

# A Study of Factors Effecting to Work Efficiency of Employees (Labor Group) in Thai Leather Industry to Success

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## ABSTRACT

This research aims to study personal factors including to gender, age, education level, employment conditions, work experience and companies that can effect to work efficiency of workers in the Thai leather industry to success. The aims to study the correlation between motivation factors and work efficiency of the employees in the Thai leather industry to success by using qualitative research methods and using in-depth research based on semi-structured questions. The samples were of executives or entrepreneurs in the Thai leather industry in Bangkok and operate in the leather industry with over 5 years of experience in the leather industry and a total of 10 peoples and using a qualitative data analysis method. The research findings found the factors effect to the performance of employees (labor) in the Thai leather industry to be successful.

## Keywords

Performance Motivation Thai Leather Industry

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## Introduction

In the 21st century, man is the most important thing for WorakamolWisetsri (2017). The described the meaning of human society. For each society of human always be a group of people and each person in group has a different role in their community. In one society could has a different of group of people which have different positions for solving and serving their need. The service that can full fill needs for the person who has different interests which is important to numerous of people. They are both give and raise a new member of their community and the activation of economic system, a part of change and improvement in the world which full of news and awareness. To improve human's skill to be properly with the changing world. Moreover, to put the person into the proper role and proper time to produce a high performance and quality and also their performance should be improve continuously.

Human's performance improvement for 21st century is the age of changing in term of social, economic and also technology which affects to lifestyle and trade of work. It has changed both Human Resources principles and improved their performance to staying on track of changes and could be the supportive for a country to reaches Thailand 4.0 goal or be developed country. Therefore the transition from economic that driven by quality to technology is considered to be important part of National Reform from The Twelve National Economic and Social Development Plan, Thailand's 20 Years Nation strategy and

the third Nation strategy. Which have said about national reforming by improving from basic which is human resource, the most important factor of nation to be the developed country. In the future Thai people have to be perfect in the physical mental and intelligence also capable to be learner for the rest of their life in the Century of 21st over basic of Thai culture, moral, ethics and good well-being (Office of The National Economic and Social Development Council 2015).

From the past government has supported industry and Thai leather Industries by creating group Thai leather supporters both for import and export. As the factor that mentioned above makes the entrepreneur has to improve strategy for better potential to compete within country and not only technologies, places and production machinery but also business strategy and essentially human resources for Thai leather group becomes high performance organization. Therefore there are a lot of researches to study about impact factors of labor's performance effectiveness in the industries, both traveling industry and agriculture industry. Moreover, the labor's performance effectiveness could be separate those research into many sub contests. There are Operation system, scenario, strategy plan management and studying of Emerson's concept. Emerson's concept explains about principle of effectiveness as shown in the book named "The twelve Principles of Effectiveness". It is honored and presented by many people.

The details of the twelve Principles of Effectiveness

1. Entrepreneurs and employees should be clear at both of understanding and creating operation concepts.
2. Entrepreneurs and employees should use common sense concept to consider the possibility of projects.
3. Entrepreneurs and employees should consider validation of both consulting and advices.
4. Entrepreneurs and employees should keep discipline in offices.
5. Entrepreneurs and employees should work together with fairness.
6. Entrepreneurs and employees should work with immediacy, reliable, potential and registered as an evidence projects.
7. Entrepreneurs and employees should notice each another about operating.
8. Entrepreneurs and employees should finish project within deadline.
9. Entrepreneurs and employees should view about the standard of products.
10. Entrepreneurs and employees should hold on operation standard.
11. Entrepreneurs specified the standard of equipment on training.
12. Entrepreneurs should promote the employees after performing excellently.

Entrepreneur's management relates to Peterson and Peterson&Plowman (1953). It mentioned the meaning of Management effectiveness as decreasing of capital in production. The significant of it is the quality of an existing effectiveness, competence and capability. In production or operation which are in business system, can reach the highest effectiveness business only when entrepreneur could produce the product or service in proper required quantity with proper capital. It considered from financial status and consequences until the concepts of effectiveness that are about investing business of business entrepreneur has 5 components. There are cost, quality, quantity, time and methods.

