workplaces. This is partly due to the fact that, in today's economy, there is no guarantee that the company or the job will exist in the future because of the rapid changes in the business environment. This is a burden for small firms because resources are scarce. They have to compete with larger firms that are fully established and have more power in the labor market. Therefore, small firms cannot afford to lose employees, especially talented employees.

Talent can increase competitive advantage and help the survival of all organizational sizes (Hughes & Rog, 2008; Michaels, Handfield-Jones, & Axelrod, 2001; Stone, 2002; Srivastava & Bhatnagar, 2008). Hence, organizations should better attract, select, and retain these talented workers to reduce the risks of business (Cairncross, 2000 cited in Srivastava & Bhatnagar, 2008, p. 253). If these people leave organizations there will be great damage, therefore it is important that organizations retain talent. Furthermore, the war of talent was initiated by the McKinsey & Company survey which provided information that the turnover of high potential employees results in higher costs from \$ 7,500 to \$ 12,000 because the organization has to recruit, select and train new employees (Stone, 2002).

Therefore, talent as human capital is essential for an organization. Talented people can be one of an outstanding and different need with expectations from others (Amonrattanawong & Khakhao, 2009). So, it is very important for talent retention if this group leaves an organization, which will affect the competitiveness and cost of the organization as well. Owners need to train these talented groups for contribution of satisfaction in the workplace.

## **The purpose of the study**

To explore the talent management practices of SMEs in Thailand.

## **Research question**

What are the talent management practices of SMEs in Thailand?

## **Literature review**

### **Definition of SMEs**

SME stands for Small and Medium Enterprise. The definition of SME differs in parts of the world. SMEs in Thailand cover three kinds of businesses, which are the production sector, trading sector and service sector. The companies are organized into groups by using the amount of employees and fixed assets, excluding land value. The size of the enterprise is defined by the Office of Small and Medium Enterprises Promotion (OSMEP) as shown below in Table 1.

**Table 1.** Thai Small and Medium Enterprises (SMEs)

SME Type	Fixed Assets (Million Baht)		Employees	
	Small Enterprise	Medium Enterprise	Small Enterprise	Medium Enterprise
Production sector	< 50	50-200	< 50	50-200
Trading sector				
-Wholesale	< 50	50-100	< 25	26-50
-Retail	< 30	30-60	< 15	16-30
Service sector	< 50	50-200	< 50	51-200

**Source:** Office of Small and Medium Enterprises Promotion (OSMEP, 2008)

### What is talent?

Management definitions are the art and sciences which bring together all 6Ms, i.e., Men and women, Money, Machines, Materials, Methods and Markets (Uwakwe, 2012). Management is an individual or a group of individuals that accept responsibilities to run an organization. They plan, organize, lead or direct and control all the essential activities of the organization. Management does not do the work themselves. They motivate others to do the work and co-ordinate all the work for achieving the objectives of the organization. Drucker (2006) proposed that the management is composed of the activities or functions, which are planning, organizing, leading and controlling.

The views of scholars have provided definitions and concepts related to a variety of talents. Sears (2003 cited in Puvitayaphan, 2007) stated that a talent is a person with a desire to achieve in their work. He or She usually demonstrates that they have the skills and capabilities to do the assigned work. Huselid, Becker and Beatty (2005) stated that a talent is an employee in an organization where there are only 10% in all levels.

### Talent management

Toomgam (2007) found that organizations need to prepare talent management at the beginning of the planning committee to set policy and define the career path that consists of five steps.

#### 1. Talent recruitment

Recruiting talent is a very important step because if you are able to find talent it makes for faster success. Recruiting is divided into two categories which are recruiting from external and internal sources (Songsutjaritkul, 2008).

#### 2. Talent selection

Selecting or identifying talent to assess and identify the qualifications that meet the needs of the organization continue from recruitment and that organization is looking for talent to take into the group of employees who have special competencies (Chompookum, 2004; Summathiti, 2009).

#### 3. Talent development

Berger and Berger (2004 cited in Summathiti, 2009) stated that talent developments are as follows: 1) coaching, 2) job rotation, 3) interim and emergent assignment, 4) task force assignment, 5) internal education and training, 6) executive programs and external course work, 7) guided reading, 8) teaching and learning, 9) extracurricular activities and

10) E-learning. Puvitayaphan (2008) proposed that talent development not only focused on training and development, but also on other ways to develop employees.

#### 4. Talent Motivation

Wetlaufer (2000) noted that in addition to the challenges of work, talent needs autonomy and work without control. Another element is the return on the incentives to compete with rivals. The compensation may be paid for performance and should be linked to business profits.

