DEPARTMENT OF MANAGEMENT AND MARKETING

THE APPLICATION OF INTERNATIONAL HUMAN RESOURCE MANAGEMENT IN THE CONTEXT OF THE HUMAN CAPITAL OF MULTI-NATIONAL ORGANIZATIONS IN LAOS

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THE APPLICATION OF INTERNATIONAL HUMAN RESOURCE
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MULTINATIONAL ORGANIZATIONS IN LAOS

By

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Declaration

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This thesis entitled: “The application of International Human Resource Management in the context of the human capital of multinational organizations in Laos” is submitted in partial fulfilment for the requirements for the Unitec degree of Master of Business.

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I confirm that:

• This thesis project represents my own work.
• The contribution of supervisors and others to this work was consistent with the Unitec regulations and policies.
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Research Ethics Committee Approval Number: 2013-1049

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Abstract

Humans are part of the key capital in every organization, and it is also likely that the management of humans is the underlying success factor for every organization. This is because human resources play an important role in all activities and are the means of endeavour in organisations. If we envisage the integration of human resources (HR) and the growth of global cooperation and the effect it could have on doing business globally, we will be able to see HR from a wider perspective, and understand that International Human Resource Management (IHRM) is studied with the purpose of understanding the concept and its implications for business.

Laos is a country that is affected by globalization especially after the opening of the country in 1986 and the introduction of New Economic Mechanism (NEM). The implementation of NEM and the contribution of external force of globalization have made the tiny, poor but resource rich country become increasingly significant on the international stage. With a stable annual growth rate of GDP of 7% and political stability, Laos has caught the eye of foreign and investors as well. Therefore, there are many foreign investments and international aid projects coming in and operating their businesses and activities in Laos. This is the reason why the IHRM should be applied.

Before conducting the data collection, some literature review was done to provide the guidelines for the research, and the data collection methods and data analysis were identified. Both qualitative and quantitative data collection were selected to be used in this research. The data collection was conducted in five international organizations in Laos. These organizations work mainly on the international aid programmes. Their mission is to support the provision of development programmes through various projects in order to uplift Laos out of poverty.

After the research, this thesis answers the following questions:

- There is application of the IHRM by the participant organizations but not all HR activities are practiced due to some issues, such as the limits of budgets.
- Staffing policies that are commonly used by the participant organization are Geocentric and Regiocentric. The decisions are made by head office.
Factors influencing the application of HRM include the lack of skilled labour in some sectors, such as health care and internal audit and the limitation of budgets to employ highly-qualified applicants in the recruitment process.

Generally, Lao workforces are knowledgeable and qualified to do the assigned jobs but they still need to improve.

Apart from the findings above, the association between variables, especially the human capital of Lao staff, are tested with interesting results.

This thesis also provides some recommendations that the researcher expects will be useful for the improvement of the participant organizations. Additionally, it outlines some future research opportunities that could be useful for other researchers.
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Acronyms

AEC: ASEAN Economic Community
AFTA: ASEAN Free Trade Area
ASEAN: Association of South East Asian Nation
FDI: Foreign Direct Investment
GDP: Gross Domestic Product
HR: Human Resource
HRM: Human Resource Management
IHRM: International Human Resource Management
ILO: International Labour Organization
INGO: International Non-government Organization
JD: Job Description
MNC: Multinational Company
NEM: New Economic Mechanism
NSED: National Socio-Economic Development Plan
PA: Performance Appraisal
PM: Performance Management
SD: Secondary Data
UN: United Nations
Chapter 1

Introduction

1.1 Overview

This chapter is the introductory part of the overall thesis and maps out what is done throughout the research process. The introduction starts with a demonstration of the general background of research. This section provides the background theory with the supporting motives as to why this research is executed. Then the research problem is identified to provide the reason why this research is needed in Laos. This section provides information regarding the factors that trigger the need to understand the situation in Laos. Next the research statement is presented, followed by the aim and objectives as well as research questions that this research has to find the answers to. It also provides the answers for the research question through some hypotheses. Finally, the research scheme will be outlined in order to project the overall views.

1.2 Background

Humans are part of the key capital in every organization and it is likely to be true that the management of humans underlies the success of every organization. Nel et al. (2011) believed that human resource (HR) plays an important role in all activities and the means of endeavour in organizations. What happens, then, when the world moves closer through the rapid growth of global cooperation? The answer to this question is that it will be inevitable for every country to accept it. This means we have to learn from others as well as allow others to learn about ourselves. Businesses will use this opportunity to expand their market in order to achieve larger sales and lower expenses on labour and raw materials (Dowling, Festing, & Engle, 2009; Du Plessis, 2010).

In addition, the significant increase of global competition has amplified the importance of HR (Mousavidavoudi & Kaur, 2012). Therefore, the concept of international human resource management has been developed for the purpose of effectively managing staff, both in the headquarters and in host countries (Dowling et al., 2009).
Laos is a country that is also affected by globalization, especially after the opening up of the country in 1986 and the introduction of New Economic Mechanism. The main source of income of Laos is mainly from agriculture, industry and tourism (Bird & Hill, 2010; United Nations in Lao PDR, n.d.). The country is rich in natural resources but it is still reliant on international aid programs and foreign direct investment (FDI) (Bird & Hill, 2010; International Labour Organization, n.d.; United Nations in Lao PDR, n.d.).

The report of the National Social and Economic Development Plan 2006-2010 of Laos PDR shows only 58.35% of trained workers were employed after training in this period (Ministry of Planning and Investment, 2011). To be precise the expected rate was 544,000 workers during 2006-2010, but up to 2009 only 317,444 workers were employed (Ministry of Planning and Investment, 2011). With this figure, it can be assumed that the size of the labour market is smaller than the amount of labour produced. Furthermore, it is also possible to assume that the quality of labour is not good enough to be employed. Therefore, this becomes the reason for many organizations to import foreign workers.

Another challenge for Laos is that the country is preparing to integrate into the ASEAN Economic Community or AEC. Cooperating with the scheme of AEC requires the free flow of skilled labour within the member nations (The Association of Southeast Asia Nations, 2008). This means there will be more work for IHRM practice in Laos as well. Therefore, it is interesting to study the application of International Human Resource Management in the context of the human capital of multinational organizations in Laos.

1.3 Problem description

The IHRM practice in Laos started with the opening of the country in 1990s. Laos is one of the countries that have an average Gross Domestic Product (GDP) growth of 7-8% per year (Fane, 2006; United Nations, 2014). However, Laos is still on the list of least developed countries and the second poorest country in the South East Asia region (United Nations in Lao PDR, n.d.). One of the prominent negative phenomena is that Laos has faced the problem of country employment. International Labour Organization (ILO) states that a shortage of skilled labour and rapid economic growth have failed to generate sufficient rates of equivalent employment growth and
are an economic constraint for Laos (International Labour Organization, n.d.). Therefore, this has become the reason for multinational organisations to import many foreign workers.

The key research problem of this research can be traced back to the introduction of the New Economic Mechanism (NEM). NEM is the economic reform policy that was adapted from the idea of Socialism (Bird & Hill, 2010; Fane, 2006; Rehbein, 2005; Souksavath & Acharya, 2009). The core concept of this policy was the transformation of the country’s economy into a market-oriented economy by changing subsistence production for the consumption of households into a more productive and internationally attractive economy (Bird & Hill, 2010; Otani, Anderson, & Pham, 2008; Rehbein, 2005). Meanwhile, the country also formulated and implemented the National Socio-Economic Development Plan (NSEDP), which set the target of the country’s development into five-year terms, informally called a ‘five-year-plan’. The consequence of the vigorous implementation of NEM and NSEDP can be seen through the structural growth of the economy, considerable international cooperation and foreign investors (Otani et al., 2008).

1.3.1 Labour market issues

There are many international and multinational organizations in Laos, which are operating in different forms such as international aid and FDI. These organizations could provide experiences and opportunities for Lao people. It is widely recognized that foreign investors can stimulate the growth of the economy of host countries in the long run (Keomixaya & Ngamkroeockjoti, 2011; Majeed & Ahmad, 2008). However, the Lao workforce of 85.4% in 1995 the has gone down to 78.5% in 2005, due to a withdrawal from the agricultural sector to other sectors (Souksavath & Acharya, 2009). This has become the reason for the mismatch of the growth of investment and the growth of workforces (Souksavath & Acharya, 2009). Additionally, Laos still faces the issue of a skilled labour shortage due to many factors, including the education system (Singh & Than, 2008). It is believed by Lao authorities that, with the current education level of Lao people, it is unrealistic to expect people to achieve high productivity and highly paid jobs (Souksavath & Acharya, 2009). This is why many foreign businesses and international organizations have to import and employ more foreign expatriates and experts (Singh & Than, 2008). Moreover, the existing workforce is known to be substandard. This is confirmed by many surveys and studies, for example the study by Rasiah, Nolintha, and Songvilay (2011) that indicates that the number
of Lao garment manufacturing labourers rose significantly but it is confined to value added activities. Another example is The World Bank survey on labour standards in the garment sector (Poverty Reduction and Economic Management Sector Department East Asia and Pacific Region, 2012), which shows that the Lao garment labour market does not meet the International standard.

1.3.2 International Cooperation

After two decades of opening up the country, Laos is claimed to be one of the countries with the highest GDP growth rate in the world (Souksavath & Acharya, 2009). The average growth of 7-8% per year and the country’s pool of natural resources make Laos attractive to foreign investors. For international cooperation, Laos has bilateral and multilateral collaboration with many countries and has joined some regional and international organizations (Souksavath & Acharya, 2009).

In 1997, Laos gained approval for official membership of The Association of South East Asia Nations (ASEAN) (Sisouphanthong & Myers, 2006). ASEAN is a group of countries that was formed with objectives in the economic, social, cultural, technical, educational and cooperation and fields (The Association of Southeast Asia Nations, 2008). In addition, it also promotes peace in the region and stability through maintaining respect for justice and the rule of law in member nations and adherence to the principles of the United Nations Charter (AFTA Council, 2012b). Apart from the cooperation scheme, all members of ASEAN intended to join the ASEAN Free Trade Area or (AFTA) where some trade barriers among member countries have been diminished and cancelled (AFTA Council, 2012a; Sisouphanthong & Myers, 2006). More importantly, ASEAN has free trade area dialogue partners such as ASEAN-Australia and New Zealand Free Trade Area, ASEAN-China Free Trade Area, ASEAN-India Free Trade Area, ASEAN-Japan Free Trade Area and ASEAN-Republic of Korea Free Trade Area (AFTA Council, 2012b). Interestingly, in 2015 all members of ASEAN will be integrated in the ASEAN Economic Community which will tighten the cooperation among country members in three contexts including economy, socio-culture and security (The Association of Southeast Asia Nations, 2008). Regarding the human resource cooperation scheme, free flow of labour will be allowed within the region (The Association of Southeast Asia Nations, 2008).
1.3.3 The reductions of barriers for international cooperation

In order to encourage international cooperation, Laos has generated various measures to promote and facilitate the investment of international organizations, including the lowering and exemption of the import and export taxes and duties of some products and raw materials that are considered to be big barriers in business formalities (Fane, 2006). Another measure that can be seen is the attempt of the Lao government in securing the inflation rate at 1% per year (Fane, 2006). The formulation and promulgation of Laws and Decrees to promote foreign investment is another measure to create a more favourable investment environment (Gunawadarna, 2008). The improvement of infrastructure has also been a priority activity in the promotion of international investment (Laoin, 2014; Ministry of Planing and Investment, 2011).

1.3.4 Research scope

This section reviews all the strengths, weaknesses, threats and opportunities of Laos regarding the promotion of international cooperation. It is found that Laos is a country that has high economic growth potential, but the growth has been pulled down by the quality of the labour force of the country. It is also found that Laos has tried to improve the situation by opening the door to other countries as can be seen through generating different measures to create an appropriate environment to attract international assistance and investments.

Due to vigorous stimulation of Lao government, there are many foreign businesses in Laos now. From the statistics in 2011, it is can be seen that there are 433 foreign investment projects which have a total investment value of approximately USD2.9 billion (Lao Statistics Bureau, 2013). In addition, there are also 72 International Non-government Organizations (INGO) which implement 246 development projects in Laos (INGO Network Laos, 2014). Also, there are some UN agencies that are managed in Laos with the purpose of providing development assistance for the government.