Gibson, Ivancevich and Donneily(1988) give the meaning of effectiveness of performance as ration between productivity to factor. It also indicates the effective to measures the effectiveness such as,

1. Rate of yield upon investment or entrepreneur's property.
2. Entrepreneur's expenses per one unit of production that could produce.
3. The wastage rate of using resources for production.
4. The rate of profits, the investment which entrepreneur has spent.

The effectiveness has both of factors and processes which are in operation for entrepreneurs. Effectiveness has product as its indicator. Product could be comparison indicator of quantity effective between profits and investment and also profits is higher than investment expense as the effectiveness of entrepreneur operations. It does not always show as effective quantity but shows the record of material use abilities. In operation, materials must be use worthy. Therefore there are strategies/techniques to use it properly and leads to pleasant products.

1. First level, employee is performance effectiveness. Employee who can perform plenary on project period to provide the acceptance elite work with change of some

wastage resources. Employees who happy with their work life and his/her happiness support his/her to be creative on work, both creating and solving problems.

2. Second, for the organization is effective then organization can operate their jobs by assigning employees. For employees will receive suitable task with their proficiency, it is can perform worth fully with resources, labor and etc. which have provided. Processing is operated by conservative resources, labor and time to reach the highest proposal effectively. There have management and operation system plan for production and service to reach their goal. There are also be able to use new technology, strategies and techniques. Moreover, problems and barriers can be reduced with proper and smooth system in their team. It makes them happy and work unitedly. To happy employees is concept of "effective work performance" and affect to results of performance. When employee has result as a high effective work performance, reducible capital and be able to hand on time, it could count as he/she performed effectively. There is if his/her result does not come out on its propose, it counts as un-effective performance.

To study about A Study of Factors Effecting to Work Efficiency of Employees (Labor Group) in Thai Leather Industry to Success. The results will be used to be the guide line of improvement employee's management system.

## Objective

### Objectives of research

1. To inspect the components of environmental within/without of entrepreneur's attitude in Thai leather industry.
2. To inspect the components of the motivation of employee performance effectiveness in Thai leather.
3. To present the effective of Thai leather industry labor performance to success with individual factors and it's retention factors.

Question in researching

1. What are factors of entrepreneur's attitude from within/without environment components to success?
2. How is the relationship between effectiveness and motivation of employees in their Thai leather industry works? What are retention factors?

## Methodology

This is a research that study about the effect of employee's (labor) performance factors in Thai leather industry to success. To analyze the qualitative research, collect data by educational in-depth interview especially Successful Thai leather entrepreneur's Human Resources management. The selection of entrepreneurs based on considered evidence and regional. To selected business entrepreneurs are from Bangkok and have Thai leather business both import and export. They have been established at least 5 years. This research has 10 entrepreneurs in study. All of them have their own product trade mark.

Research Instruments for in-depth interview

1. Which the environmental components both within and without effect the entrepreneur's attitude to lead Thai leather industry to success.
2. The relationship between effective of employee's performance and their motivation in Thai leather industry and also the retention's factors.

## Result

Environmental components within/without company could be the cause of successfully business. For example

1. Inner personnel management is highly valued. The person in leather industry is skill labor, embroidery. From cutting, it is cause of losing leather more than usual. For decrease the loose of material as a lean management concept such as labor's training, production, evaluation, labor behavior control and improve employee's skill in factory. There also are management patterns that will helps to build regulations and social values of company.
2. The Marketing planning. From researching, that found each entrepreneurs have to marketing plans and uses it as an instrument in their business. The question that used to find consumer's behavior to the mixing of marketing. It is variable which can be controlled by Kotler and Armstrong (2001) which explains as the following.
  1. Product of leather industry have many different types such as pouch, shoes, saddle and accessories.
  2. Price, was find that setting up the price use different price tack base on business and consumer requirements.
  3. The location of company. Most of them choose to locate the store on places that they can have windows. Entrepreneurs have to gain attention from consumers.
  4. Promote marketing. For Thai leather industry, promotion's work very well in Thailand. They are buy1get1 commercial and also promote on social media to the target customers.
  5. Personnel and employees. To find out that employees have serious training because employees who works on store is a part of consumer's spending. To follow up that services can build loyalty of consumers and on repeat buying it again.
  6. Making and presenting well physical look of store, creating good environment, well decoration and clean floor. The proper interior's decoration such as having a space for testing for products, lightings, mirror for consumers and staff's uniform.
  7. The system of services. Servicing begins when consumer walks in to store until introducing services and following up service.
3. Director characteristics. Vision can be observed by global marketing that planned regularly. They also concern about inverse currency, government policy about importing and exporting of Thai industry groups. The well director characteristics can lead the organization to success with happiness office concept as following.
  1. The competition's in the same industry. The entrepreneur chooses some strategies to use alliance that are in same industry to gain an advantage from competitive. For example Thai Leather Clusters group.