#### 5. Talent retention

Talent as high-potential employees can make a lot of profit for the organization. Therefore, supervisors could play a role in attracting motivated people to work with the organization. Human resource management departments should advise on talent retention (Puvitayaphan, 2007). In a fiercely competitive labor market if talent moves to another organization it may cause damage. Lunn (1995) noted that a talented employee can be 100, 200 or 300% more productive than other employees.

Lewis and Heckman (2006) identified three perspectives on the concept of talent. First, perspective of talent management relates to human resource management (HRM) and focuses on recruitment, selection, development and succession planning. Second, talent management is still the branding of HRM, but emphasizes talent development focusing on the needs of employee/staffing and managing career development (Lewis & Heckman, 2006). The third perspective of talent management focuses on performance management, more developing and their natural skills than repairing their weaknesses (Roberts, et al., 2005).

## Research design

This research employed a qualitative research method in order to understand the actual occurrence in a thorough manner (Creswell, 1998) and to make use of the data to establish a new body of knowledge (Creswell, 1994).

The researcher chose the case study strategy in particular because, within the qualitative research paradigm, case studies are considered to be among the most useful approaches for "providing an in-depth understanding of a case or cases" (Creswell, 2007, p. 78). A case study includes both multiple and single cases. This study applied multiple case studies because the purpose of this study is to explore the talent management practices of SMEs in Thailand. Stake (2006) indicated that multiple-case designs allow researchers to examine and analyze several case studies in which researchers can understand the similarities and differences of each case study. The researcher is concerned with the setting selection, especially since the talent system might not quite provide for SMEs in Thailand. Therefore, the researcher did a pilot study. Marshall and Rossman (2011) described pilot studies as being useful, not only for trying out strategies but also to buttress the arguments and rationale for a genre and strategy. In addition, piloting also helps the researchers find ways to eliminate barriers such as resistance to tape recorders and mistrust of the researcher's agenda. In this pilot study there were 5 informants who are currently presidents of SMEs associations in Thailand.

### Data collection and analysis

The setting is the Thai Housewares Trade Association which has 4 companies in Bangkok. The researcher gathered the data from face-to-face interviews from 16 participants. The face-to-face interviews were based on a set of structured questions which allowed the researcher to explore the topic in-depth. The participants in this study are as shown in the table below.

**Table 2.** SME participants

Company	Position			
	Owner	HR	Talent	Senior manager
A	1	1	1	1
B	-	2	1	1
C	1	1	1	1
D	1	1	1	1
<b>Total</b>	<b>3</b>	<b>5</b>	<b>4</b>	<b>4</b>

Data analysis in this study performed a process that occurs over time from the process of data collection until the end of the report (On Going Process). Based on the principles of data analysis in a multiple case study, the researcher used the Stake (2006) format, starting with an analysis of the each case study. In this study, the researcher transcribed the data in Thai after collection. Then, the researcher checked the format of manual coding for each case, and classified and grouped the categories. Finally, the researcher got a total of 21 categories as shown in the table 3. However, some categories looked similar, so the researcher merged them into new categories. The researcher analyzed by manual coding. After within-case analyses, the researcher analyzed by cross-case analysis.

### Quality of the study

In this study three methods were used to create trustworthiness, which are: (1) an audit trail for data management; (2) a pilot study and gaining access; and (3) triangulation to review data collected from various methods, such as document reviews and interviews (Mile & Huberman, 1994; Patton, 1990). The data was collected by the same methods but from various sources. This study used four cases and interviewed participants from different positions; owner, HR, talent, and senior managers and from studying documents from various sources. Furthermore, the researcher recorded detailed reflexive notes and progress reports throughout the study to ensure the credibility of the study.