This makes Laos an investment recipient country from the perspective of the international stage. It also gives rise to an international environment from the viewpoint of management. One of the challenges that can be prominently seen is the management of people. Provisionally, the research to find out the actual practice of HR management is important.
1.4 Research statement

From the problems stated above, it can be seen that Laos’s robust economic growth will support the stable growth of other sectors. However, there are still many weak points that need to be strengthened. Therefore, by creating awareness of the existing situation, research will provide information about the application of IHRM. Furthermore, the research results can also be used as the baseline information for other organizations as well as other researchers. Therefore, this thesis will research the application of International Human Resource Management in the context of the human capital of multinational organizations in Laos.

The researcher fully believes that the study on the application of international human resource management (IHRM) in the context of Lao human capital will be a key factor to support the understanding of human resource issues in international organizations in Laos. In addition, it will also break new ground on the IHRM practice and issues in Laos which have not been studied before. More importantly, the research results will also be a guideline for better practice in International and multinational organizations in Laos.

1.5 Aim and Objectives

This research aims to bring to light the actual application of international human resource management in the context of human capital of multinational organizations in Laos.

Firstly, it aims to demonstrate the actual practices of HR functions. In this section recruitment, training, performance management, performance appraisal and reward management is addressed. Additionally, since this research is conducted in international organizations, it will also seek to obtain information about the staffing approach that the organizations are utilising.

Secondly, this research aims to illustrate the factors influencing the application of the IHRM of the participating organizations.

Thirdly, the questions on the human capital of Lao staff in the participant organizations will be addressed. The findings will be discussed from the perspective of both the organizations and the target respondents in the questionnaires.
In order to achieve this aim, it is important for this research to identify some objectives that are outlined as follows:

- To investigate the application of IHRM to multinational organizations in Laos
- To examine the factors that affected the application of IHRM in Laos
- To explore the current situation of Lao human capital from the HR perspectives of the multinational organizations
- To validate some facts of Lao human capital as employees in both profit and non-profit organizations in dealing with the application of IHRM

In addition, the research objectives will be accomplished through an attempt to answer the following research questions and hypotheses:

1.5.1 Research questions

- What are the current international human resource management practices used in multinational organizations in Laos?
- Are practical staffing approaches of IHRM used by multinational organizations?
- What are the factors that affect the application of the practice of IHRM in multinational organization in Laos?
- What is the current status of Lao human capital?
- Is Lao human capital qualified from the perspective of multinational organizations?
- What are the facts about Lao human capital that are associated with some HR activities?

In order to respond to this research, some hypotheses have been created. In this regard, the hypotheses aim to find out the association between the education and the beliefs of respondents; whether education is a factor that supports the respondents’ work; and whether the education level contributes to the capacity of respondents to do their job. The hypotheses are as follows:

**Hypothesis 1:** $H_{A1}$: There is an association between the highest education achieved and the belief that education can support respondents’ work.

**Hypothesis 2:** $H_{A2}$: There is an association between education level and the perception of staff members of their capacity to do the job.
Hypothesis 3: $H_{A3}$: There is an association between the belief that education can support their work and the perception of their capacity to do the job.

Hypothesis 4: $H_{A4}$: There is a relationship between the education level of staff in the target organization and their perspective on the importance of capacity building.

The second set of findings concerns the association of demographic data, such as gender and age group of respondents, and the perception on their capacity to do the job. Therefore, some more hypotheses are made as follows:

Hypothesis 5: $H_{A5}$: Gender has an impact on the perception of staff of their capacity.

Hypothesis 6: $H_{A6}$: There is a difference between males and females in terms of the perception of the respondents regarding their capacity to do the job.

Hypothesis 7: $H_{A7}$: There is an association between the age group of staff and their perception of their capacity to do the job.

1.6 Outline of thesis

In order to provide overall guidelines of the research, outlines are created to enable the reader to see the how this thesis is organized. Chapter one provides the introduction of this research. It contains the background of the research, the research problem, the research statement, the aims and objectives and the outline. The objective is to communicate how the thesis will be approached.

Chapter two provides the literature review. All theories regarding the aims and objectives of this research, such as HRM, IHRM, Human Capital, are reviewed in this chapter. The objective of this chapter is to be the guideline of the research. This means, all findings and discussions will be generated in line with the theories that are reviewed and put in chapter two only.

Chapter three contains the methods and methodology of data collection. In this chapter, the general concept of data collection will be explained as well as the methods that have been used in this research. Additionally, the data analysis tools are discussed in order to provide information on how the data is analysed and interpreted. Then the ethical issue is also highlighted in order to ensure the ethical conduct of the research.
Chapter four outlines the overall findings of the data collection after transcription from the interviews and the application of the SPSS program. It contains all the data obtained from the actual data collection without in-depth analysis or discussion.

Chapter five provides the discussions based on the actual findings from chapter four. Additionally, it is the chapter in which all in-depth interpretations are discussed in line with the literature review in chapter two.

Chapter six concludes the thesis as well as providing some recommendations. In addition, some limitations and future research directions are discussed in this section.

1.7 Summary
Chapter one provided an overview of the aims to introduce the overall key issues of the research. The chapter started with the background information that became the factors that led to the investigation. Then the research problem was discussed with the purpose of explaining the reason why this research was undertaken. Next, the aim and objectives of the research were outlined. This section also contains the research questions and hypotheses that this research attempts to answer. Last but not least, this chapter outlined the research structure. Based on the outline above, the next chapter focuses on the literature review.
Chapter 2

Literature review

2.1 Introduction

The literature review is one of the most integral parts in every research project because it supports the understanding of the theories relating directly to the research topic. The purpose of this chapter is therefore to review some prominent literature on Human Resource Management (HRM) and International Human Resource Management (IHRM), how IHRM has evolved, and how human capital has an impact on the success of human resource practices. That means this review concentrates on the context which responds to the aims, objectives and research questions which are explained in subsequent chapters.

2.2 Human Resource Management

Before analysing the IHRM concept it is worthwhile to review the concept of human resource management (HRM). This is because the practice of IHRM is mostly implemented via the same activities as HRM (Dowling et al., 2009; Du Plessis & Beaver, 2008; Du Plessis & Huntley, 2009; Nel et al., 2011; Vance & Paik, 2006). Dowling et al. (2009) asserted that HRM is the process of the productive use of people to achieve the organization’s strategic objectives as well as to satisfy the individual employee needs. This explanation is reaffirmed by Nel et al. (2011) that “human resource management involves the productive use of people in achieving the organization’s strategic objectives and the satisfaction of individual employee needs” (p 6). Based on these definitions, it can be seen that HRM is the productive use or management of people in order to achieve the goal of the organization and the well-being of employees.

Commonly, HRM means employing, utilizing, developing and compensating people. The purpose is to ensure that the jobs are done by people, so HRM has something to do with management. Therefore, HRM can also be defined as the fields of management which deal with planning, organizing, leading and controlling the function of getting, using, training and paying people to achieve the organization’s goals (Rao, 2009). Additionally, Dessler (2011) contend that HRM is the “process of acquiring, training, appraising and compensating employees, and of
attending to their labour relations, health and safety and fairness” (p. 30). Armstrong (2012) confirms that HRM is “all those activities associated with the management of employment relationship in the firm” (p.4).

For the growth of the organization, HRM is conceived to be one of the key factors for the success or failure of the business in a competitive environment. Therefore, HRM is also claimed to be a tool to maintain the organization’s competitive advantage by the better utilization of people (Marchington & Wilkinson, 2012; Noe, Hollenbeck, Gerhart, & Wright, 2013). Nel et al. (2011) affirm that the greatest source of competitive advantage is from the best management of people, culture and capacity. Interestingly, Marchington and Wilkinson (2012) have defined HRM in the soft model as a “distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce using an array of cultural, structural and personnel techniques”. In short, effective management of human resources can sustain the organization’s competitive advantage.

2.3 International Human Resource Management (IHRM)

2.3.1 The evolution of the IHRM

Many experts, including Poor (2005), state that the evolution of IHRM has been divided into three periods. The first period was called ‘pre-scientific’ and consisted of the 2000 years before the beginning of 20th century (Poor, 2005). It was the time people started exploring the world. The second period took was the early 20th century at the beginning of the World War I. During this period, some businesses started operating in international fields that need headquarters to send expatriates to work in (Poor, 2005). The knowledge-sharing between the headquarters and international branches was typically hierarchical in this period. The third period was in the 1980s when globalization became stronger. In this period communication was transformed from a hierarchical to a more coordinative mode (Poor, 2005). Additionally, the number of internal employees had increased alongside the number of expatriates and the HR activities were also led by locals together with foreign workers in some key positions (Poor, 2005). Once the business becomes internationalised, the objective is to ensure the long term success. That is why the concept of IHRM was continuously being developed with the purpose of providing solutions to business problems at the global level.
Many experts have explored the internationalization of business as the motive that triggers the idea of IHRM (Briscoe, Schuler, & Claus, 2009; Clegg, Kornberger, & Pitsis, 2008; Dowling et al., 2009; Martin, 2009; Morley & Scullion, 2004; Nel et al., 2011; Vance & Paik, 2006). Briscoe et al. (2009) asserts that increased travel, rapid and extensive global communication, free trade, education, migration of large numbers of people, knowledge sharing, pressure on costs, the search for new markets, homogenization of culture and e-commerce are the driving pressures of the internationalization of business. Meanwhile, the major reason to expand business to other nations is to look for larger markets, bigger business partners, cheaper labour, and more raw materials (Du Plessis, 2010; Schuler, 2000; Tayeb, 2004; Trudel, 2009; Vance & Paik, 2006). With regard to this, Hartel and Fujimoto (2010) state that there are four driving forces of globalization to be considered before deciding whether the business will embrace international expansion or not. The first driver is the market. In this stage - the global markets, the consumer’s needs, wants, expectations, size of the markets and the opportunity for the product to be used by other nationals - are the key factors that drive the move to the international market (Hartel & Fujimoto, 2010). The second driving force is the cost that most MNC must review - they have to decide whether the move across border creates any cost advantages. The third driver is the government. In this regard, some issues that are worth noting are the legal and government policy ones (Hartel & Fujimoto, 2010). The other driving force is competition, which includes competitors’ strategies and the volume of imports and exports in the industry (Hartel & Fujimoto, 2010). It is claimed that HRM plays an important role, once the organization has reviewed all of these driving forces, in the success and failure of the business after entering the global market (Hartel & Fujimoto, 2010).

2.3.2 Multinational organizations

When we talk about IHRM it is also useful to understand the concept of multinational organizations. Actually, there is no universally accepted definition of a multinational organization. However, a multinational organization is broadly known as an organization that operates its activities overseas (Shah, Yusaff, Hussain, & Hussain, 2012; Sparrow, 2009). A multinational company (or MNC) is also defined by Shah et al. (2012) as “a business enterprise that maintains direct investments overseas and that upholds value-added holdings in more than one country” (p. 29). To be more comprehensive, ILO also describes an important characteristic
of a multinational company, that its managerial headquarters are located in one country and the company carries out operations in a number of other countries (Shah et al., 2012).

Multinational organizations exist due to a number of reasons: attempting to evade restrictions on trading, such as import tariffs on commodities; a business that relies heavily on raw materials could ensure a sufficient supply of the raw materials; and to eliminate the transport cost to make the price of the goods cheaper in the market (Harzing & Ruysseveldt, 2004; Morley & Scullion, 2004). MNC is important because it assists the host country by increasing more investment, transfers technology to developing countries and makes a praiseworthy contribution to inventions and innovations (Shah et al., 2012). However, MNC also has negative impacts: MNC technology is designed to maximize worldwide profit, not the development needs of poor countries and it may cause the fast reduction of some of the non-renewable natural resources in the host country (Shah et al., 2012).

