

# A Case Study of a Thai-Lao Trucking Logistic Business from a Human Resource Development Perspective

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**Abstract.** *The purpose of this research was to describe the trucking logistics business process of a Thai-Laos company from an HRD perspective. A qualitative research approach was applied to this study. Document review and in-depth interviews were the research methods which were used in the process of data collection and this was supplemented by two focus group interviews. There were 24 participants whose interviews took place in both Thailand and Laos. Based on a manual coding into categories, the findings were presented in 8 main categories. The implications were drawn from the findings of the study. The concept of logistics is 'the right item in the right quantity at the right time at the right place at the lowest cost' (Christopher, 2005 p.143). As a result, the organizations may need to focus on HRD (i.e., the functions of human resource planning, organization/job design, selection and staffing, performance management systems, training and development, career development, and organization development) in order to not only improve their performance, but also to gain competitive advantage over their competitors. The findings of this study indicated that culture is the most important external component influencing this trucking logistics business across the border. Even though Thai and Laos are like brother-sister lands, this study found that they each have very unique cultures. The researcher believes that the cultural issue needs to be studied further in order to provide useful information to guide successful logistics businesses and policy implementation.*

**KeyWords:** Trucking logistic business, Transportation, Cultural dimension, Human resource development; Laos PDR, Thailand

## Introduction

The logistics issues surrounding the Great Mekong Sub-region (GMS) have become a powerful source of competitive differentiation. The GMS comprises five Southeast Asian countries and two Provinces of China sharing the Mekong River, namely Cambodia, Laos PDR, Myanmar, Thailand, Vietnam and Yunnan Province and Guangxi Autonomous Region of China (Christopher, 2005). There are six modes of transportation in the logistics business, including air, road, water, rail, and pipeline modes. The sixth and latest mode is sometimes referred to as the 'information super superhighway', and refers to the movement of information over the internet (Ghiani, Laporte & Musmanno, 2004). Traditionally, companies evolved to provide services within individual modes (e.g., trucking companies, shipping companies, airlines and railroad companies). The multi-modal mode, also called the intermodal mode, has become popular, because it includes several different means of transportation. It creates the possibility for a customer to have a single interlocutor in a complex international shipment involving more than one mode of transportation (Institute of Chartered Shipbrokers, 2006). Road transportation is the dominant mode of transport for inland transport in Thailand and Laos, due mainly to the flexibility, directness and speed that the movement of freight by road offers, when compared to rail, inland waterway or sea transport. It has become the principal freight transport mode, carrying the majority of inland freight. Moreover, worldwide, trucking is a vital way of shipping goods internationally (Christopher, 2005). It usually is the primary means for commercial transportation and the circulation of goods. Effectively, the trucking process not only helps individual companies achieve success, but may also contribute to the greater benefit of a nation's economy (Ghiani, Laporte & Musmanno, 2004).

In Thailand and Laos, the trucking logistics business is also the most significant mode of transport. The important business factors of trucking businesses are similar to other businesses, including men, material, money and management. One trucking logistics company, the selected company in this study is a Thai-Laos trucking logistics operation, undertaking both general and specialized trucking services for international and domestic clients. The selected company provides land transport, shipping and freight forwarding activities within Laos and Thailand and also cross-border activities. The head office is in Vientiane in the Laos PDR, and this company also has offices throughout Thailand, enabling it to offer clients a comprehensive cross-border service. This company is highly experienced in dealing with transportation requirements in Thailand and the Laos PDR, enabling it to make the whole cross-border and customs clearance as seamless as possible. With on-time delivery, high productivity and a personal commitment to clients, the company's reputation as a reliable haulage supplier is well-founded.

In 2007, there was a dramatic change in the selected company. It was awarded a long-term haulage contract from a major international client in the mining sector, Panaust Limited (PNA). Panaust Limited (PNA) is an emerging mining company focused on mining copper-gold at the Phu Kham mining operation in Laos and searching for gold and copper in Southeast Asia. In 2001, PNA purchased an 80% interest in Phu Bia Mining, which holds the Phu Bia Contract Area in Laos. Since the start of the project in 2008, the selected company now handles one of the largest export operations in the Laos PDR with nearly 400 employees and over 100 trucks available in its network. This change called for the selected company to improve the effectiveness of human resources in order to increase the effectiveness of its operations, management, and organizational system, because the selected company has a 'Family Business' style of management. It lacks both mid-term and long-term plans.