2. Society. In point of be friendly environments. Nowadays people concern about product that can be friendly with environment as much as they can is better.
3. Technology. Technology can helps lean management to decrease capital but still produce high quantity products, operation work effectively and success. Circumstances of business which has high competitive and makes entrepreneurs in Thai leather industry must use marketing strategies, especially on follow up services and concerns more about consumer is requests. The relationship between effective of employee's performance and motivation in Thai leather industry includes (accepted as an operation and improving) and retention factors include ( management, relationships with employees, relationships with coworkers and workplace environment). To impact to effectiveness of well performance. The acceptance is very important in the group of skill's labor. The acceptance from employers to be leader and make decisions on fieldwork with entrepreneur's permission. It is self-esteem and impact to production to make fine quality products. The empirical effective to the polite relation with entrepreneurs. For horrible environment makes loyal employees want to stay on company, rotation in office decrease and entrepreneur can reduce expenses.

## Conclusion and discussion

Internal and external environment components that can relate to employees performance (group of labor) in Thai leather industry to success. From the study found out that components of business when it had both inner and outer as a main factors. Those factors could be the serious part to take Thai leather business to success. Internal business surroundings related seriously to marketing mix of Kotler(2003). The marketing's strategies of Kotler researched about the important part of strategies that made each entrepreneur has advantage over each other. It considered to marketing that concern to customers brand labor awareness and loyalty. They both came from 7Ps strategies.

External business surrounding is related directly to success of companies. By choosing grouping method to build the alliance in relatable industries to gain advantages in same industry. The entrepreneur applied grouping solution to forms Leather Cluster group. The alliance grouping was greatly important business mechanism of company. Since it was consistent with Robbin's theory (2005). It said running business with alliance solution of entrepreneurs have learning methods. Therefore, entrepreneur and his/her alliance could be supportive to each other, successfully and improve performance.

The relationships between employees performance and motivation consist of acceptance at performance and processes, and retention factor (management, relationships to employer, relationships with co-worker and atmosphere of workplace) related to Noushin&Badri's conclusion (2017). They studied about work well-being and organization. Their research aimed to find objects of work well-being and organization Results as following,

1. If employee wellbeing increase, their performance will increase.

2. If employee feels 1 commit to company, their performance will increase.
3. If employee works extremely hard, their performance will increase.
4. If employee has honest and respect to coworkers, performance will increase.
5. If employee has honest and respect to employer, performance will increase.
6. Assigning tasks to proper person increases their performance.
7. If employee is happy with salary and advance, their performance will increase.
8. If employee works on safer atmosphere, their performance will increase.

### Suggestions

From studying reveals that Thai leather industry business alliances or Cluster group is important. There are also be the main factor in succession of Thai leather industry. Nowadays in business environment, entrepreneur must promote outer factor such as values door-to-door services or follow up services, selling with new technology. Moreover, the Relationships between effectiveness of employee's performance and motivation in this industry must support their progress on proper time and skills.

Effectiveness of employees, they must improve facilities. Because employees in this industry think that their provided facilities is not proper to workplace. Such as library, toilet, relaxing corner until cafeteria.

Suggestions to next time researching

From this research revealed that Thai leather industry business alliances or cluster group have strongly relationship to market. Studying of marketing strategies and in-depth qualitative research with interview is highly recommended for studying on next time. Another method should be used as research instruments in future. This time researching is studied only with Cluster leather group, another groups of cluster are highly recommended to studying in next time. Comparison factors which effect to employee performance between organization such as government's organization and personal business should be studied.

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