2.3.3 Definition of International Human Resource Management (IHRM)

International HRM is broadly defined by Briscoe et al. (2009) as the study and application of all human resource management activities into the process of management of human resource for businesses in a global environment. Specifically, IHRM can also be seen as the management of staff across the country boundaries (Dowling et al., 2009; Dowling & Welch, 2005; Nel et al., 2011; Vance & Paik, 2006). Additionally, IHRM has been redefined as the world-wide management of human resources (Morley & Scullion, 2004; Schuler, Budhwar, & Florkowski, 2002; Shanine, Buchko, & Wheeler, 2011). We can see that these definitions have the key words of management of human resources and the significant growth of the global village in the twenty first century. The IHRM system was defined by Chen, as cited in Du Plessis and Huntley (2009), as “a set of distinct activities, functions and processes that are directed at attracting, developing and maintaining the human resources of a MNC” (p. 414). The objective of the IHRM is to enable the firms to be successful in international level (Farndale et al., 2010; Johnson, 2009; Schuler et al., 2002; Shanine et al., 2011). Additionally, IHRM is also claimed to be the tools for multinational organizations to gain a global competitive advantage, to be efficient, to be locally responsive, to be flexible and quickly adaptable, and to be capable to transferring knowledge internationally (Schuler et al., 2002; Shanine et al., 2011).
The common components of IHRM are the combination of HR activities, the people and the country where the business is set up. Therefore, some experts state that IHRM is the interplay between human resource activities, the type of employees and the countries of operation (Dowling et al., 2009; Du Plessis & Huntley, 2009; Johnson, 2009; Nel et al., 2011). HR activities refer to the process of recruitment, training, utilising and compensating the people (Nel et al., 2011). Type of employees in the international context refers to the expatriates, host-country nationals and third-country nationals (Mondy & Mondy, 2012; Reiche, 2007). Finally, country of operation refers to the host countries and the headquarters (Dowling et al., 2009). This means that the management of human resources in an international context consists of these three dimensions in order to ensure that the organization can apply IHRM practice.

HR practitioners are therefore key persons for applying appropriate HR practices (Du Plessis, 2010). Dowling et al. (2009) claim that the difference of culture in a country which has a multicultural workforce does not necessarily mean the organization needs to apply IHRM practices. Therefore, it is recommended that HR managers have to decide when IHRM should be applied (Dowling et al., 2009). Even though the practice of IHRM is the application of the same models as domestic HR activities, it is more effectively used once the business has reached the internationalization and globalization stage (Du Plessis, 2010; Du Plessis & Beaver, 2008; Nel et al., 2011). Regarding this issue, Du Plessis and Huntley (2009) explain the difference between HRM and IHRM as HRM is used to manage human resources within one country while IHRM has to deal with a multinational company. Hartel and Fujimoto (2010) suggest that there are more tasks to be done in HRM once the organization has stepped up to be a MNC. For example, HRM has to deal more with managing the cognitive, effective and behavioural strengths and weaknesses in different locations. In addition, it concerns appropriate remuneration based on a different currency; an appropriate policy on recruitment, selection, performance appraisal and development; and management of information on human resources (Hartel & Fujimoto, 2010).

The challenge of IHRM is different in various countries and regions. However, some common factors affect IHRM practice such as difference of cultures, the labour capital in host countries, the education level, the political environment, the legal system and the economic system (Dessler, 2011, 2012; Nel et al., 2011). Furthermore, Vance and Paik (2006) have classified factors influencing IHRM into two categories. The first one is external factors, which includes
the economy, social preferences, competition, demographics, innovation and government (Vance & Paik, 2006). The second category is internal factors such as company culture, company climate, company strategy and organizational structure (Vance & Paik, 2006). Additionally, Hartel and Fujimoto (2010) have identified some influences on HR policies and practice in international context such as culture differences, differences in employment laws and regulation, different socio-political systems, labour market supply, local pressure groups, health and safety issues, and language differences (Hartel & Fujimoto, 2010).

2.4 HR Functions of IHRM

As IHRM uses the same practice as HRM, this section focuses primarily on HR functions which are as follows:

2.4.1 Recruitment and selection

There are some reasons for recruiting new staff such as to replace people who have left the organization, to fill a new position due to business expansion, or even to put people in vacant positions. Generally speaking, recruitment refers to the process of acquiring people. Hartel and Fujimoto (2010) state that recruitment means finding and/or attracting people for the organization’s job opening. Meanwhile, Nel et al. (2011) define recruitment as the process to attract potential job applicants from available sources in the labour force. Additionally, Mondy and Mondy (2012) define recruitment as “the process of attracting individuals on a timely basis, in sufficient numbers, and with appropriate qualifications to apply for the job with an organization”. From these definitions, we can roughly summarize that recruiting people is the process of attracting possible applicants to fill a vacant position.

Many experts including Dessler (2011) state that it is more effective if the recruitment is done after the personnel planning. Personnel planning refers to the process of making a decision on what position the organization needs to fill and how to fill it properly (Dessler, 2011). Additionally, it is advised that the recruitment should be made in line with the organization’s strategy (Dessler, 2011; Nel et al., 2011). Moreover, the forecasting of personnel needs is also important to support the recruitment. This is because forecasting lets the organization know how many people they need (Dowling et al., 2009). Once the job analysing, planning and forecasting
are completed, a job description can be formulated. Job description (JD) refers to the concise document that identifies the work to be performed by each position (Chaudhri, 2010). Normally, JD is mostly formed by elements such as identification information, job summary, and job duties and responsibilities (Dessler, 2012; Nel et al., 2011).

Generally, recruitment is executed via looking for both internal and external sources. Internal recruitment method is the process to get people from within the organization (Dowling et al., 2009; Nel et al., 2011). On the one hand, (Nel et al., 2011) the most prominent internal recruitment methods are existing employees, referrals from current employees and former employees. The objectives of internal recruitment is to allow the current employees to apply for jobs they desire, to promote the loyalty of employees by allowing them to stay longer with the organization and to obtain people who have experience so they can be productive quickly (Cascio, 2010; Nel et al., 2011). On the other hand, external recruitment methods are the processes for getting people from external sources through advertisements, employment agencies, Trade Fairs, tertiary and campus recruiting, government agencies, and flyers and direct mail (Cascio, 2010). Also, it is claimed that there are some factors that influence recruitment. Nel et al. (2011) have interestingly classified them into two categories called internal factors and external factors. Internal factor refers to organizational policy, organizational culture and remuneration and working conditions; whereas, external factor refers to Government or Trade Union restrictions, labour market, and company’s image.

It could be said that an important element of getting new employees is the selection of the right people to fill the right job. This is because selection is the process of screening for the best-qualified people that the organization can employ (Nel et al., 2011). Even though there is not one best way to select employees, the best technique of selection could ensure that the people the organization acquires are the right option (Nel et al., 2011). Therefore, HR managers must carefully apply appropriate tools that could support the selection process by taking into account some influential factors. Some common tools to use when selecting the candidates are background investigation and reference check, pre-employment information services, honesty testing, graphology and substance abuse screening (Dessler, 2011).
Once the recruitment and selection is done, the next session is the induction. Induction is very important to provide basic information and the background of the work to the new employees. Induction or orientation refers to adjustment to the new environment. It is the process to inform the employees what they are supposed to do in the new job as well help to reduce the stress by getting them familiarized to the new workplace. Nel et al. (2011) propose that there are three basic approaches in induction. Firstly, the induction is done verbally, either individually or in groups. Secondly, the induction is done via written material which is good because it forms a record. Lastly, the audiovisual approach that consists of the use of verbal and written tools.

In the international context, recruiters must make a decision on whether the organization should recruit locally or internationally especially in the key positions (Dowling et al., 2009; Lee, 2011). Dowling et al. (2009) recommend that to avoid international assignment failure, it is essential for the multinational organization to develop critical selection criteria. HR managers should bear in mind that the selection is a two-way process between the individual and the organization (Dowling et al., 2009). That means that a potential candidate may reject the international assignment due to personal reasons such as insufficient technical ability, cultural unsuitability and family requirements; situational reasons could be the country’s cultural requirements, language, and performance expectations of the organization (Dowling et al., 2009; McPhail, Fisher, Harvey, & Moeller, 2012). The common issues in international assignments is the failure of expatriates due to their willingness to work overseas and their inability to assimilate into the new culture (Dowling et al., 2009; Lee, 2011; McPhail et al., 2012; Stroh, Black, & Mendenhall, 2009). Therefore, there must be some factors to support the selection process. Lee (2011) advises that the company should include family background in the selection process. This is because sometimes the failure may be caused by the family of the assignee. Hence, Hartel and Fujimoto (2010) suggest that the technical competence of the individual, the soft skills, inter-cultural competence and family situation are all key factors to be considered when selecting an expatriate.

Another issue to be considered is the constraint that is imposed by the host-country nations such as immigration rules, and the requirement to show the evidence for the necessity to employ foreigners (Dowling et al., 2009). This may lead to difficulty in the process of recruitment and selection for getting the right people for the right job due to the limited pools of skilled labour in
the host country. As a result, the organization may have some problems in human resource management.

2.4.2 Training

Nel et al. (2011) state that employers have recognised that skilled and knowledgeable workers have played a significant role in securing the competitive advantage at both national and international levels and that this depends on the quality of the human resource. The way to have a good quality workforce is not easy because sometimes the organization may not get highly-educated people. The solution to this issue is for the organization to have tools to build capacity for the employees, and training is the most necessary tool. Training not only provides better quality employees but also contributes to increased motivation, job satisfaction and morale among employees (Chatzimouratidis, Theotokas, & Lagoudis, 2012; Sardar, 2010).

Sometimes the employee development may come in the form of orientation and at other times in the form of training for both new and current employees (Dessler, 2011). Employee orientation is the technique for providing new employees with the basic background of the organization (Dessler, 2011). By doing this, newcomers will familiarize themselves with the new workplace environment, culture and working procedures (Dessler, 2011). Training refers to “the process of teaching new and current employees the basic skills needed to perform their jobs” (Dessler, 2011; Sardar, 2010). Byars and Rue (2006) have defined training as the learning process of employees in acquiring skills, concepts, rules, or attitudes to improve their performance. Byars and Rue (2006) also recommend that the reason that many firms have to conduct training is the on-going evolution of society, for example economic, social, and technological changes; the introduction of new equipment; the performance problem; and legal entitlements such as the contractual issue that requires the employer to provide training for its employees.

Before conducting any training, it is recommended that employers should conduct a training needs assessment first (Byars & Rue, 2006, 2008; Ferreira & Abbad, 2013). This is because needs assessment is a systematic analysis of training activities that provide useful information for employers on the real needs of employees so they will be able to achieve the organization’s objectives (Byars & Rue, 2006; Dessler, 2012; Ferreira & Abbad, 2013; Holbache, 2010). Cekada (2010) says that needs assessment is an on-going process to gather data to determine
what the training needs are so that training courses can be developed to help the organization accomplish its objectives. Byars and Rue (2006) & Ferreira and Abbad (2013) added that the firms conduct training needs assessments to seek information about superior performance or knowledge, actual or current performance or knowledge, the feelings of trainees and other significant people, the causes of the problems and the solutions to the problems. Once the needs analysis is done, it is recommended that a training instrument should be developed which includes a programme guideline and a training budget (Dessler, 2011; Ferreira & Abbad, 2013; Holbach, 2010). In addition, after the training, there must be an evaluation to assess the programme’s success (Dessler, 2011).

There are many types of training that experts have developed and introduced in today workplace, including Off-the-job training, and On-the-job training (Byars & Rue, 2006; Nel et al., 2011). Off-the-job training refers to any training that is conducted away from the employees’ workplace which can be done on site, or in conference venues that are away from work site (Nel et al., 2011). The delivery method of off-the-job training includes the use of case study, role-playing, in-basket training, and management games. On-the-job training refers to the training that goes along with the work structure which leads to the assessment of the employees while working (Nel et al., 2011). Another simple definition of on-the-job training is that it is the way to show employees how to perform the job and allows them to do it under the supervision of trainers (Byars & Rue, 2006). Doing it this way will encourage employees to be learnt by actually performing the tasks of the job. There are many ways to deliver on-the-job training but the common methods used are coaching, job rotation, junior board, job instruction training, understudying, mentoring, learner-control instruction, behaviour modelling, learnership training and vestibule training (Nel et al., 2011).

Additionally, many experts have studied other training methods that can be effectively applied with the support of the new technology that can be used in both on-the-job and off-the-job training (Byars & Rue, 2006; Dessler, 2011; Nel et al., 2011). Virtual classroom is the training method that moves from a normal classroom to the internet network (Byars & Rue, 2006). Byars and Rue (2006) define the virtual classroom as “an online teaching and learning environment that integrate chat rooms, desktop video conferencing, Website and e-mail distribution into a typical lecture-based system” (p. 169). Nel et al. (2011) also propose E-learning or Online learning,
which can be conducted through various methods such as Computer-based training, Interactive video, Web-based training, World Wide Web (www), Internet and Intranet-based training, Virtual reality, Mobile technology and many others.