Companies in all areas continually search for strategies and models of sustainable competitive advantage. The major problem in the selected company, which is similar to every organization, is not only to adjust itself to the changing business context, but also to engage in continuous organizational improvement in order to prepare its organization to deal with an unpredictable business environment in order to increase productivity, effectiveness, and customer satisfaction. The researcher found out that there are a number of studies of logistics businesses, but there is little literature about human resource development (HRD) in the trucking logistics business. As well, empirical research on effective HRD in the Thai-Laos trucking logistics process is at the initial stage in Thailand. There is a need for more profound studies exploring the contexts, contents and cultural processes and human resource factors involved in the trucking logistics business in cross-border trade between Thailand and Laos. As a result, the researcher hopes that this study will be useful to cope with the problems of the trucking logistics business. Also, the findings of the study may be able to improve effectiveness and efficiency of the Thai-Laos trucking logistics business. The purposes of this study were: (1) To describe the trucking logistics business process of the Thai-Laos company from an HRD perspective; and (2) To investigate the influences of the trucking logistics business experience on the company.

## Research Questions

The research questions of this study were:

1. What is the trucking logistics business process in the Thai-Laos company from an HRD perspective?
2. What are the influences on the trucking logistics business in the Thai-Laos company?

## Literature Review

### Transportation and Logistics Business

Transportation is a broad and ubiquitous field—important in a political, social, and economic sense. It is important throughout the world, and also can be a major public policy lever. The public sector often makes important public policy decisions through transportation investments. Moreover, the private sector makes major investments in transportation (Ghiani, Laporte & Musmanno, 2004). Stroh (2001) stated that there are many components which are compounded in the transportation system, including

vehicles, equipment, power system, fuel, and control, communications and location systems. In addition, there are various modes of transportation in the logistics business. It is noted that there are essentially five such modes including the air mode, road mode, water mode, rail mode, and pipe line mode (Ghiani, Laporte & Musmanno, 2004). Traditionally, companies evolved to provide services within individual modes, as for example, trucking companies, shipping companies, airlines and railroad companies. The multi-modal mode, also is called the intermodal mode, has become popular in recent years, because it uses several different means of transportation. It creates the possibility for a customer to have a single interlocutor in a complex international shipment involving more than one mode of transportation (Christopher, 2005).

Trucking logistics uses this same thorough and extensive scope of analysis and applies it to the specific requirements of the trucking industry. Trucking is a vital way of shipping goods internationally. Trucking is still dominated by a patchwork of domestic rules and regulations, which greatly influence the way the industry is organized. There are limits on the number of axles a truck may have, on the weight it can carry per axle, on its total weight, in its length and width, as well as requirements regarding its mandatory equipment, the training of its driver, and the number of consecutive hours that s/he can drive. All of these constraints generate fleets of trucks that are slightly different from country to country. In general, trucks carrying international cargo tend to be semi-trucks (Stroh, 2001). Sussman (2000) pointed out that in most industrialized nations trucks usually are the primary means for commercial transportation and the circulation of goods. Excellent trucking logistics not only helps individual companies achieve success, but may also contribute to the greater benefit of a nation's economy. Economic analysts view transportation as a very high expense for any business, meaning that good logistics may dramatically decrease economic expenses. Good planning may eliminate unnecessary expenditures that could limit the success of a business.

Trucking logistics may analyze trucking routes, looking for ways to improve efficiency through the reduction of delivery times. The precise types of loads being carried are considered in order to determine the best means of transport. Road safety typically is emphasized to ensure the secure transportation of goods and the safety of both truck drivers and regular commuters by planning delivery routes for specific types of loads. Heavy hauling and long hauling are more demanding aspects of trucking; and good trucking logistics typically examines all factors to help facilitate these more difficult types of transport (Sussman, 2000).

Trucking logistics is the research and planning of trucking operations. Typically, trucking logistics takes into account all the factors involved in the transportation of goods by truck, with the goal of maximizing productivity and efficiency. This may include planning the most efficient routes for truck drivers, selecting optimal fuel types according to market trends, choosing the best kind of trucks for the particular task, and hiring an excellent staff of truck drivers (Stroh, 2001).