### Findings

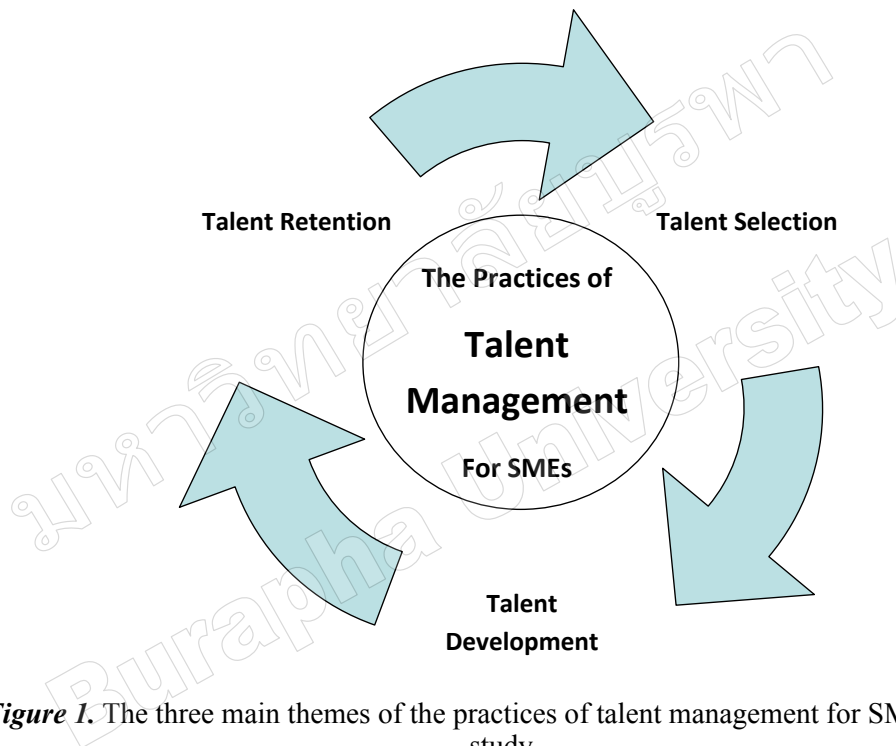
The findings of interviewing 16 participants of four SMEs focused on talent issues which are the areas of concern. The researcher classified and grouped them as a main category. As a result, twenty-one categories emerged from the interview data analysis, as shown in Table 3, and these were adopted to be the guidelines for analyzing the data with the cross case analysis method which is presented in the second part of the findings in this study.

**Table 3.** Main categories

- 
- C0 : Interviewee's Background
  - C1 : Talent Selection of SMEs
  - C2 : Talent Characteristics of SMEs
  - C3 : Talented Employee Development of SMEs
  - C4 : Talented Employee Retention of SMEs
  - C5 : Talent Image of SMEs
  - C6 : SMEs Business Expansion
  - C7 : Development Systems of SMEs
  - C8 : General Problems and Obstacles of SMEs
  - C9 : Power and Decision Making in SMEs
  - C10 : Leadership Styles of SMEs
  - C11 : SMEs and Preparing toward the ASEAN Way
  - C12 : Overall Management of SMEs
  - C13: Role of HR in SMEs
  - C14: Performance Evaluations of SMEs
  - C15: Career Development in SMEs
  - C16 : Perspectives of Talented Employees in SMEs
  - C17 : Serious Management Problems of SMEs
  - C18 : Reasons to Leave or Stay of Talented Employees in SMEs
  - C19 : Understanding Talent Management
  - C20: Relationship with Former Talented Employees
-

## Discussion and implications

In order to answer the research question in this study, three themes are integrated from the findings: (1) Talent Selection in SMEs; (2) Talent Development in SMEs; and (3) Talent Retention in SMEs. From the three themes, this study highlights some emerging issues for the discussions and interpretations of the practices of talent management for SMEs in Thailand. From the findings and by using Cross Case Analysis the researcher has concluded three themes as shown below (Figure 1).



**Figure 1.** The three main themes of the practices of talent management for SMEs in this study

**Source:** Created by the researcher

### The practices of talent management for SMEs

According to Figure 1, there are three main components that relate to the practices of talent management: (1) Talent Selection; (2) Talent Development; and (3) Talent Retention. Ulrich et al. (2009, p.82) concluded that “*talent management is the systematic process of creating and sustaining individual competencies that will help the business deliver strategy.*” In addition, Schewyer (2004 cited in Kunprang, 2012 ) defined talent management as the process of planning and analyzing as related to sourcing, screening, developing, retaining, and bringing large amounts of talented employees into the organization.

### Talent selection of SMEs

The findings in this study show that talent recruitment and selection have two sources which are within and outside the organization but most are internal rather than external because external talent is rare. Summathiti (2009) studied talent management and found

that most talent recruitment and selection came from external talent. Moreover, the image of SMEs in the eyes of students or recent university graduates is that SMEs are second rate organizations. In choosing to apply for a job, most of them often select large or famous enterprises rather than SMEs. Recruiting talent is difficult for SMEs. Therefore, they should select candidates who have graduated from less famous institutions. Furthermore, quality external employees had to pay high costs for university and probably may not stay long term because they cannot adapt to a new environment in the organization. Besides, recruitment of internal employees is beneficial because they are familiar and known from the past. The past experience of executives is that talents from the outside often have many problems, and they like to think of themselves as important persons. So they are not considerate, responsible, etc.