In international assignments, pre-departure training for the expatriates should be conducted immediately after recruitment and when the selection process has ended. It is worth putting some content of cultural adaptation in the pre-departure training so it will help the assignees know how to adapt to new and unexpected events in the new culture (Dowling et al., 2009). It is also valuable to include the family of the expatriate in the pre-departure training because the family’s adjustment also contributes to the success of an international assignment (Dowling et al., 2009). Some other important components of pre-departure training are preliminary visits that require the expatriate to visit the country where they are being sent to work. There should also be language training to communicate in the workplace, as well as training of the trainers so that the expatriate can become a trainer in the host country, teaching the company’s code of conduct (Dowling et al., 2009).

Training is normally considered to be both centralized and decentralized. The centralized approach refers to the training originated in headquarters but adapted to the local situations. It requires the trainers to travel to the subsidiaries (Dowling et al., 2009; Vance & Paik, 2006). It is also worthwhile to send trainees to the head office for training. The decentralized approach refers to the training on a local basis. It means local people develop the training materials and techniques to use in the local area (Dowling et al., 2009; Vance & Paik, 2006).

2.4.3 Performance Management

Before going to the definition of Performance Management (PM) in depth, the understanding of the word ‘performance’ should be identified first. Byars and Rue (2006) state that “Performance refers to the degree of accomplishment of the tasks that make up an employee’s job” (p. 222). Performance indicates how well an employee can fulfil the job requirement and it is measured in the form of results, not effort (Byars & Rue, 2006). For example, one employee may work hard but have quite poor performance.
Performance management has been defined by Nel et al. (2011) as the process in which the work environment or setting is created in order to enable people to perform to the best of their ability for the achievement of the shared goals. Mondy and Mondy (2012) also define performance management as the “goal-oriented process directed toward ensuring that organizational processes are in place to maximize the productivities of employees, teams and ultimately, the organization” (p.210). As cited in Iqbal, Naz, Aslam, and Arshad (2012) “performance management is an interrelated strategies and activities to improve the performance of individuals, teams and organizations” (p.709). Katerina, Andrea, and Gabriela (2013) redefined PM as a systematic process that improves an organization’s performance by developing the performance of individuals and teams. More interestingly, PM is also used to motivate employees by establishing the expectation and providing feedback in order to meet the expectation (Selden & Sowa, 2011). From the definitions, we can see that performance management is an important part in maintaining the performance of employees in order to accomplish the goals of the organization.

Any organization needs to have performance management because it is the tool to implement the organization’s strategies, to drive change or the organization’s culture, and it also provides the input for other HR functions such as training and reward management (Katerina et al., 2013; Nel et al., 2011). It has been proved by many studies that PM brings about better organizational results and many organizations now increase the implementation of the new and improved performance management systems (Iqbal et al., 2012). It is not just using check boxes or writing comments; performance management must integrate the organization’s mission, vision and values into the performance management process (Mondy & Mondy, 2012). Performance management and performance appraisal are related but they are not exactly the same concept and they are mistakenly used as being the same thing (Chompukum, 2011). In fact, performance management is a means to improve organizational performance by developing the performance of individuals and teams, whereas performance evaluation is a mean to evaluate and rate the past performance of individuals or groups (Chompukum, 2011).

Effective performance management requires that all employees fully understand their role in organization and it explains the expected output and the methods used to evaluate the results (Chompukum, 2011). In addition, the performance agreement should provide the results
expectation that the organization needs from employees’ performance (Stredwick, 2014). Furthermore, it is also important for the organizations to create commitment of the employees. Commitment can be defined as the employee’s feelings of obligation to stay with the organization (Markos & Sridevi, 2010; Memari, Mahdieh, & Marnani, 2013; Taylor, Levy, Boyacigiller, & Beechler, 2008). The study by Memari et al. (2013) states that the commitment of the employees has a positive relation with job performance. Employee commitment may be generated from different sources such as feeling they are important to the organisation, opportunity to grow, participation, and good relationships (Markos & Sridevi, 2010). However, the sharing of the organizational strategic plan is another factor that could stimulate better commitment of employees (Cady, Wheeler, Dewolf, & Brodke, 2011; Daft & Pirola-Merlo, 2009; Slack, Olife, & Anderson, 2010)

In order to ensure the effective process of PM Nel et al. (2011) conclude that there are normally four activities in the PM process: performing planning, performance coaching and mentoring, performance measurement and evaluation and performance feedback and documentation. Therefore, for PM to be effective, it should have adequate planning which sets the direction and defines the expectations, determines the employees’ goals and objectives, determines the evaluation tools and methods and develops an action plan. Performance coaching and mentoring is the process by which the manager reviews the progress and searches for the cause of poor performance before providing coaching and mentoring (Chompukum, 2011; Nel et al., 2011).

In IHRM, performance management is defined by Dowling et al. (2009) as “a process that enables the multinational to evaluate and continuously improve individual, subsidiary unit and corporate performance, against clearly a defined, pre-set goal and target” (p.268). There are some factors that needed to be included in international performance management due to the actual situation of the expatriate. They are a compensation package, the expatriate’s tasks, the support from headquarters, the performance environment, and cultural adjustment (Dowling et al., 2009). For PM to be successful in cross borders operations, it must include the process of interaction between managers and employees, regular performance feedback, coaching and appraising the performance. Overall processes are the compilation of the design of the jobs; a performance expected agreement; provision of the direction and immediate feedback; the monitoring of progress; and evaluation of the performance (Vance & Paik, 2006).
2.4.4 Performance Appraisal

Effective monitoring of an organization is claimed to be the key success factor for employment. The measuring tool of performance management is performance appraisal (PA). Performance appraisal is defined Byars and Rue (2006) as “the process of evaluating and communicating to an employee how he or she is performing the job and establishing a plan for improvement” (p. 223). Byars and Rue (2006) added that if the performance is well evaluated it will allow employees to know how they are performing as well as encourage them to know how much effort they must make in the future. In addition, Katerina et al. (2013) & Mondy and Mondy (2012) define performance appraisal as a formal system that is used to review and evaluate individual or team task performance. Performance appraisal is also called the measurement process of how well an employee is performing (Al-Qudah & Al-Momani, 2011).

Performance appraisal usually involves the judgment and opinions of employees, their co-workers, supervisor, managers from other departments and the worker itself (Kikoski, 1999). Mostly, a performance appraisal is managed for making administrative decision making on promotions, firing, layoffs and pay increases as well as the tool to develop individual potential (Brown & Heywood, 2005; Byars & Rue, 2006; Chukwuba, 2011). Therefore, it recommended that it should be managed annually (Al-Qudah & Al-Momani, 2011; Byars & Rue, 2006). Moreover, performance evaluation data will also be the information for designing training and development needs (Byars & Rue, 2006, 2008). Mondy and Mondy (2012) contend that PA is an activity that people dislike. This means that managers do not like to giving it and employees do not like receiving it (Mondy & Mondy, 2012). There are two forms of PA: the continuous evaluation of an employee by their superior, called the informal appraisal, and the formal process of conducting the evaluation on a systematic basis in order to compare the expected individual or group performance and the real performance (Katerina et al., 2013; Selden & Sowa, 2011).

It was pointed out in the last section that performance management includes the performance management process as well as performance planning, performance coaching and mentoring, performance measurement and evaluation and performance feedback and documentation. The first two processes have already been explained. Now it is time to discuss the other performance appraisal processes. First, Nel et al. (2011) state that performance measurement or evaluation is
the stage of conducting the evaluation by alternatively applying various tools such as supervisor observation, peer review, subordinate appraisal, self-appraisal, customer appraisal, feedback from internal and external stakeholders, and team appraisal. Lastly, performance feedback and documentation is the final stage of performance review which needs to have an appraisal interview (Nel et al., 2011). One of the most important parts of the performance appraisal process is the appraisal interview. Performance appraisal interview refers to the recurrent strategic interviews between a superior and an employee in an organization that focuses on employee performance and development (Asmub, 2008). It has been confirmed by Kikoski (1999) that one of the key factors that coerce employees to accept the appraisal result is the interview. To ensure the effectiveness of the interview, the evaluator should be skilful in interpersonal communication.

In international organizations, performance appraisal can be used to grow, develop, and sustain long-term employment. Furthermore, the evaluation must be conducted by looking at employees from different countries (Dowling et al., 2009; Vance & Paik, 2006). This means the evaluation may be done differently in different cultures (Dowling et al., 2009; Hartel & Fujimoto, 2010; Vance & Paik, 2006). Generally, an organization with the home model tend to use the same way as the headquarters in evaluation, while an organization with the host country model mostly develops their own way of evaluation. The organization with the third country model generally use the normal performance evaluation method (Vance & Paik, 2006). The evaluation may be conducted by the headquarters but this way may create inaccurate evaluated information because the headquarters cannot see the day to day performance of the employees (Dowling et al., 2009). Therefore, many multinational organizations authorize their country director or representative to conduct the performance appraisal of local staff and expatriates, so the evaluation is more accurate because employees are appraised by their immediate supervisors who see their performance every single day (Dowling et al., 2009).

2.4.5 Reward Management

Reward management or compensation is alleged to be the most difficult and challenging human resource activity because it covers many elements and has a broad impact on the organization’s strategic goals (Mondy & Mondy, 2012). Marchington and Wilkinson (2012) state that reward
management is the key element of human resource management. This is because it can be used to provoke effort and performance, the actual payment may lead to the right adjustment of motivation, and it directly affects the organization’s financial strategy (Marchington & Wilkinson, 2012). Additionally, Hartel and Fujimoto (2010) state that the objective of reward is to increase the motivation of employees and enhance their behavioural and cognitive qualities.

Reward has an impact on all HR practices in terms of the superior performance of the organization (Marchington & Wilkinson, 2012; O'Neil, 2003; Zaidi & Abbas, 2011). Firstly, reward has an influence on recruitment and retention (Marchington & Wilkinson, 2012; O'Neil, 2003). This means that an attractive reward can lead to a larger number of applicants and the organization having more choice in selection as well as a reduction in its turnover rate (Marchington & Wilkinson, 2012). Secondly, reward can influence corporate organizational culture. For example, if the reward leads to innovation, it will make the organization become an innovative organization. Thirdly, reward has an influence on cost. Sometimes employers want to reduce cost by lowering labour costs but this may not be effective because lower labour cost may cause lower productivity (Marchington & Wilkinson, 2012). Finally, employees may see the reward as pertaining to certain activities. This can cause a problem for employers in terms of how to integrate reward into the corporate motivational factor for the organization (Marchington & Wilkinson, 2012).

As reward is a form of compensation, we can use these two terms interchangeably. Compensation is defined by Mondy and Mony (2012) as the total reward that is provided to employees in return for their services. Reward can be classified into financial and nonfinancial forms (Mondy & Mony, 2012). The financial reward may be provided in two forms: direct financial reward and indirect financial reward (Mondy & Mony, 2012; Zaidi & Abbas, 2011). While direct financial reward is provided in the form of wages, salaries, commissions and bonuses, indirect financial reward can be provided in the form of any other rewards that are not included in the direct financial reward (Mondy & Mony, 2012). The other form of reward is the nonfinancial rewards such as the satisfaction that people receive from the job or from the psychological and physical environment where the employees work (Mondy & Mony, 2012).
In the international context, remuneration for the international assignees is claimed to be more complex and costly. Precisely, remuneration for the expatriate may cost a lot more than for the local employees. There are some techniques that are being used by the MNCs. Hartel and Fujimoto (2010) suggest that MNCs may use a balance sheet approach that aims to provide the same standard of living cost for the expatriates in the host country as in the home country. However, this approach may not attract sufficient applicants. Another recommended technique is providing remuneration for the expatriate in the form of a localised and regional package. The localised package technique is best used once the expatriate has moved from one country to another country which has a similar living standard cost. However, it may cause a problem if the sending country and the receiving country have different standard of living costs. The regional package is the technique where the expatriates are paid in a common currency across an entire region (Hartel & Fujimoto, 2010). Furthermore, to ensure effective expatriation, the basic key components of an international compensation is advised by Dowling and Welch (2005) to be comprised of base salary, foreign service inducement, allowances and benefits. By doing this the organization will be more attractive for job seekers as well.

Additionally, remuneration must be well managed due to the different perceptions of people from different cultures. Sometimes, remuneration may demotivate some people with a certain cultural orientation (Hartel & Fujimoto, 2010). While people from one culture may prefer a financial reward, a nonfinancial reward may be preferable for people from another culture.