### **Cultural Dimension**

As a consequence of the rise of global business, business management has increasingly become international business management. Under this circumstance, managers are required to be very professional, highly qualified, flexible, deployable, multi-skilled, multidisciplinary, and cross-cultural in outlook, because their current job requires them to work with people from different cultures in various countries all over the world. As a result, culture has become one of the most important issues affecting organizational success or failure (Alkhafaji, 1995). Ferraro (1998) proposed that a lack of careful consideration of the cultural context in the domestic organization may lead to misunderstandings, miscommunication, lawsuits, and generally an undermining of the goals of an organization. In order to attain the organizational goal, managers must be effective in dealing with cross-cultural matters in their daily management practices. Ferraro (1998, p. 7) elaborated that "one of the most common factors contributing to failure in international business assignments is the erroneous assumption that if a person is successful in the home environment, he or she will be equally successful in applying technical expertise in a different culture".

Culture plays a role as a framework for shaping and guiding the thought, actions and practices, as well as the creativity of its members. Culture has a great influence on people's lives. Therefore, we

can differentiate the elements in the different cultures which account for differences in the behavior of the people (Joungtrakul, 2003).

People in any society learn and internalize from their distinctive socialization, the beliefs, attitudes, and values of that society. They integrate these beliefs and values into a system or world view which reflects the assumptions they hold about them and the world they live in. This becomes a system of values which guides people's behavior. It provides the basis for action, for judgment, and for evaluation (Ferraro, 1998).

Having reviewed the concept of culture, the researcher presents a brief review of the Thai and Lao culture in the following section. This is to be the basis for understanding the Thai and the Lao cultures. This understanding may be applied in the daily management practice for the Thai-Lao trucking logistics business.

### **Thai culture and Lao culture**

The expression of Thai culture is distinct from other societies (Sengpracha, 2001). The uniqueness of Thai culture includes, for example, being pleasant and readily smiling, paying respect to the King, the monks and the elders, generosity, and being proud of one's own dignity. Thai culture has been strongly influenced by Buddhism. Komin (1990) has identified 9 value clusters according to their relatively significant positions in the Thai cognitive system as follows: "(1) ego; (2) grateful relationship; (3) smooth interpersonal relationship; (4) flexibility and adjustment; (5) religio-psychical; (6) education and competence; (7) interdependence; (8) fun-pleasure; and (9) achievement-task orientations. In terms of Lao culture, despite global modernization, Buddhist thinking, attitudes and behaviors still profoundly influence most Lao people (Sirasoonthorn, 2008).

Lao are people of the heart. Numerous words arise from or are related to the word "chai" or "heart". The Laotians have a strong and sensitive culture of trustworthiness and sincerity. They also have a rich sense of humor. In Laos, collective traditional culture expresses itself in work at community tasks, as well as in family life. It is generally accepted that Lao people are not strong individualists. At a certain level, the people appear conformist. According to the Buddhist belief, the people tend to be patient, obedient and not trying to change anything (Sirasoonthorn, 2008). Sirasoonthorn (2008) asserted that "face" is a fundamental feature of Lao culture. It is the accumulated personal capital or indebtedness between individuals. Therefore, "losing face", especially in a public place is considered serious and may lead to permanent damage to a personal relationship. Personal contacts and familial relationships are most important in the Lao relational system. Relationships are the currency of business and social life in the Laos PDR. In order to accomplish something, personal contacts and familial relationships are drawn upon in all aspects of daily life

### **Human Resource Development (HRD)**

The theoretical foundation of HRD is based on Swanson and Holton's (2001) three legged stool. Swanson & Holton (2001) stated that HRD involves three theories, including systems theory, psychological theory and economic theory. HRD is the integration of organized programs and activities within an organization, including training and development, organizational development, and career development to systematically improve individual performance and organizational productivity. The three legs supporting HRD are economics, psychology and systems theory. The seat is the organization, process and individual performance. The stool sits on the base which is labeled as ethics. One of the most important legs that is related to this study is the economics leg, especially human capital theory. Nevertheless, there have been calls for a much larger scope for HRD, by defining it as the integrated use of training and development, and career development to improve individual, group, and organizational effectiveness (McLagan, 1989).