From the findings for the selection of the first system, the owner used “common sense” to determine who are talented. The other system used a recruitment and selection process that decided by committee and considered putting the right person on the right job. A few companies used astrology called “physiognomy” for the key man level which focuses on talents’ performances, experience and competencies. Chompookum (2004) found that the organization was looking for talent who had a special competency. So, few companies had the saying that “an excellent man is not difficult to find, but an ethical one is difficult to find.” However, few SMEs recruited talent mainly from external sources and only by recommendations and introductions from employees in the organization, and selection by interview and skill testing.

For the characteristics that determined who are talented, the first system used the decision of the owner, talent characteristics were honest, work hard, diligent, trustworthy and reliable, know all jobs well, responsible, age is not a barrier, work ability, dynamic, apply knowledge to adapt to their jobs, loyal, etc. The characteristics were selected by managing people, vision, integrity, justice, good personality, good interpersonal skills, patience, diligence, good attitude, moral, seniority, performance, able to manage people, honesty and justice, human relations, loyalty, special abilities such as language and computer skills. Eiamsaard (2008) studied a talent management system in Bangkok and found good performance, ability to learn and morals.

It was found that the executives will consider who are talented, but they do not announce it to the talent because if announced it is like “double edged sword.” In other words, it can be good or may be prejudicial for the talent as from these quotations, “*I think it is a double edged sword. If the head is not tolerant it will become an obstacle. Moreover, they fear their talent will take over. However, management will know.*” (C16 O2 P1 L 173-175). But talents have perceived themselves as the talent because of increases and more challenging jobs than before as one participant stated, “*Employees would know it themselves because their work has increased and they have more responsibility than before.*” (C16 O2 P4 L 521-522). However, few companies had to talk with talents for preparation such as jobs that were increased and more challenging. It is different from Amonrattanawong, and Khakhao (2009) who studied factors affecting talent in a large size and found that in formalization the executives announce who are talented to others employees for employee motivation.

In summary, talent recruitment and selection have two sources that are from within and outside organization, but most are from within rather than outside because talent from outside is rare. The person that decided who is talented had two difference systems. In the



first system, the owner used “common sense” to determine who had talent. The other system used a recruitment and selection process that decided by committee. The focus was on talents’ performances, experience, competencies and characteristics which are appropriate for a future executive.

### **Talent development of SMEs**

Talented employee development has two sources, within and outside the organization. Most of the talent development usually is within the organization before sending them to an external organization. Development within the organization includes the development of performance skills, meetings, exchange knowledge between managers and subordinates. Increased workload and responsibilities, coaching by supervisors, suppliers’ training, learning by doing from customers and on the job training. Summathiti (2009) studied talent management and found that talent development focuses on job rotation and on the job training because employees got direct knowledge and multi-tasks. Furthermore, Berger and Berger (2004) stated that talent developments were coaching, job rotation, task force assignment, internal education and training, executive programs, external course work, etc. Puvitayaphan (2008) suggested that the development of talent should not only focus on training. Preparing for the upcoming AEC has provided employees the opportunity to learn English. Chantarasami (2012) noted that the organization should prepare human resource development to develop skills in English and Asian languages, knowledge and understanding of cultures and traditions of ASEAN, including skills of owner and manager development in diversity management, as well as focusing on career development in a particular talent group.

Most outside development is mainly training about production directly related to the main task, especially key-man with well-known professional institutes. Furthermore, it also sends employees to work abroad and meet customers outside. Employees had to transfer knowledge to other employees after training as well. Most development is quite non-system such as no training for needs analysis and no plans to train. This is consistent with Storey and Greene (2010) which noted that small firms have little or no formal training and this is significantly disadvantageous for employees who want knowledge acquisition, skill development and professional growth. In addition, Cardon and Stevens (2004) conducted formal training in small businesses which are unstructured, such as on the job training and learning from experience. However, some organizations do not have any training policies that send staff to external training because they have not budgeted for this. Furthermore, entrepreneurs have a bad attitude about training. If employees need to develop they have to pay for it themselves. A further explanation for the lack of formal training in SMEs is that managers simply fear they will lose newly trained employees to competitors (Wynarczyk et al., 1993). Although training is an important HRM issue for many small firms, research shows that most SMEs do not provide much formal training because the cost of training is too high (Storey, 2004 cited in Barrett & Mayson, 2006, p. 310).