2.5 Staffing approach

After the exploration of all human resource functions, it is now appropriate to further explore staffing policy, which is claimed to be an important element of IHRM. Staffing is not just about bringing new blood into the organization; it refers to activities related to moving employees into, throughout and out of the organization with the purpose of satisfying employees and achieving the objectives of the organization (Vance & Paik, 2006). Therefore, staffing involve all the functions of HR activities such as recruitment, selection, rewards, transfers, promotion, layoffs and retirement (Vance & Paik, 2006). Staffing policies are shaped by different factors, such as the characteristics of the home and host country, subsidiary features, competitive strategy, the stage of internationalization and the type of industry (Hartel & Fujimoto, 2010; Reiche, 2007).
Staffing practice is also characterized by top management’s beliefs, attitudes and mind-sets (Reiche, 2007).

Many experts propose that there are four approaches to staffing in international human resource management” the Ethnocentric approach, Geocentric approach, Regiocentric approach and Polycentric approach (Dowling & Welch, 2005; Du Plessis & Huntley, 2009; Hartel & Fujimoto, 2010; Nel et al., 2011; Tayeb, 2004).

2.5.1 Ethnocentrism

The Ethnocentric approach, also known as home oriented, is the method in which the strategic decisions are made by the head office. All or most of the key position are filled by the employees from the head offices and the head offices’ standards are applied to evaluate and control the performance of all employees (Hartel & Fujimoto, 2010; Nel et al., 2011; Vance & Paik, 2006). Hartel and Fujimoto (2010) added that the HR practice in this approach concentrates on identifying and developing human resources in order to obtain the international assignment. When the organizations use this approach, the power and decision-making is all made at the head office (Hartel & Fujimoto, 2010). The main reasons for multinational organizations choosing this approach is the perception of head office concerning the lack of qualified people in its subsidiaries and the need to maintain effective communication and coordination (Gupta, 2013).

It is argued that there are some disadvantages to this approach, such as poor productivity and increased turnover due to limited promotion of the employees, the inability of assignees to adapt to the host country, and high expectations about the remuneration due to the higher standard of living (Nel et al., 2011; Vance & Paik, 2006). Therefore, this approach is mostly used in the initial stage of moving overseas of the multinational organizations.

2.5.2 Geocentricism

Multinational organizations use this approach because they want the best quality employees to fill the position regardless of nationality (Dessler, 2011; Vance & Paik, 2006). This means no matter where the employees are from, whether they are parent-country nationals or host-country nationals, or from anywhere in the world, only the best people are selected to work. Dessler (2011) contends that the Geocentric staffing policy allows the organization to use its human
resources effectively by moving people into open jobs wherever they may be. Consequently, we can find people from both the parent county and the host country in any key positions of the multinational organizations (Gupta, 2013; Hartel & Fujimoto, 2010). The organizations that apply this approach are more concerned about their aim to develop a fully integrated organization with an international corporate culture (Hartel & Fujimoto, 2010).

The advantage of this approach is that the multinational organization can improve a pool of labour that can be employed internationally, and it also reduces the problem of isolation between the parent country and the host country. However, it also has some drawbacks, particularly when the host-country government wants their people to be employed more (Nel et al., 2011). There may be some measures to control the international employment of the subsidiaries, for example an immigration control policy that could be time consuming and cost more. In addition, the Geocentric approach can increase costs, for example, from the compensation rate which has to be an international standard of payment and the cost related to the training and relocation of employees (Gupta, 2013).

2.5.3 Regiocentric approach

The Regiocentric approach reflects the belief of top management that people in the same region have something in common so people from the region can best solve problems occurring in the region (Gupta, 2013; Nel et al., 2011; Reiche, 2007). With this practice, staff are allowed to move within the geographic operation of a multinational organization, which provides opportunities to move to higher administrative positions (Gupta, 2013; Nel et al., 2011; Reiche, 2007). The key positions in Regiocentric practice are filled by former host-country nationals who develop themselves and become more qualified (Gupta, 2013; Reiche, 2007). Therefore, cross-border assignments become more effective due to the narrow cultural distance of international careers (Vance & Paik, 2006). However, many experts contend that even though people from the region can work outside their country of origin, they are limited to work in the region and seldom have opportunities to be promoted to work at the headquarters (Gupta, 2013; Reiche, 2007). Gupta (2013) claimed that that multinational organizations could gradually be transformed from ethnocentric and polycentric practice to Regiocentric practice.
2.5.4 Polycentricism

The Polycentric approach is the method that allows local and overseas subsidiaries to have some degree of independence, and it is also managed by the local staff. It is sometimes called host-country oriented (Nel et al., 2011). The headquarters use this approach to fill the positions with locals as much as possible when the organization is located in the host country (Hartel & Fujimoto, 2010; Nel et al., 2011). In this manner, host-country organizations are managed by local managers but with the guidance of headquarters (Hartel & Fujimoto, 2010). Furthermore, managers are authorized to determine the most suitable strategies and practice for the organizations. Therefore, the evaluation and control of subsidiaries are made under local standards (Hartel & Fujimoto, 2010). The main reason for this is that the headquarters concentrates less on maintaining the common corporate culture of the parent country and concentrates more on the host country national culture (Hartel & Fujimoto, 2010). Dessler (2011) defines a polycentric approach as “a conscious belief that only the host-country managers can ever really understand the culture and behaviour of the host-country market; therefore, the foreign subsidiary should be managed by local people” (p. 664).

The advantage of this approach is that it is the way to put an end to language barriers, to mitigate the adaptation problem of assignees and their families and to eradicate the cost of cultural training. This is seen to be expensive when employing local labour is considered to be relatively low (Dessler, 2011; Gupta, 2013). However, it also has some disadvantages, for instance it limits information sharing and productive interaction between headquarters and host country nationals because of language and cultural differences. Additionally, it is claimed that employees in Polycentric policy companies will seldom be promoted to the higher positions at headquarters or be sent to work in other subsidiaries (Dessler, 2011).

2.6 Factors influencing IHRM practice

A number of issues influence IHRM practice and are discussed below:

2.6.1 Culture differences

It is universally recognized that every individual has different values, beliefs and lifestyles. Once people come together, they are called a society and, of course, they have their own culture. In
national level, cultural diversity in HR practice may focus on the race and gender in the context of selection, performance management, promotion, and career advancement (Harris, Moran, & Moran, 2004; Nishii & Ozbilgin, 2007). However, in the international context, a diverse culture also focuses on values, repatriation and acculturation (Reiche, 2007). As cited in Nel et al. (2011) “culture is defined as a set of values, beliefs, rules and institutions held by a specific group of people” (p.531). In the international context, Du Plessis (2010) redefines culture as “collective mental programming which distinguishes one nation from another; and a construct which is not directly observable, but is inferable from verbal statements and other behaviours” (p. 183). Therefore, when organizations move abroad, they are entering a new culture and this gives rise to the issue of cultural differences. Now the issue is how the international human resource manager can cope with it. Nel et al. (2011) recommended that it is important for international human resource managers to know that the diffusion of culture is a process in which one culture is spreading to another culture where everything they do, for instance gestures, material objects, traditions and concepts, are representing the way of life.

The most popular model to understand culture differences, recommended by many experts, is the Hofstede model. People from different cultures tend to look at the world differently. Hofstede has identified five culture dimensions: individualism-collectivism, masculinity-femininity, uncertainty avoidance, power distance and time orientation (Clegg, Kornberger, & Pitsis, 2011; Hartel & Fujimoto, 2010; Noe et al., 2013). In this regard, HR managers must understand the differences of culture because it can assist in designing suitable strategies and practices that can be successfully applied in the country of operation. They can also identify the strategies and practices of the parent-country organization that can be suitably applied in the host country and the extent of the effectiveness of strategies and practices of the parent country in the host country (Hartel & Fujimoto, 2010). Du Plessis (2010) added that the international human resource manager must use correctly select a staffing policy and ensure consideration and respect of everyone from different cultures and backgrounds when working together. It is also important to have HR professionals to come over and train employees for a better understanding of others.

Adjustability is one of the most important characteristics that international assignees must have. The problem is how they can effectively adjust to the new culture. According to Sri Ramalu, Rose, Kumar, and Juli (2010), three specific areas that international assignees have to bear in
mind for effective adjustment including adjustment to the general environment are climate, health facilities and food; interaction with host country nationals; and the work they are doing such as performance standards, job and supervisory responsibilities (Sri Ramalu et al., 2010). The influencing factor on the success of international assignees is cultural intelligence. Cultural intelligence is broadly defined as an individual's capability to effectively deal with people from different cultural backgrounds (Sri Ramalu et al., 2010). The concept of cultural intelligence is the capacity of individuals to successfully adapted to a new and unfamiliar culture and to easily and effectively deal with situations that are shaped by cultural differences (Sri Ramalu et al., 2010).

2.6.2 Country-specific factors

Once an organization has decided to move the business across the border, there are some factors in the destination country that must be taken into account, for example, education, the political system, legal system, economic system (Johnson, 2009; Nel et al., 2011; Noe et al., 2013). These are discussed below:

2.6.2.1 Education system

The nations that invest heavily in education have a high human capital level so they tend to be more attractive for international investment in certain types of business activities. Conversely, the nations that have low investment in education tend to attract investment in facilities that require low skilled labour and low wages (Nel et al., 2011). Human capital will be discussed in the next part.

2.6.2.2 Political environment

The Political system may have an impact on the business when it has a change in power. Some political systems, especially in countries that have more than one political party, could change after an election. Consequently, the change of government may bring about a change of policies, for example trade policies, an increase or decrease of tariffs, and a change in social welfare policies (Cherunilam, 2010; Dessler, 2011). In addition, any political instability in the nation can have an impact on the trust of international organizations.
2.6.2.3 Legal system

Dessler (2011) claims that the legal difference is the blind side of any organization, even sophisticated companies. It is a fact that different countries have different kinds of legal practice (Dessler, 2011). Nel et al. (2011) contend that legal regulations normally reflect the norms and values that can affect the practice of HRM relating to training, employment, layoffs, compensation, employment relations and so on. On the one hand, a huge investment of the multinational business may fail due to overlooking an aspect of the legal system. On the other hand, legal regulations also promote the growth of the international investment.

2.6.2.4 The Economic system

The economic conditions of the country are another factor that affects decision making in investment. Many experts, including Cherunilam (2010), suggest that when looking for an investment opportunity, it is important to consider the current stage of economic development or circumstances, people’s income, unemployment rates, disaggregation of wealth and many other factors. Nel et al. (2011) have added that exchange rates, availability of raw material, labour cost, technology and level of innovation play an important role in decision making on where the company should invest.

2.7 Human Capital

Human capital is one of the key components that need to be explored. Therefore, the literature review of this concept is important to note.

2.7.1 Definition of Human Capital

It is universally recognized that human capital is an integral element of every business at both national and international levels. In organizations, any human resource practice is a direct investment in the employees’ human capital in order to ensure the competitiveness of the business and the development of staff (Bisanav & Rangnekar, 2009; Noe et al., 2013). In HRM terms, human capital is generally described as the human knowledge, skills, innovation, and capabilities of employees that are applied to accomplish organizational goals (Armstrong, 2008; Bisanav & Rangnekar, 2009). Nel et al. (2011) describe human capital as the productive
capabilities of individuals. This means the knowledge, skills, capability and experience that individuals have in creating economic value in the job they are doing. Human capital also refers to the unique set of knowledge, skills and abilities of workers that are acquired from education and work experience (De Winne & Sels, 2010; Noe et al., 2013). Based on these definitions, it seems that organizational success is the ability to manage human capital successfully.

In terms of the wider view, human capital development is alleged to be the key economic driver (Ndinguri, Prieto, & Machtmes, 2012). It is prominent in various studies on the relationship between the large pools of human capital and the rapid growth of the economy (Ndinguri et al., 2012). From the organizational view, it is recommended that the organizations should have strategies to find the stock of human capital needed by enhancing their skills and knowledge through training programmes and professional development as well as rewards for superior performance (Nel et al., 2011). Bisanav and Rangnekar (2009) add that the idea of investing in human capital should be considered while generating the HR strategies in regard to recruitment, training, performance appraisal, career management and reward. The core purpose of integrating these functions into human capital is to ensure the economic performance of the organizations (Bisanav & Rangnekar, 2009). Once the human capital is well-managed, it could bring about employees’ commitment (Bisanav & Rangnekar, 2009). In addition, organizations have more confidence in getting the right man with the right skills and experience in the right job (Nel et al., 2011).