### **Research design**

The research strategy of this study is the case study. Case studies are adaptable to different research problems in many fields of study, seeking to uncover the interplay of significant factors of the

phenomenon existing at a particular time (Merriam, 1995). Yin (1989) pointed out that, as a research strategy, the case study is used in many situations to contribute to our knowledge of individual, group, organizational, social, political, and related phenomena. Thus, the researcher had to define the boundary of the study and choose a case that was manageable and accessible, while at the same time appropriate to achieve the objectives of the investigation. To this end, the selected trucking logistics company was chosen as the research site for this study. The selected company is a Laos-Thai logistics operation, undertaking both general and specialized transportation services for international and domestic clients. The selected company provides land transport, shipping and freight forwarding activities within Laos and Thailand and also cross-border transportation activities. With its head office in Vientiane, the capital of the Lao PDR, the selected company also has offices throughout Thailand enabling it to offer its clients a comprehensive cross-border service.

## Data Collection and Analysis

This research was conducted from August 2010 to May 2012. The whole inquiry was an on-going process with data collection and analysis paralleling and overlapping each other. The qualitative approach and exploratory nature of the research questions influenced the data collection methods. Research conducted within the qualitative paradigm is characterized by its commitment to collecting data from the context in which social phenomena naturally occur and to generating an understanding that is grounded in the perspectives of the research participants (Marshall & Rossman, 2006; Miles & Huberman, 1994). Consequently, the data were collected from participants in their working environment using semi-structured interviews. This method allowed the capture of data rich in detail about the research problem and gave the researcher the flexibility to explore additional issues raised by participants.

The researcher also conducted an interview guide following the steps of Kvale (2007) to be the guideline for interviewing the participants. The researcher made extensive descriptive writing and field notes during data collection and analysis. Also, extensive field notes (i.e., the main points, ideas, and insights from the activities) were made during observation sessions and after talks with participants. Furthermore, the researcher kept journals during data collection and data review sessions, which were used to capture instant sparks of thought and reflection. To a certain extent, they aided in classifying and coding the data. The researcher selected 24 participants who had worked for this company (16 participants from in-depth interview, including the CEO, and 2 focus groups consisting of 4 participants in a maintenance group and 4 participants in an administrative group). All of the interviewees were male, who had worked for the company from 1 to 7 years. The ages of the participants were between 27 to 47 years old. The researcher made appointments by using a contact information form. The researcher also conducted two focus groups of four participants in a maintenance group and four participants in an administrative group in order to gain additional data and confirm the data gained from the sixteen participants who had in-depth interviews.

In this study, codes were developed to classify data for analysis. They were made during or following the transcription of a taped interview or while a document was being viewed. When a taped interview was transcribed, a summary was often made for each point, accompanied by relevant quotations. Concurrently, a keyword was put in the margin to provide a reference to the point, or keywords that described concepts in a paragraph or passage were circled. Keywords were built around prepared interview questions. Also, when notes and transcripts were reviewed and compared, disparate pieces of data were grouped into a meaningful whole. In general, concepts were coded if they were mentioned repeatedly or emphasized by the participants in an interview or in documents.

When all interviews were transcribed, a comparative analysis approach was used to see how these themes were manifested in each interview. Then, documents were examined to look for further evidence. During this process, data were sorted, coded, and organized according to categories. Within each category, data were analyzed further and compared with other data. Then major themes emerged during the inductive process. They were also examined in light of related literature.

### **Data Management**

Creswell (2007) suggested some principles about data storage and handling that are especially well suited for qualitative research. For this study, the researcher made copies of computer files and kept them in many places. Then, high quality tapes for audio-recording information were used during interviews. A master file list of types of information gathered was also required to protect the anonymity of participants by coding their names in the data. Finally, a data collection matrix as a visual means of locating and identifying information for a study was developed. The researcher referred to the data from interviewing the participants about their self-perceptions of the issues. Then, the tape-recorded data from the interviews were transcribed, read and reread.

### **Rigor of the Study and Ethical Protocol**

In this study, the researcher used reflexive notes as one of the instruments to conceptualize and emotional responses to the study contributed to the final outcome of the study. Thus, to ensure the credibility of the study, the researcher kept detailed reflexive notes throughout the study (Creswell, 2003). The researcher also established an audit trail at the early stages of this research. It included relevant data and information from the start of the preparation of the research proposal. Items were reviewed and updated until the end of the research project.