In addition to training and development, it was found that career development in SMEs prepare manpower planning for the future. The management level will determine whether to develop talent that will replace employees who will quit. Furthermore, few companies had a training roadmap for individual development for preparing the successors or talent for a high level in the future. Suksawat (2012) stated that the career development motive of employees

is to improve and development over time. Therefore, organizations should design career paths which are suitable for the opportunity to grow in their career choices.

Maslow's hierarchy of needs theory stated that self-actualization includes the need for personal growth, achievement and self-fulfillment. Individuals need to achieve by career advancement in their work through job promotions or increased work responsibilities. The structure of job positions in small businesses characteristically cannot put up for the level of career progression that key employees often need. So, there are limited or no growth opportunities, they can swiftly search for other jobs that offer better career paths. Puvitayaphan (2008) said that career path is not promotion only. Job transfer as a strategy of human resource development did not bother with traditional work. The owner should provide empowerment for talent to build the work atmosphere and decide on the scope of work that is higher (Puvitayaphan, 2008).

It was found that although SMEs are medium-sized and small organizations, they have developed their systems for growing and keeping modern technology such as ISO, Lean, 5S, teamwork, quality control and communication systems that make work easier, such as "Facebook." Especially team building, staff work together and know their duties. When required to perform duties outside, sometimes there is no team leader but everyone knows that they must do something. Each employee was able to work with multi-skill and perform multiple tasks. Work can also be interchangeable at any time. On the other hand, few companies had a problem in development of new systems because that employee did not satisfy new systems especially the old staff.

In summary, the talent employee development found in this study was usually done within the organization before sending them to an external organization. Development within the organization includes; the development of performance skills, meetings, exchanging knowledge between managers and subordinates, increased workload and responsibilities, coaching by supervisors, supplier training, learning by working with customers and on the job training.

### **Talent retention of SMEs**

The findings on talented employee retention of SMEs focused on compensation that is direct and indirect. The first is the salary that rates as a "leap rate" because the rate is more than normal employees. The second is benefits that include; bonuses, medical care, social security, profit sharing and commissions, as well as non-financial compensation. They highlighted on creating a work environment that looks like a family such as helping each other, helping the employee's family, friendly supervisors, freedom to work independently, and flexible rules depending on the environment. There is an "open door" policy that allows employees to express their opinions and clear some issues with management. Some companies provided an opportunity for employees to continue working after retirement.

There is some literature that relates to talent retention. Suksawat (2012) said that the environment and atmosphere helped to maintain talent. Besides, everyone knew their roles, without someone telling them what to do, and had the freedom to work without someone controlling their work. Wetlaufer (2000) noted that in addition to challenging work, talent needs autonomy and work without control. The rules were flexible to suit the environment. Wilkinson (1999) revealed that small businesses are highly flexible. A good working climate should be filled with enthusiasm, motivation and friendship to encourage organizational

commitment (Ritbumroong, 2005). Rowden (2002) reported a positive relationship between formal, informal and incidental workplace learning and increased worker satisfaction in small businesses. Barrett and Mayson (2006) and Down (2010) stated that relationships in small businesses were usually close because of working together, for example face-to-face communication between the owner and employee. Samuel and Chipunza (2009) found that factors of both intrinsic and extrinsic motivation affect the maintenance staff, such as: training and development opportunities, challenging work and creative freedom.

Interaction in the workplace creates a “work family” atmosphere making employees feel like they are a part of organization. This atmosphere causes employees to be loyal to the owner and organization, feel relaxed, trust and respect, better engagement with the organization and talent retention.

The Human Capital Leadership Institute (2012) focused on exploring how organizations in seven Asian countries (China, India, Indonesia, Malaysia, Singapore, Thailand, and Vietnam) are addressing their leadership and talent management challenges. It used a survey questionnaire of 212 organizations across different countries, organization types and various industries. In terms of talent, organizations in Asia appear to experience significant challenges with overall talent scarcity and especially with talent retention and attraction. The results found that Thailand is currently facing problems with talent retention and attraction at a relatively high rate of 85% and 95%, respectively. Therefore, owners and managers should understand and try to retain and attract talent. Organizations should understand and control intermediate factors that link rewards to business value. Employers can help employees better manage work-life harmony by offering increased flexibility and more choices for when, how and where they do their work. Some leading organizations have pushed the envelope further by enabling employees to customize their careers based on life-stage priorities, resulting in greater career satisfaction and loyalty.

In summary, talented employee retention of SMEs focused on direct and indirect compensation. Furthermore, creating a family-like work environment is beneficial. In addition, an “open door” policy allows employees to express their opinions and clear some issues with management. All of these helped employees to feel loyal, relaxed, trusted and respected, and better engaged with the organization and not want to quit.