Apart from the development of human capital within organisations, building the capacity of human capital from different sources is also important. Education of people in the country is another element of preparing the readiness of human capital. Bisanav and Rangnekar (2009) maintain that education helps people to improve the understanding of their knowledge, which enables them to accurately predict outcomes, better manage time and resources and monitor results. Additionally, education also provides new information and knowledge that enormously impacts on people’s cognitive reasoning (Bisanav & Rangnekar, 2009). Many studies have been done on the relationship between a country’s education and the ability of human capital to generate economic growth (Asghar, Awan, & Rehman, 2012). The findings show that the country that invests more in education produces more effective human capital, and effective
human capital will result in growth for the organization and the country’s economy in general (Asghar et al., 2012).

### 2.7.2 Human capital in Laos

Laos is a country that invests a lot of money in education in order to improve its human capital. From the statistical year book of 2012, the number of students at university was increased from 70,231 in 2011 to 72,662 in 2012 (Lao Statistic Bureau, 2013). The number of trainees in institutes such as higher diploma and polytechnic school decreased (Lao Statistic Bureau, 2013). Recently, due to the low quality of private educational institutes that provide bachelor and master degrees, the government has banned their programmes until all institutes can pass the government criteria (Vaenkeo, 2013).

The development of human capital in Laos has been holistically defined as continuously developing people from when they are born (or even from the stage of family planning) until the last day of their lives (Rassavong, 1995). People who have not attended the education system will have to go through the illiterate eradication programme of the government, which is equivalent to high school in the general education system (Rassavong, 1995). Those who are not qualified for the job, will be involved in a capacity building mechanism (Rassavong, 1995). Like other countries, Laos promotes ‘life-long learning’ in 21st century. That is, it promotes ‘learning to learn’, ‘learning to do’, ‘learning to live together’ and ‘learning for the job allocation’ (Central Party Personnel Committee, 2002). Due to changes in the regional and global environment in the economy, politics, socio-culture and technology, some jobs have disappeared and some jobs are eliminated or need new skills. The forming of more powerful cooperative groups and the evolution of technology has meant that the development of human resource in Laos has also changed its direction, not only to develop people to be more skilful but also to have the ability to adapt into the real situation (Central Party Personnel Committee, 2002).

### 2.8 International Human Resource Management and human capital

In the context of International Human Resource Management (IHRM), human capital has been asserted to be the key factor that makes a country become more attractive for foreign investments (Keomixaya & Ngamkroeockjoti, 2011; Noe et al., 2013). On the other hand, after the
investments are settled, foreign investment can also be active in providing education and training and in bringing new skills and technology to host countries (Keomixaya & Ngamkroeockjoti, 2011). From the perspectives of economists, intensive investment in human capital has an enormously positive impact on the growth of the economy, regardless of the lack of natural resources (Skare, 2011). During the production industrial economy period, labour based human capital played a very important role but now due to the change of working patterns, knowledge based labour has become more important (Skare, 2011). Therefore, organisations that continuously invest in developing human capital are more likely to be successful.

2.9 Summary

This chapter explored relevant literature that can be useful guidelines for further chapters of this thesis. It was found that IHRM is applied once organizations move their business across borders. Additionally, this chapter also reviewed the characteristics of multinational organizations with the aim to classify ordinary companies and multinational organisations. Then the HR functions were reviewed based on the fact that IHRM uses the same HR activities as normal Human Resource Management.

Next, four staffing approaches, Ethnocentric, Geocentric, Regiocentric and Polycentric, were reviewed. Then the factors influencing the application of IHRM were identified. It was found that culture difference, and some country specific issue such as the legal system, education, the economic system and the political system are the major factors that affect the application of IHRM. Finally, the fact that human capital is considered to be the key success factor for the multinational organizations was also explored. The next chapter focuses on the data collection methods.
Chapter 3

Research methodology

3.1 Introduction

In chapter two the concepts of human resource management (HRM) in the international context were reviewed. It is clear that international human resource management (IHRM) has commonalities and differences. To be precise, both management methods use the same human resource (HR) practices but they are designed and used in a different context. Once the organization establishes part of its business across the border to operate in other countries, IHRM comes into play. Now it is time to identify the tools and methods for getting the data on the actual application of the theories mentioned above.

The main focus of this chapter is the identification and explanation of the method and methodology for obtaining the data which will be processed into information that responds to the aims, objectives and research questions of this research project. It is widely recognized that research is a process of data collection, data analysis and data interpretation in order to understand particular phenomena (Williams, 2007). In addition, the research process is known as a system to define the objectives of research, to manage data and communicate the findings of the research framework and existing information (Williams, 2007). The framework will then help the researcher to identify indicators that should be included in the research.

In order to ensure effective data collection, the researcher has evaluated the data collection and data analysis methods and has implemented the planned method, as this chapter explains. Therefore this chapter will focus on the designed research method, research methodology, data collection and data analysis.

3.2 Research method

This research is designed to be a descriptive study. A descriptive study refers to any study that already existed (Vanderstoep & Johnston, 2009). It can provide information on the health status, behaviour, attitudes or other characteristics of a particular group (Verma, 2013). It is the type of
study that is used to demonstrate associations or relationships between things in the world. Therefore, it requires the researcher to conduct the data collection in a way that needs direct and observational interaction between researcher and samples (Verma, 2013).

The reason for applying a descriptive research method is that the researcher is studying IHRM application of some multinational organizations in Laos after the opening of the country to international cooperation and the effect of the entering of international organizations in various forms.

3.3 Research Methodology

Research design is an integral part of any research project because effective design will lead to valid and reliable results. It is claimed that no single perfect way of data collection exists for any particular research project; it depends on the strength and weakness of the methods, the research questions and the purpose of the research (Abowitz & Toole, 2010; Ghauri & Gronhaug, 2005; Rugg & Petre, 2007; Wahyuni, 2012). Therefore, before conducting the research, research methodology must be designed based on the aim and objectives of the research (Abowitz & Toole, 2010).

3.3.1 Mixed Method

This research project is designed to use a mixed data collection method (or mixed method). Mixed method refers to the approach that combines the qualitative and quantitative data collection and data analysis methods in one research inquiry (Borrego, Douglas, & Amelink, 2009; Frels & Onwuegbuzie, 2013; Venkatesh, Brown, & Bala, 2013). To be more specific, the mixed method uses both surveys and interviews to collect data (Borrego et al., 2009; Frels & Onwuegbuzie, 2013; Venkatesh et al., 2013). Cameron (2011) states that the central premise of the mixed method is the use of quantitative and qualitative approaches in combination in order to provide a better understanding of research problem, rather than just using one approach. Frels and Onwuegbuzie (2013) state that, while quantitative research is particularly useful for answering questions of who, where, how many, how much, and what is the relationship between specific variables, the qualitative approach provides the answers of the reason and how something has happened. Therefore, the use of the mixed method approach is a particular way to
address both sets of answers in a single research project (Frels & Onwuegbuzie, 2013). Researchers who use the mixed method approach appreciate the value of both quantitative and qualitative concepts to develop a deep understanding of phenomena (Borrego et al., 2009; Frels & Onwuegbuzie, 2013). The purpose of this method is to obtain wide in-depth and contextualized information (Borrego et al., 2009; Cresswell & Clark, 2011). This means the information obtaining will be confirmatory and exploratory from both approaches (Borrego et al., 2009; Venkatesh et al., 2013). However, this method consumes more time, money and human resources (Borrego et al., 2009; Venkatesh et al., 2013).

3.3.1.1 Quantitative approach

Quantitative research stems from the concept that humans desire to quantify data and this idea has become a research method that can create new awareness (Cresswell & Clark, 2011; Khalid, Hilman, & Kumar, 2012). Quantitative research has a numeric and statistical base (Cresswell & Clark, 2011). In the quantitative data collection or method, researchers tend to use numeric and mathematical models for the methodology of data analysis. Therefore, the quantitative method is popularly used in physical science, especially in Chemistry and Physics (Curwin & Slater, 2008).

Quantitative research needs to have a distinctive research design where the focus of the research is to describe, explain and forecast phenomena, and it uses possible sampling and large sample sizes. The nature of quantitative research is deductive reasoning from the general to the specific (Curwin & Slater, 2008). The advantage of the quantitative method is to help describe, define, and resolve a wide range of problems. It also provides the models that capture our thinking about particular issues (Curwin & Slater, 2008). In business, after data analysis, quantitative methods have provided various validated variables that could be used to support business decision making, whether to do or not do something (Curwin & Slater, 2008).

As the main purpose of this research project is to search the application of international human resource management in the context of human capital, the quantitative method is relevant to investigate the relationship between each element of HR practice based on theory and the actual application. The reason for this is the data analysed will be used as the baseline to compare and test the variables. Therefore, the quantitative method will be applicable when using questionnaires to collect data.
3.3.1.2 Qualitative approach

Another methodology to be used in this research project is the qualitative approach. The qualitative approach is the process of getting the viewpoints of people that underlie certain phenomena in particular areas (Williams, 2007). Additionally, Williams (2007) proposed that “the qualitative method is termed as an unfolding model in a natural setting that enables the researchers to develop a level of detail from high involvement in the actual experience” (p.67). Due to the desire of researchers to obtain in-depth understanding of human behaviour functions, and the reasons for the occurrence of the behaviour, they use qualitative research methods in data collection (Ghauri & Gronhaug, 2005; Khalid et al., 2012; Moriarty, 2011; Tracy, 2013). It is quite suitable to be used in studying organizations, groups, and individuals (Ghauri & Gronhaug, 2005).

The nature of qualitative methods is inductive reasoning so that the purpose is to proceed from the specific to the general (Khalid et al., 2012; Tracy, 2013). There are several different methods for conducting qualitative research but it is recommended by some scholars that we should follow five major methods: case studies, grounded theory, ethnography, content analysis, and phenomenological (Ghauri & Gronhaug, 2005; Khalid et al., 2012; Moriarty, 2011). The advantage of qualitative research is that the size of the sample is small (Ghauri & Gronhaug, 2005; Moriarty, 2011). In addition, the collection of data usually involves close contact between the researcher and the samples. As a result, the data is very detailed, rich in information and extensive (Ghauri & Gronhaug, 2005; Moriarty, 2011; Tracy, 2013). For this research project qualitative methods are also useful for obtaining data from HR managers in the participant organizations. This is because these people have lots of information, as they have direct experience on the issue of their employees regarding the practices of international human resource management. More importantly, they will be able to provide in-depth information on these issues. Therefore, qualitative methods will also be used as part of the data collection for this research project.

3.3.2 Secondary data

Based on the aim and objectives of the research, secondary data will also be collected. Secondary data (SD) collection is the process of the extraction of knowledge on topics rather than
conducting a survey (Smith, 2008). In this manner, researchers can save time in obtaining information since there is plenty of complete information (Crowther & Lancaster, 2009). However, sometimes data may come from data collected for another purpose so researchers have to be more careful before using the data. In management research, secondary data is normally used to identify problems and to set the objectives of the research. Additionally, secondary data also supports the development of the research problem, formulating the appropriate research design and responding to the research questions (Crowther & Lancaster, 2009). Secondary data can be found in the form of quantitative or numeric and qualitative or non-numeric data (Saunders, Lewis, & Thornhill, 2012; Smith, 2008). Non-numeric data includes the data that is retrieved from second hand interviews, ethnographic accounts, documents photographs or conversation (Smith, 2008). Numeric secondary data can be seen in form of population censuses, government surveys, company surveys, administrative surveys and many other forms (Smith, 2008). Basically, secondary data is categorized into two types, namely internal and external. While the internal secondary data is the data that is collected and extracted within the organization, the external secondary data is the existing data that is collected by other organizations (Crowther & Lancaster, 2009).

There are some useful secondary data sources in Laos that can be collected, especially in the field of economic development. This is because there are many international organisations that have conducted surveys, studies and research and publicized the results on websites and printed books. Some examples of organizations are United Nations Development Program (UNDP), The Wold Bank, Mekong River Commission (MRC), National Statistics Centre, International Labour Organization (ILO), Ministry of Education, Ministry of Labour and Social Welfare, and government agencies.

3.3.3 Sample Selection

Many experts maintain that the collection of data from people in the entire society is very difficult and time consuming, so it is better to choose only some of the people to be representatives (Walliman, 2011). The process of selecting representatives from a large group for research is called sampling. Once the results of the data collected from representatives are thought to be the same as the answers from the rest, then we can draw the conclusion that the
data can be applied to the entire group (Walliman, 2011). In this research, the target samples were all in Laos. Firstly, some international business organizations were preliminarily contacted and requested to take part in the data collection. Unfortunately, due to the restricted information provide, most of them rejected the request. Only international non-profit organizations agreed to participate in the research. They are The World Bank, Handicap International Laos (HI), Population Service International (PSI), World Vision International (WVI), and Mine Advisory Group (MAG Laos).