Triangulation means using multiple sources of data in order to strengthen individual findings. It is a commonly suggested research strategy used to strengthen the reliability of research results and enhance the data interpretation (Creswell, 1998; Stake, 1995; Yin, 1989). The triangulation of this study applied in-depth interviews and focus groups to strengthen the reliability of the research results and enhance the data interpretation.

The researcher asked the participants to sign an informed consent form and agreement statement before they engaged in this study and gave each participant an opportunity to ask questions. Then, participant confidentiality was maintained by using a number to represent each participant, rather than the participant's name. All research-related documents were kept in a locked filing cabinet to make sure that they remained confidential and secure, and data transcriptions were translated into the English language. The final translation of this research was reviewed by a native English speaker who is an academic, and became the final transcripts to be used in the data analysis process of this research.

### **Findings**

The findings of the study were gained from 24 participants. There were 21 male and 3 females, who had worked for the company from 1 to 7 years. The ages of the participants were between 27 to 47 year old. The different positions of the participants included CEO, HR Manager, Transport Manager, General Manager in the Lao office, Senior Supervisor, Planner, IT Support, Secretary, Thai and Lao Drivers. The duration of the interview took from 50 to 90 minutes by using the in-depth interview and the focus-group technique.

The interviews took place in both Thailand and Laos, depending on the convenient places and time of the participants. The semi-structured interview guide was used in the data collection and also this study conducted two focus groups. The data collection procedure with a manual coding technique was presented with a process of selecting initial coding, sub-categories, and main categories. There are four sections of findings: the process of the qualitative data analysis, background of the participants, categories, and focus groups. The details of findings were described in the 8 categories of management issues, culture issue logistics process, the investment issue, opportunities and threats, problems and obstacles, and the image issue. For the multicultural workplace, setting up a clear direction for the company and all departments was seen as an important issue by the logistics company. There were some interesting issues being discussed in the findings: the culture at the workplace, lifestyle, language, and tradition. From the perspective of the Thai employees, particularly at the managerial levels, there was a gap between foreign managers and Lao employees and subordinates found in this study. Thai managers feel somewhat overwhelmed and receive less cooperation from the Lao employees and subordinates, meaning that they were not really in favor of

Thai managers to some extent.

Based on personal perceptions, some problems occurred in the workplace and less attention was placed by the Lao staff looking for a solution. However, they suggested some ideas in order to gain collaboration from both sides to pay respect. For the Thai perspective, Thai employees would order the work by using a polite word "Krub" meaning "Yes" to comfort and lower down the tone of ordering the task to be done. In responding to this, some Lao staff would always answer "Let me try first" when being assigned to complete the work. However, to a large extent, they mentioned that the friendly personality and manners of Thai and Lao people are very similar and only in some cases created a difference in the workplace, as mentioned earlier. In terms of financial control, Lao and Thai workers were found to have different lifestyles and attitudes in some ways. According to the participants, the Lao employees placed the major importance on the present time. Being less concerned about the future and having lower saving habits, some Lao employees would spend all their income, rather than planning for the future. However, for communication, both Thai and Lao staff found the language easy to communicate, interacting, and sending the message in the workplace, since their languages are quite similar to understand each other well. Moreover, Thai managers needed to understand the local culture well before solving problems in case of possible accidents happening for the drivers; for example, running over the animals of the local people. Understanding the local needs and demands for compensation for the accident should be considered and taken into account by the Thai staff.

To work smoothly with Lao employees, the tone of the language in order to work should be softened and be polite.

Another major category relating to the logistics process was directly derived from the sub-categories including documents, fleet, process, and trucking, as presented as follows:

Logistics is regarded as the infrastructure supporting economic activities and people's lives, and has an important role in most businesses. Personnel with professional knowledge and a wide range of comprehension are required to establish and operate logistics. As for management, a Chief Logistics Officer (CLO) should be assigned as a member of top management to perform comprehensive planning and control of logistics, such as procurement, production, sales, and distribution. Systematic training for personnel who are engaged in logistics practical operations is also an important issue (Stroh, 2001). In most industrialized nations, trucks usually are the primary means for commercial transportation and the circulation of goods. Excellent trucking logistics not only helps individual companies achieve success, but may also contribute to the greater benefit of a nation's economy (Sussman, 2000). However, the study showed that documents, fleet, process, and trucking were seen as major obstacles and are needed to solve the problems.