## **Implications**

The following sections present the implications for talent practices in SMEs. The implications are: 1) the individual level; and 2) the SME level.

### **Implications for the individual level**

There are quite a lot of suggestions that the participants of the present study have expressed, and these findings would benefit owners, HR, and employees in SMEs for planning and implementation of activities in better ways. Talent management is a tool that motivates employees to progress their career. Employees need to develop the knowledge, abilities and characteristics that enterprises need. Career development is one of the main components of human resource development. Mclagan (1989) said that human resource development consists of three activities: training and development, organizational development, and career development. The findings show that SMEs have at least two ways of talent recruitment and selection. The first way of recruitment and selection is the sense

or experience of owners that determine who should be talent, these characteristics include: honesty, intelligence, and ambition. More importantly, the younger employees should have no problem to become talent. In other words, there are no seniority concerns on this matter, as one of participants who is an owner expressed that: *"From my experience, I have common sense about who are talent and can be developed or not. I think OK, I push them up, no matter what the ages are."* (C1O1P1L 55-57). The second way of recruitment and selection is by using committees. It is quite similar to a large company's talent recruitment system. Most of the characteristic focus on work experience, responsibilities, leadership, etc.

Talent, however, may become normal employees if they have bad behavior. Sometimes they may be left out of business as in the following quotation: *"We had to hire from elsewhere. He (our talent) acted like a great artist (artist in this sense meant un-obedient, show-off, overacting, and bad behavior). Sometimes he might call in sick or not come to work. So, I do not want to play games with this kind of talented employee. One day I told him to leave. Don't ever come back here again. It is over now"*(C1O1P1L 13 - 18). The employees that want to be talent and do not want to be removed from the talent pool should be developed to provide the knowledge, skills and characteristics that the organization needs.

In order to be successful in talent management, owners should be aware, understand and committed to talent practice. If the owners agreed, it would be a good sign to push for talent management to be successful. Because SMEs are like other organizations, if the owners do not play the roles they should, this project is not still going to continue. Thus, if the organization moves forward; there may be obstacles or delays. The findings show that owners have to understand and commit to talent practice, which is to prepare and develop talent to run the SMEs expansion overseas. One of the owners mentioned: *"I tried to push internal employees, which worked before because I knew how he was and who was developed or pushed. Now the company is moving to ASEAN countries. (He feels proud) I have factories in Laos and Myanmar. Recently, I sent a manager to Laos and sent an assistant production manager to the Myanmar plant."* (C6O1P1L91-96)

From the findings in this study, it emerged as one of the guidelines for the owners in SMEs who are interested and committed to talent management as a tool to drive business forward. Sometimes the owners may not be handled manually, which provides empowerment to the HR function. Also, it can be important information for a current talent and employees who want to upgrade to become a talent in the future.

### **Implications for the SME level**

Talent management is a tool that can provide a competitive advantage (Michaels, et al., 2001; Stone, 2002; Hughes & Rog, 2008; Srivastava & Bhatnagar, 2008.) The findings of four companies about informal or formal talent recruitment and selection explained at the employee level that talent development focuses on coaching and on the job training. Regarding cross case analysis, most of the human resources development in SMEs focused on within the organization before sending them outside. Internal development includes: training, adding challenging tasks, coaching and mentoring, and on the job training. The management system should be prepared for the upcoming AEC. All these things enable talent with high skills, abilities and competencies able to help organizations gain a competitive advantage.

The findings on the recruitment and selection issues of barriers for SMEs are that it is quite difficult or rare to find candidates from outside. Therefore, SMEs need to manage and develop employees from within the organization. McLean (2010, p. 12) concluded that “*If companies are going to be successful in talent management, they must start at the top.*” He also recommended that top management must acquire the ability to function in the midst of ambiguity, to trust that the selection process that has resulted in the hiring of talented employees who can be trusted to make good decisions, and to take the risk of letting these talented employees make autonomous decisions, thus developing their talents for the good of the company.

Another issue of importance is about how to retain talent who may be hunted by other companies. At this point, SMEs must be careful in terms of the loss of their talented employees. The cross case analysis in this study found that salaries and benefits are the most important issues, such as bonuses, medical care, social security, profit sharing, commissions and parties. In addition, talent stayed close with the management level for coaching or learning, and honor as well. Furthermore, they highlighted creating work environments that are like a family, such as helping each other, helping employees’ families, friendly supervisors, the freedom to work independently, and flexible rules depending on the environment. Some informants stated the importance of an “open door policy” that allowed employees to express their opinions and clear some issues with management. There was also an opportunity for employees to continue working after retirement and receive benefits. So, all of these can be guidelines for building and developing the talent pool. This study applied a qualitative research design that cannot be generalized like quantitative approach. However, qualitative can be transferred to a similar context, although other SME groups may differ in the nature of the industry.