The reason for choosing these organisations is that most of them are international organizations employing Lao employees. These organizations are considered to be medium sized in Laos, with an average number of employees of 100 to 200 people. In addition, at the international level, they all are considered to be multinational with operations around the world. More importantly, most of them have their own HR division. This means that IHRM is regularly practiced.

3.3.3.1 Selection criteria for the interview

In the qualitative data collection, this research seeks to unlock the perspectives of HR managers in the target organizations regarding the actual practice of HR activities in the Lao context. Since the objective of the qualitative data collection is to obtain in-depth and detailed information, the selection of HR managers who have direct experience in HR activities would be appropriate for this research. For the face to face interviews, participants are identified by the researcher as HR managers or directors in the organizations. This is because they are people who are working directly with the job that matches the topic of this research so they will be able to provide sufficient information to the research.

3.3.3.2 Selection criteria of the questionnaire survey

Quantitative data collection has an objective of obtaining numeric statistics where the result is filtered based on the frequency of the responses. Hence, the researcher has selected 20 staff from each organization that employs more than a 100 people to participate in the data collection. Based on the aim of this research, to find the association between the application of IHRM and Lao human capital, the questionnaires were only distributed to Lao staff from each target organization. Participants were randomly recruited to voluntarily answer the questionnaire.
without any identification of any individuals. In this process, the researcher requested cooperation from target organization via the Human Resource Department to assist in the distribution of the questionnaires. In this manner, a HR manager in each organization did not selected staff for the researcher but they were asked to encourage their staff to participate in the research by answering the questionnaires. In addition, in order to be anonymous, HR managers were not able to identify the responses of participants because the answered questionnaires were put in envelopes and sealed and only the researcher opened the envelopes.

3.3.4 Pilot questionnaire

In order to ensure the questionnaire is suitable and applicable to the samples, it is important for the researcher to conduct a pilot questionnaire survey first. It is confirmed that a pilot survey helps to identify the items that lack clarity or that may not be appropriate for, or discriminate between, respondents (Rattray & Jones, 2007). Generally, the questionnaire should be directed at a smaller sample of respondents. When reviewing the questionnaire, it is also important that the researcher should constantly look back to the original research questions (Rattray & Jones, 2007). This research has not directly and formally conducted the testing of the questionnaire because of the distance between the researcher and the sample groups in Lao. However, the questionnaires were distributed to five Lao students who are studying in the same institution as the researcher in order to assess the clarity and ambiguity. The result was that, only one of the pilot survey interviewees was not clear on a few questions. The sample respondents of the pilot questionnaire stated that question number eight that required the respondent to rate the importance of training as being a bit complicated. This question was not changed because the sample respondent can answer the question in the right manner by providing a comment. The other problem was found in question twelve. This question requires sample respondents to rate their commitment to the organization. The question was correctly answered by the respondents but they commented that the term 'commitment' may not be commonly understood by the target respondents. Therefore, the question was changed in the Lao version by adding a phrase that elaborates on commitment for the better understanding of the target respondents.
3.4 Data Collection

The primary data for this project was collected in Laos, that country being the origin of the researcher. The first language is Lao and not many people speak English so the research instruments such as questionnaires and interviews were prepared as a bilingual transcript. It was carefully checked for the same meaning in both languages.

As this research planned to use both quantitative and qualitative methods (mixed method), the collection of data was derived from both questionnaires and interviews. As mentioned above, the mixed method refers to the approach that combines qualitative and quantitative data collection and the data analysis method in one research inquiry (Borrego et al., 2009; Venkatesh et al., 2013). In this manner, open-ended questions were formulated for the interviews with the HR managers or senior officers. Additionally, the questionnaires were designed to ask Lao staff in order to get the information to support objective four of this research.

3.4.1 Quantitative data collection

Questionnaires, also known as surveys, are particularly suitable to be used in quantitative data collection. This is because they are a way of getting quantitative as well as qualitative data and to obtain data without direct conversation with the respondents. Questionnaires, as a method of data collection, are claimed to be a flexible tool that uses structured format which is easy for respondents to deal with. It is also a cheap and quick way to bring together a large number of respondents from large geographical areas (Walliman, 2011). More importantly, questionnaires allow respondents to feel independent when answering since there is no personal influence and the answer would be the truth (Walliman, 2011). However, there are some constraints in using this method, for example, it requires more time and skills in designing and developing the questionnaire and it needs to be short and simple in order to make it easy for respondents to answer (Walliman, 2011).

There are two types of questions that form a questionnaire. The first one is open format questions and the other one is closed format questions. This research has mostly used closed format or closed ended questions. Closed ended questions refers to the set of questions in which respondents have to choose the response choices that are provided (Walliman, 2011). It is quick
to answer and easy to code and does not require any writing skill of the respondents (Walliman, 2011). There are 32 questions in the questionnaire which are categorized based on the requirement to explore 6 main areas: the application of recruitment, training, performance management, performance appraisal, reward management, the human capital of respondents and the general information of respondents.

3.4.1.1 Delivery of Questionnaires

Generally, there are three ways of delivering the questionnaire. These are, for instance, personally, by post and the internet (Walliman, 2011). This research has applied the personal delivery method. Once the researcher arrived in Laos, questionnaires were taken to the target organizations. Then HR managers placed the questionnaires together with the empty envelope attached on reception desk. After that HR manager requested people who were keen and volunteer to participate in the research to take the questionnaires and answer it. Every Friday, during the month of August 2013, the researcher visited participating organizations to collect the completed questionnaires in the sealed envelope in the allocated boxes.

3.4.2 Qualitative data collection

For the qualitative data collection, the researcher applied the “Interview” method as the tool to collect data. Qualitative interviews signify one of the most common ways to collect data in qualitative research because they provide opportunities for the researcher to collect perfect and intensive data (Frels & Onwuegbuzie, 2013). Ghauri and Gronhaug (2005) define interview as face-to-face verbal exchange where interviewer try to get the information, opinions, belief from the interviewee. Interview also bring about accurate and clear picture of respondents as they can talk about their own thinking without restriction as well as the questions used are opened-ended (Ghauri & Gronhaug, 2005; Tracy, 2013). As it is the way that researcher and respondents interact, it is recommended that researcher need to know the respondent background, values and expectation in order to ensure the efficient and without disturbance (Ghauri & Gronhaug, 2005; Tracy, 2013). Normally, interviews can be conducted in different ways and Ghauri and Gronhaug (2005) suggest 3 particular ways such as by mail, by phone and personal. In research, there are two types of interview including structured interviews and unstructured interviews. The structured interview refers to the standard interview that is used to obtain the fixed response
categories, whereas the unstructured interview allows respondents to discuss freely on the particular issue.

Before this research is conducted, the interview questions were created in opened-ended format. Most of the questions were prepared to obtain the actual information from respondents who have depth experience on the research issue. Before, approaching the respondents, researcher has sent the interview questions together with the data collection proposal. This is because it is important to get the respondents to see the questions to be asked for their confidentiality in answering. As most of the respondents are in senior positions of the organization, the interview was planned to take about 45 to 60 minutes long since they have more responsibility each day. Some limitations on the interview are discussed in the Discussions of results in chapter five.

3.5 Data Analysis

The researcher used descriptive data analysis. The main element of this data analysis method is the transformation of data in a way that describes the basic characteristics such as central tendency, distribution, and variability (Bryman & Cramer, 2011; Verma, 2013). Generally, data analysis refers to the process of turning data into information that can respond to concepts, theories, explanation and understanding of phenomena (Crowther & Lancaster, 2009). In the management field, descriptive data analysis is conducted with the main purpose of understanding the organization’s system, to support the assessment, planning allocation of resources and identify areas for further research. Additionally, they also help the organization to identify patterns and relationships that might not have been noticed (Bryman & Cramer, 2011; Verma, 2013).

3.5.1 Quantitative data analysis

After the raw data was collected, the process of data entering commenced straight away. At this stage, the Statistical Package for Social Sciences (SPSS) was used. This software was applied to calculate the mean scores of the questionnaires, and to establish the nature of relationships that exist in the data. The data was then interpreted into information that provides answers for each research question and hypothesis. This is presented in chapter four. Additionally, some information can be shown in form of tables, charts, and graphs.
3.5.1.1 Frequency data analysis

Frequency data analysis is a fundamental extraction of data that aims to represent the statistics of respondents, gender, age group, income, race etc. (Bryman & Cramer, 2011; Meyers, Gamst, & Guarino, 2013; Pallant, 2010; Verma, 2013). Descriptive analysis is applied to compute the different statistics and describe the findings (Bryman & Cramer, 2011; Meyers et al., 2013; Pallant, 2010; Verma, 2013). This research has applied Frequency data analysis to signify the number of respondents in different age group, their gender, education, as well as a lot more information regarding HR functions and the human capital of the respondents.

3.5.1.2 Cross tabulation

Cross tabulation is a statistical technique used to understand the scale of association among summary statistics including the percentage of frequency and expected frequency of each cell (Bryman & Cramer, 2011; Meyers et al., 2013; Pallant, 2010). The results are in a shared frequency table displaying one variable in rows and another variable in columns (Meyers et al., 2013; Pallant, 2010; Verma, 2013). It is used in this research to show the shared statistics of two or more variables such as gender and the highest education achieved, age-group and their capacity, and many others.

3.5.1.3 Independent T Test

The independent-samples t-test compares the means between two unrelated groups on the same continuous, dependent variable (Meyers et al., 2013; Pallant, 2010; Verma, 2013). In this manner, the independent and dependent variables are compared to find the differences between them (Meyers et al., 2013; Pallant, 2010; Verma, 2013). For example, the difference of respondents from different group classified by education level and the frequency of training, and the difference of respondents who have more opportunity to be involved in capacity building and commitment can be analysed.

3.5.2 Qualitative data analysis

There are several analytical methods in qualitative data analysis but the researcher has applied the categorization activity. Categorization is the process of classifying data in qualitative
research. The analysis can be done through the coding of similar information that may come in form of a chunk, or unit of data such as naming, given labels, and instance of a phenomenon found in the data (Ghauri & Gronhaug, 2005; Tracy, 2013; Walliman, 2011). It is stated that the categorization may contain only a few words or be pages long. However, not all transcribed interviews contain relevant information that needs to be coded so there should be some information which remains uncategorized (Ghauri & Gronhaug, 2005).

3.6 Ethical considerations

Before this research was conducted, the researcher applied for ethics approval from the Unitec Ethics Research Committee (UREC). The first reason for applying for the ethics approval is that it is requirement of Unitec, which needs to ensure that the research is conducted by following a formal ethical procedure. The second reason for the approval of the UREC is that it is essential for the research while dealing with the research participants in Laos. This is because, before conducting any research study in Laos, the participated organizations would expect to see the approval letter and information for participants before allowing the researcher to conduct interviews and surveys. Otherwise, information givers will feel uncomfortable and may not be able to provide sufficient information.

The procedure was that the researcher sent the request letters to the expected target organizations to introduce the research objectives and process and ask for their participation on the research. The organizations that accepted were asked to sign the Letter of Consent and it is sent back to researcher. Then the consent letters of the five organizations were sent as attached documents with the Ethics Application. It is essential for any researcher to ask for consent from the participant (Donley, 2012). Importantly, not only is getting the consent from participant essential but they must also be informed about the study.

During the data collection, the researcher strictly followed the ethics procedure. The survey was conducted anonymously. No participants were identified and the organization’s authorities were not able to see the answered questionnaires because the researcher has attached an empty envelope to each questionnaire for the participants to put the questionnaire in and seal it before putting it in the sealed box; only the researcher could open the box to collect the envelopes. By doing this, the survey respondents could anonymously answer the questionnaire (Donley, 2012).
Before starting each interview, the researcher asked the participants to read and sign the Participant Consent Form. Additionally, sound recording was also used when asking permission from the interviewees. The overall process of data collection was administered in August to September 2013.