For this company, there were two main important points: (1) the transportation process, including the transferring of the product, supplying material for maintenance, and operation between two countries; and (2) the office work plays another important role in supporting the financial statement. The group interview was another significant source of information in the findings. In this section, the focus group mainly covered two interview groups: (1) a maintenance group and (2) an administration group. The data from the focus-group interview was gained from eight participants who were experienced in their areas.

The Maintenance department was found to be one of the most important segments in the logistics company, where the main components of this process relied on the trucks as the means of transportation. If the trucks were in bad condition, this business would experience difficulties in terms of its operation.

There were some major issues obtained from the maintenance department, revealing the related information which the staff encountered during the whole process of work, as follows: training issues, recruitment, staff shortages, inadequate materials and equipment management, spare parts stock, recreation, top down policy, time management, and a standardized garage. In terms of the administration group, the study found that on-the-job training was the main focus for the administration department. The training system was said to be inefficient for new staff in terms of job performance. The trainers were said to have less understanding about the job that they could

transfer to the new staff. They would be able to work to some extent, but found it difficult to solve the problems they were facing, such as training issues, recruitment, staff shortages, inadequate materials and equipment management, spare parts stock, recreation, top down policy, time management, and a standardized garage. There were more problems encountered by the company, including staff shortages in the administration office, a high turnover rate, recruitment, compensation, work contract, and technical challenges.

## Discussion

### Response to the research question one:

#### *“What is the trucking logistics process in the Thai-Laos company from HRD perspective?”*

Logistics is regarded as the infrastructure supporting economic activities and people's lives and has an important role in most businesses. Personnel with professional knowledge and a wide range of comprehension are required to establish and operate logistics.

From the findings, there are two main important parts in the logistics process in the Thai-Laos company from an HRD perspective: (1) the transportation process includes transferring the product, supplying material for maintenance and operations between two countries; and (2) the office work plays another important role in supporting the financial statement.

Firstly, the process of trucking started at Long Xan in the Laos side. The trucks pick up the empty containers at Long Xan and the drivers are tested for the level of alcohol or drug consumption before receiving an entry card to the copper mine. Then, the drivers continue to carry the product to Ban Tau and the loaded containers are moved to another truck. The new trucks transmit the product to Vientiane, where the trucks from Thailand come to pick up the product. Moreover, the next process of trucking takes place in Thailand starting from Kong Khai. Basically, the drivers check the trucks carefully and receive a letter from a customs officer and get the stamp at the Thai side. The biggest challenge in shipping goods internationally by trucks is to abide by all these rules and regulations, the complexity of which should not be underestimated (Mckinnon, Button & Nijkamp, 2003).

Later, the trucks leave Nong Khai for Korat, and the trucks will stop every 100 km to check out everything before continuing the transportation. When reaching Korat, the drivers have to hand all the letters to their supervisors in order to follow up the trucks and check the product before changing the drivers. Then, the new drivers take turns to continue the drive to Sriracha and be ready to load the product into the warehouses. Then, twice a week, the product will be shipped and exported to the destination. After that, the trucks are supposed to come back to Korat immediately after delivering the product. Then, the drivers take turns again to be the same drivers back to Nong Khai. In terms of the fleet, the driving speed is limited to only 60 km/hour to reduce and, if possible, to prevent any accidents from happening.

Secondly, the legal documents and financial statement are the necessary supporting process for the trucking process. The document is very important for the drivers who are supposed to send all letters in the process; otherwise, they would not receive enough compensation or their salaries were reduced. Stroh (2001) argued that, typically, trucking logistics takes into account all the factors involved in the transportation of goods by truck, with the goal of maximizing productivity and efficiency. This may include planning the most efficient routes for truck drivers, selecting optimal fuel types according to market trends, choosing the best kind of trucks for the particular task, and hiring an excellent staff of truck drivers. However, some participants perceived that the problem faced by the drivers was concerned with the unfixed schedule required by the company that caused some difficulties with different service times between the two countries. In this case, the drivers should be able to understand the customs document or letters required by the check points along the way.