## Recommendations for further research

This research has limitations since it only focused on 4 SME organizations in lifestyle products. The Office of Small and Medium Enterprises Promotion (2012) reported that the groups of SMEs that were likely to expand are: 1) automotive industry, 2) agriculture industry and renewable energy, 3) construction business, 4) telecommunications, 5) health and beauty, 6) travel and accommodation, 7) entertainment services, and 8) lifestyles. The outcome may be specific because the researcher used only one group of SMEs. Therefore, further research should investigate other groups in order to obtain a clearer picture of the way to manage talent in Thai SMEs.

There are two difference systems in the talent selection process from the cross case analysis of this study. One is decisions made by the owner and the other one used committee approval with several steps in the selection process. The researcher in this study would like to recommend further research in comparing between the two different talent selection processes, and also focus on the characteristics of talented employee in SMEs.

\* Thanasit Phoempian, *Panyapiwat Institute of Management, Thailand,*  
*E-mail: poempian@gmail.com*

\* Saratid Sakulkoo, *E-mail: saratid2@yahoo.com*

\* Chalongs Tubsree, *Faculty of Education, Burapha University, Thailand,*  
*E-mail: chalongtubsree@gmail.com*

## References

- Amonrattanawong, P., & Khakhao, A. (2009). *Factor affective to talent: A case study ABC company limited*. Bangkok: Thammasat University.
- Barrett, R., & Mayson, S. (2006). Exploring the intersection of HRM and entrepreneurship, Guest editors' introduction to the special issue on HRM and entrepreneurship. *Human Resource Management Review*, 16(4), 443-446.
- Berger, L. A., & Berger, D. R. (2004). *The talent management handbook: Creating organizational excellence by identifying, developing, and promoting your best people*. New York: McGraw-Hill.
- Business Knowledge Source.com. (n.d.). *Hiring the best employees for your small business*. Retrieved from [http://businessknowledgesource.com/smallbusiness/hiring\\_the\\_best\\_employees\\_for\\_your\\_small\\_business\\_030461.html](http://businessknowledgesource.com/smallbusiness/hiring_the_best_employees_for_your_small_business_030461.html)
- Cardon, M., & Stevens, C. (2004). Managing human resources in small organizations: What do we know. *Human Resource Management Review*, 14, 295-323.
- Chantarasami, C. (2012). *AEC potential and readiness survey: Thailand*. Retrieved from [http://www.flipbooksoft.com/upload/books/11-2012/aec\\_survey.pdf](http://www.flipbooksoft.com/upload/books/11-2012/aec_survey.pdf)
- Chompookum, T. (2004). Talent management: Importance tool for importance person in organization. *Chulalongkorn Review*, 24(103), 21-29.
- Creswell, J. W. (1994). *Research design: Qualitative and quantitative approaches*. Thousand Oaks, CA: Sage.
- Creswell, J. W. (1998). *Qualitative inquiry and research design: Choosing among five traditions*. Thousand Oaks, CA: Sage.
- Creswell, J. W. (2007). *Qualitative inquiry and research design: Choosing among five approaches* (2nd ed.). Thousand Oaks, CA: Sage.
- Drucker, P. F. (2006). What executives should remember. *Harvard Business Review*, 84(2), 144-152.
- Down, S. (2010). *Enterprise, entrepreneurship and small business*. London: Sage.
- Eiamsaard, P. (2008). *Building talent management system in Bangkok*. (Unpublished master thesis), Thammasat University, Thailand.
- Hughes, C. J., & Rog, E. (2008). Talent management: A strategy for improving employee recruitment, retention and engagement within hospitality organizations. *International Journal of Contemporary Hospitality Management*, 20(7), 743-757.
- Human Capital Leadership Institute. (2012). *Fuelling the Asian growth engine – talent challenges, strategies and trends (focus on Asia)*. Retrieved from <http://www.deloitte.com/assets/Dcom-Vietnam/Local%20Assets/Documents/Fuelling%20the%20Asian%20growth%20engine.pdf>
- Huselid, M. A., Becker, B. E., & Beatty, R. W. (2005). *The workforce scorecard: Managing human capital to execute strategy*. Boston: Harvard Business School Press.
- Kunprang, K. (2012). *How to keep talent in the organization*. Bangkok: HR Center.
- Lewis, R. E., & Heckman, R. J. (2006). Talent management: A critical review. *Human Resource Management Review*, 16, 139-154.
- Lunn, T. (1995). Selecting and developing talent: An alternative approach. *Management Development Review*, 8(1), 7-10.
- Marshall, C., & Rossman, G. B. (2011). *Designing qualitative research* (5th ed.). Thousand Oaks, CA: Sage.