Maintenance and safety were considered the most important points for trucking. Safety was the image of the organization that builds trust with the customers. Mckinnon, Button and Nijkamp (2003) pointed out that in many countries licensing requirements and safety regulations are clearly identify in each logistics business. The weather issue was the external factor found to have an influence on the process. Different seasons and weather conditions were one of the problems; for example, the rainy season would cause some difficulties in transportation. Moreover, because the geographical



area in Laos is mountainous, the organization has offered an alternative solution by using an escort agency to lead the loaded truck along the process from Laos. This method reduces the risk of accident to a large extent. The drivers should understand clearly about the product, particularly the copper concentrate, in order to deal properly with the goods. The drivers received training about dealing with the copper product, which contains a chemical substance (e.g., wearing gloves, masks, safety glasses, safety boots and face cover materials). For the logistics business, safety was seen as one of the most important issues.

From the findings which emerged, there were some suggestions made by the majority of the participants. The training project for the drivers was seen as significantly important to set up the same standard method of driving. Thus, the company should consider offering a new training program for the driver officers. The necessary skills should be trained for the drivers to have more understanding of mechanical skills in order to fix the trucks as needed. Also, they should be able to understand about the social laws, know how to drive properly, and solve obstacles that they faced during the process. Regarding this issue, in terms of technical matters, the company should pay attention to the maintenance service in setting up a system to shorten the time of fixing the trucks and they should manage the record of all trucks after being repaired.

In terms of the current law enforcement in Laos, the new laws restricting working hours that influence the company policy must be applied in the enforcement, selection of new employees, and solving the problems between the new and old staff in terms of benefits and wages. Besides, some participants commented on the cost management that gasoline consumption from destination A to B should be checked and reported to the organization in order to follow up the actual expenses.

In summary, in order to respond to this research question, there were two main key concepts, the trucking logistics process and the HRD perspectives. The researcher reviewed the HRD concepts before responding to the research question in order to relate the theory with the current evidence based on data emerging from the study.

### **Response to the research question two:**

***“What are the influences on the trucking logistical process on the logistics business in the Thai-Laos company?”***

The major influences on the trucking logistics process were related to three areas: (1) culture, such as lifestyle, attitudes, beliefs, and language; (2) laws and regulations between Thailand and Laos; and (3) management issues in the business under internal and external influences.

The culture issue, such as lifestyle, attitudes, beliefs, and language, was mentioned above in the Findings section. However, the laws and regulations between the two countries are different. Thai and Lao laws have interfered with the business and its process to some extent. Currently, a new Lao law on the transportation and logistics business was imposed, resulting in a significant impact and change for the company. For instance, the policies on weight and loading are diverse and require the company to purchase new trucks, ones that could carry the new weight policy, to comply with the new rule of law in the local country. The current law was strictly reinforced before giving approval to the existing project, causing some difficulty for the business. Thus, the organization has to meet the work standard and comply with the new regulations of the country. It was noticed that Lao law and regulations had been revised very often, while Thai laws on the logistics business have remained unchanged. To cope with this, Thai regulations needed to be adjusted in order to be in alignment with the Lao side. The company has the policy to lay off some employees in economic downturns, which was challenging due to the local rule of law in Laos being different than in Thailand.

In managing a multicultural workplace and employees, the company was aware of setting up clear directions for each department. Coordinated and collaborative work were emphasized; for instance, understanding Lao culture and employees could make the work more achievable. Moreover, the leadership style of being strict in a soft and polite way was one of the effective approaches to manage Lao employees in this business. Some participants mentioned that during the work, the managers should try to be friendly and become close to the Lao employees so that the work would be easy. For a different culture, understanding the leadership style would lead the company to have a policy that was achieving more in terms of HR management. Moreover, training activity could be

one part of the retention strategies to develop the employees' skills and understanding and being more responsible in their work. This can make them happy to stay with the organization for longer. From the findings, it can be seen that the employee retention issue is even more important than the profit of the logistics business. In order to reduce the labor turnover rate, it was found that the organization has focused on employee satisfaction, job descriptions, and a happy workplace concept. The happiness of the employee is an important issue at the logistics company, according to the top management level. As a result, the achievement of the organization is not only increasing profitability, but also reducing the labor turnover rate.

## Implications

This section presents the implications for practice suggested by the researcher. The implications are drawn from the findings of the study. The concept of logistics is 'the right item in the right quantity at the right time at the right place at the lowest cost' (Christopher, 2005 p.143). As a result, organizations need to focus on HRD (i.e., the functions of human resource planning, organization/job design, selection and staffing, performance management systems, training and development, career development, and organization development) in order to not only improve their performance, but also gain competitive advantage over their competitors. HRD as a practice has developed slowly in the company, while HRD was expected to play an important role in improving its effectiveness in order to improve quality, despite the relative development of HRD and evidence that effective HRD practices are an important element of service quality and customer satisfaction (Wang & Swanson 2008).

Recently, it seems this organization tended to concentrate more on system or structure, rather than human resource aspects, to improve its organizational effectiveness. Human resources were ignored. As a result, human resources had become incompetent, which eventually caused severe problems to the organization, such as dissatisfaction in the workplace which leads to a high labor turnover rate. To overcome this perception in the organization it should pay more attention to implementing HRD function in the organization. Moreover, the research found that one of the main logistics company's problems is communication. This problem causes many problems, including employee-employee problems, employee-supervisor, employee-management, and organization-customer problems (Mckinnon, Button & Nijkamp 2003).

A logistics company should **establish two-way communication with its employees**. An effective way to do this is to open a dialogue with employees about their routine work or any problem, which helps both employees and the company deal with every task and problem in a timely fashion and to react effectively. The company should set up a page on the company's intranet. This page could include information regarding the tasks and problems, and provide employees with the opportunity to post questions and concerns. The general problems that arise in a logistics company include delayed and inaccurate information, incomplete services, slow and inefficient operations, and a high product damage rate. The possible consequences are an inability to provide inter-linked services, high operating costs, a high error rate, and a lack of flexibility in responding to changing demand requirements. Logistics processes and related activities comprise order fulfillment processes, customer relationship management, and customer service, and procurement and demand management. Finally, information and reporting systems are essential for any management system, as they drive the decisions based on the data collected. These include the designing and planning of information systems, control and coordination, and cross-organizational coordination.

In addition, Liu, Higgins and Yao (2012) highlighted the importance of integrating IT with logistics management concepts that are the critical success factors in effective logistics management. These include: a good planning of the logistics system, a well-designed distribution organization, the prudent selection of allied companies, a close relationship with trading partners, good logistics investment analysis, the elimination of barriers to logistics management, the commitment of top management, and continuous improvement in logistics. The internet has been used as a dynamic medium of communication for channeling transactions between customers and firms in a virtual marketplace.

To sum up, this logistics company still concentrates more on system or structure, rather than the human resource aspects and the communication issue. As a result, its HRD policies had become incompetent, then, eventually caused severe problems for the organization, such as dissatisfaction in workplace which led to a high labor turnover rate in the organization. To overcome this perception in the organization they should pay more attention on implementing the HRD functions and establish an effective channel of communication in the organization.

## Recommendations for Future Research

The findings of this study indicated that culture is the most important component of external influence in the trucking logistics business across the border between Thailand and Laos. This was the location that was sampled in this study. Even though Thailand and Laos were like brother-sister lands, this study found that they have unique cultures, with different factors influencing the trucking logistics business across the border, such as the daily working lifestyle of employees in both countries. The researcher believes that the cultural issue may need to be studied further in order to have useful information to guide a successful logistics business and policy implementation.

Moreover, the study findings indicated that the practice of the human resource process, had seven main functions of HRD, including Training and Development, Organization Development, Career Development, Organization/Job Design, Human Resource Planning, Performance Management Systems, and Selection and Staff, which have a strong influence on the organization and employee productively in the logistics business. For example, how does employee empowerment work in logistics companies? Educating the customers on how to use the logistics information system will certainly improve levels of customer satisfaction and reduce reverses; performance measures, metrics and costing systems for logistics companies in performing more efficiently; and tangible and intangible factors which affect logistics companies. These are interesting issues that relate to HRD which the researcher would like to recommend for further research.

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