- McLagan, P. (1989). *Model of HRD practice*. Alexandria, VA: American Society for Training and Development.
- McLean, L. D. (2010). *Understanding creativity in organization: The relationships among cross-level variable and creativity in research and development organizations*. (Unpublished doctoral thesis), University of Minnesota, USA.
- Michaels, E., Handfield-Jones, H., & Axelrod, B. (2001). *The war for talent*. Boston: Harvard Business School Press.
- Miles, M. B., & Huberman, A. M. (1994). *An expanded sourcebook of qualitative data analysis* (2nd ed.). Thousand Oaks, CA: Sage.
- Office of Small and Medium Enterprises Promotion. (2008). *Definition of SME*, Retrieved from <http://www.sme.go.th/>
- Office of Small and Medium Enterprise Promotion. (2012). *Definition of SME*. Retrieved from <http://www.sme.go.th/>
- Patton, M. Q. (1990). *Qualitative evaluation and research methods* (2nd ed.). Newbery Park, CA: Sage.
- Puvitayaphan, A. (2007). *Strategic talent management and development*. Bangkok: HR Center.
- Puvitayaphan, A. (2008). *Talent management practices in selected companies listed on the stock exchange of Thailand*. (Unpublished doctoral thesis), Burapha University, Thailand.
- Ritbumroong, W. (2004). *Talent management for developing organizational competitiveness advantage*. (Unpublished master independent research), National Institute of Development Administration, Thailand.
- Roberts, L. M., Spreitzer, G., Dutton, J., Quinn, R., Heaphy, E., & Barker, B. (2005). How to play to your strengths. *Harvard Business Review*, 83(1), 75.
- Rowden, R. W. (2002). The relationship between workplace learning and job satisfaction in U.S. small to midsize businesses. *Human Resource Management Development Quarterly*, 13(4), 407-425.
- Samuel, M. O., & Chipunza, C. (2009). Employee retention and turnover: Using motivational variables as panacea. *African Journal of Business Management*, 3(8), 410-415.
- Srivastava, P., & Bhatnagar, J. (2008). Talent acquisition due diligence leading to high employee engagement: Case of Motorola India MDB. *Industrial and Commercial Training*, 40(5), 253-260.
- Stake, R. E. (2006). *Multiple case study analysis*. New York, NY: The Guilford Press.
- Stone, F. (2002). *Recruiting and retaining people*. Oxford: Capstone.
- Storey, D. J., & Greene, F. J. (2010). *Small business and entrepreneurship*. Essex: Pearson Education.
- Songsutjaritkul, S. (2008). Talent retention: A case study of True Vision Limited. *Burapha Business Review*, 4(1), 76-88.
- Suksawat, J. (2012). *Talent management of companies in eastern seaboard industrial estate, Rayong*. (Unpublished master thesis), Burapha University, Thailand.
- Summathiti, P. (2009). *Talent management: Case study Standard-charter Bank, Public policy management for executive*. Bangkok: Thammasart University.

- Toomgam, S. (2007). *Talent management system for high performance employee: A case study of Thailand institute Scientific and Technological Research*. Bangkok: Nation Institute Development Administration.
- Ulrich, D., Brockbank, W., Younger, J., Allen, J., & Nyman, M. (2009). *HR transformation: Building human resources from the outside in*. New York, NY: McGraw-Hill.
- Uwakwe, V. (2012). *Is management an art or science*, Retrieved from <http://hyattractions.wordpress.com/2012/05/29/is-management-an-art-or-a-science.html>
- Wetlaufer, S. (2000). Common sense and conflict: An interview with Disney's Michael Eisner. *Harvard Business Review*, 78(1), 121.
- Wilkinson, A. (1999). Employment relations in SMEs. *Employee Relations*, 21(3), 206-217.
- Wynarczyck, P. R., Watson, D., Storey, H. S., & Keasey, K. (1993). *The managerial market in small and medium sizes firm*. London: Routledge.

มหาวิทยาลัยบูรพา  
Burapha University