3.7 Summary

This chapter identified the methods and methodology of the research project. It is clear that before conducting any research, the design of the data collection methods is appropriate to what the researcher wishes to achieve. While quantitative research focuses on a large sample size which produces various validated variables, qualitative research focuses on a smaller sample size and is used to obtain in-depth information from highly experienced respondents. In this research, the researcher used quantitative data collection in the form of survey questionnaires and qualitative data collection in the form of interviews. The data was entered and the transcripts are shown and discussed in the next chapter.
Chapter 4

Findings

4.1 Introduction

This chapter is divided into two sections. The first section is focusing on the interviews which respond to research objective one, two and three. In this part, all transcripts of the interviews of HR managers of the five target organizations are presented. As it was mentioned in chapter three, this part will provide in-depth information on the application of HR activities and the views of the Lao staff interviewees on their human capital. To be more precise, the actual practice of HR functions, staffing policies, factors affecting the practice of HR activities and the opinions of HR managers on Lao human capital are presented in this section.

The second section focuses on the results of the survey from the questionnaires that were voluntarily filled by the staff members of the target organizations. The results presented in this section are distilled from SPSS Programme in which 90 copies of the questionnaires were entered. The survey provided answers to the research questions of objective four in this research project. The questionnaires also include the need to explore the actual practice of HR management from the perspectives of the staff of the target organizations. These aspects are discussed in the following sections.

4.2 Interview data

There are five questions in each interview. The first question focuses on the practice of HR activities and the sub-questions include the practice of recruitment and selection, training, performance management, performance appraisal, and reward management. The second question focuses on the staffing approach that the target organizations are using. Before asking this question, researcher had explained each staffing approach and then the interviewee selected the most suitable one with some explanation. The third question is about factors affecting the practice of HR activities. Due to the limited understanding of the respondents., the researcher raised only two issues, education and culture differences, which could affect the application of IHRM in the target organization. Therefore, most organizations were asked similar questions.
The fourth question particularly focuses on the Lao staff human capital. The final question is about the opinions of the HR managers of each target organization on the Lao staff. All of the participant organizations represent non-profit organizations in Laos.

The following data is transcribed from the interview:

4.2.1 Respondent 1: Handicap International Laos

Main question 1: What is the current practice of human resource management in your organization?

Sub-question 1: What has your organization done in recruitment?

Response from the respondent

We have followed a normal process of recruitment because there are no identified standards. Before we do our advertisement, we formulate the job description then send it to Newspapers, Magazines, and the INGO website. If position is for the provincial level, we will do our job advertising via local radio. This is because people from the provincial level have limited access to the newspaper and other online channels.

We also give the opportunity for the current staff and we will evaluate the applicants first if they are suitable to apply to upgrade themselves. However, they must have passed through all the processes of recruitment. As we are dealing with disabled people, we normally encourage them to apply for the job but they do not have any special privilege and they have to pass any requirement.

In the induction process, we mostly start the job orientation in the division that the new staff are working with. Then they will come to HR division to learn about the organization’s policies and culture. Next, they will visit every division in the organization and during the visit, they will be told about each division’s responsibilities and operational system.

Sub-question 2: What has your organization done in training?

Response from respondent
There are two types of training. The first one is technical training, for example the training for more understanding on the project such as the rights of the disabled and social work. The second one is the training that is normally organized after the performance evaluation. Some projects have sent their staff to attend short term overseas training, especially at head office. Apart from our own organization’s training, we also send our staff to participate in the training that is organized by other organizations that work in the same field.

**Sub-question 3:** What has your organization done in performance management?

**Response from respondent**

We do not have a specific performance monitoring system but we have done it through the report system. Each staff member has to send their written report to their project manager. The report is submitted monthly, quarterly, six-month and yearly. The project managers will use the report as the database to monitor the performance of the staff.

We have not shared the organization’s strategic plan for a while but it will be done early this month via the staff retreat meeting. In the meeting, the director of the organization will disseminate the strategic plan. Additionally, every staff member has a chance to participate in the organization’s planning process. This means everyone will help their division in planning the project activities before sending it to the Planning Operation Unit.

**Sub-question 4:** What has your organization done in performance appraisal?

**Response from respondent**

We have an evaluation form which consists of the activities as stated in the job descriptions. Then every staff member will rate it from 1-5. 1 refers to very weak and five refers to very strong. The forms will be sent to the project manager to recheck. In this stage, project managers will rate their staff again. Then there will be an individual interview in which project managers will inform staff about the suitable rates. Every staff member will be asked to provide comments for the improvement of the organization’s work as well as a request for capacity building.

**Sub-question 5:** What has your organization done in reward management?

**Response from respondent**
Actually, we do not have a reward system. However, we encourage our staff by different ratios of the increase in salary. We divide the increment of the remuneration into three levels. The highest one will be 8% per year and the next level is 5% per year while the other level is 3% per year. This means if a staff member has a high performance, he/she will have 8% increases. There is no non-financial reward in our organization.

**Main question 2:** There are some staffing approaches that are adaptively applied by the international organizations such as Ethnocentric, Geocentric, Regiocentric and Polycentric. Among these four approaches, which one best describes your staffing approach?

**Response from respondent**

The staffing approach that we are applying now is probably a mixture of Geocentric and Regiocentric. We have some permanent staff from head office, some Lao staff and some staff that we recruited from this region.

**Main question 3:** Has your organization experienced any problems in HR activities? What are they? And how are they influenced?

**Response from respondent**

Sometimes, we have faced a problem of the labour pool as we cannot get the people who have direct speciality on the field we need. Sometimes we have got people who we think have suitable capability but they demand very high salary. However, from the last five years, I have seen more highly qualified people, especially applicants who have a degree from overseas.

We never have problems that are created by a difference of culture, mostly problems caused by interpersonal disputes because of people’s attributes. To avoid problems that may occur from culture difference, we have an activity called “Welcome Express” that explains the culture of the organization and of the Lao people to the new comers.

**Main question 4:** From your direct experience dealing with Lao employees, how would you describe your employees?

**Response from respondent**
Most of senior programme officers have good knowledge and are well-educated because they have attained their education abroad. They are quite innovative as we can see from some project activities that are innovated by Lao staff who found that the organization needs to have new projects to accomplish the current project. Then they can create the new projects.

I think Lao staff have very good knowledge but they do not have wide vision as we can see from the preparation of project proposals. Lao staff cannot efficiently write the proposal so our organization still has to use foreign staff to carry on this work. Due to this problem, we have a plan to build the capacity of Lao staff so that they have more capability to work on this and the number of foreign staff will be deceased.

I cannot say that all Lao staff are excellent. I can say that some Lao employees in senior positions are very well educated but the other positions are not good enough. In contrast, lower level positions may have a lower standard of knowledge and capacity.

**Main question 5:** Overall, do you think your employer feels satisfied with Lao employees? What about your opinion? Are Lao employees qualified?

**Response from respondent**

Our head office is very satisfied with our performance, as we can see through the continued support from the head office for many projects running in Laos. Even though there are some staff who do not have outstanding performance, overall I feel satisfied with them and they are qualified.

**4.2.2 Respondent 2: Mine Advisory Group (MAG Laos)**

**Main question 1:** What is the current practice of human resource management in your organization?

**Sub-question 1:** What has your organization done in recruitment?

**Response from respondent**

Mostly we advertise the vacancy announcement through newspapers such as Vientiane Times, Vientiane Mai and online media such as on 108jobs.la and Jobstoday.com. We have some job
description templates which are developed by HR together with the department recruiting new staff. The process of getting people is normal practice based on the recruitment procedure.

We have open opportunity for both internal and external sources. Some positions may be advertised for external source only when we have found that people in the organization may not suit the position. However, every individual has to pass all the processes of recruitment.

Every new staff member will be inducted by introducing the working procedure of each department, the organization chart and the relationship of his/her position to the other departments.

**Sub-question 2: What has your organization done in training?**

**Response from respondent**

We do not provide any training for our staff. This is because the result of performance evaluation does not indicate any need for training so no training has been organized. However, staff who actually work in the field\(^1\) will have to be trained before starting their job. Some of our field staff are also sent to attend training outside of the organization with partner projects and other organization that work in the same field. We also send our staff to attend technical training overseas.

**Sub-question 3: What has your organization done in performance management?**

**Response from respondent**

Line managers play an important role in monitoring the performance of their own staff. Every staff member has to write a report and submit it to their line managers.

Not all staff are informed about the strategic plan of the organization; only managerial positions get this information.

**Sub-question 4: What has your organization done in performance appraisal?**

**Response from respondent**

\(^1\) Mine Advisory Group (MAG), as well as the other 4 organizations in this research, has two groups of employees. The first group work in the office and the other group work in the field around the country.
Every staff member will be evaluated by line managers and the report will be sent to HR department. The evaluation is normally being paper based together with an interview. At this stage staff are always given the opportunity to explain why they cannot perform as planned and what needs to be done to resolve the weak points is discussed. Then the HR department will discuss with the line managers whether they need any assistance.

**Sub-question 5:** What has your organization done in rewarding management?

**Response from respondent**

We do not have any reward for staff but we have other forms of motivation such as a monthly attendance bonus for people who are never absent. The other motivation is the positional fees that are paid for senior staff. We also have non-financial rewards, man of the year and woman of the year, for staff who are voted for by co-workers.

**Main question 2:** There are some staffing approaches that are adaptively applied by the international organizations such as Ethnocentric, Geocentric, Regiocentric and Polycentric. Among these four approaches, which one best describes your staffing approach?

**Response from respondent**

We are applying the Geocentric staffing approach. Some of our foreign staff were sent from head office to work with Lao staff.

**Main question 3:** Has your organization experienced any problem in HR activities? What are they? And how are they influenced?

**Response from respondent**

We have experienced unqualified applicants for certain positions due to our budget. Sometimes we have got applicants who have appropriate qualifications but they ask for very a high salary that we could not afford due to our limited budget. Therefore, we have to start the recruitment process again.

We don’t have any problem on culture differences.
Main question 4: From your direct experience dealing with Lao employees, how would you describe your employees?

Response from respondent

I feel the knowledge of staff in this organization is good and enough to support the organization’s mission but I do not think they are qualified at the international level. After the actual practice of the work, some of our staff are able to innovate with other project activities that could support the current project activities. This shows that our staff have innovation.

Main question 5: Overall, do you think your employer feels satisfied with Lao employees? What about your opinion? Are Lao employees qualified?

Response from respondent

I think I feel satisfied with all the staff in this organization because many of the jobs are done on time. However, if this organization wants to retain more superior staff, it needs to create better conditions for the staff. For example, more benefits for staff, and better insurance policies.

Mostly they are qualified for our organization.

4.2.3 Respondent 3: Population Service International (Laos)

Main question 1: What is the current practice of human resource management in your organization?

Sub-question 1: What has your organization done in recruitment?

Response from respondent

We recruit new staff when we need people for new positions and to replace the vacant positions. What we have done is we coordinate with the unit that needs new staff and send the proposal to the country director to check if there is a budget available. Once the request is approved, we start the advertising on newspapers and the INGO network website. Additionally, we also have internal recruitment which means the current staff can also apply for the advertised job. However, they must go through the recruitment processes such as exam and interview.
For the formulation of the job description, we have our own templates and the line manager of each unit will prepare their own description. What we do is just assist them to moderate it until we get the right one.

We do not have an official manual for new staff induction and now I am preparing to draft it. What we have done is the line manager will be responsible for its new staff and take them to see each unit. During this period, they will get to know the tasks of each unit. Meanwhile the understanding of the new staff members’ duties and responsibilities will also be the task of the line manager.

Sub-question 2: What has your organization done on training?

Response from respondent

I have just worked with this organization for a few months and during this period there has been no trainings organized by the HR unit. I have seen in the report that there are some training programs organized by the Operation Unit. The policy of the organization states that there are some capacity building activities but they based on the availability of the budget. Therefore, I am preparing a capacity building programme guideline. We also have sent our staff to participate in the training organized by other organizations such as English classes. International training is mostly in the form of short term training that is organized by our International offices. The training placement is made based on the request of each staff member via their line manager.

Sub-question 3: What has your organization done in performance management?

Response from respondent

Each staff member submits the monthly report to the line manager. The report is the compilation of all activities needing to be done in each month. Then the staff member just ticks on the done-boxes if the activities are done and give the reasons why if the activities are not done. At the end of the year, there will be another evaluation of the performance for the whole year.

I am not sure if my organization has shared its strategic plan with its staff members. From my observation, many of the staff do not even know what the vision, mission, and core values of the
organization are. I have proposed this issue to the Senior Management Team (SMT) meeting and I hope it will be shared soon.

The annual plan is mostly formulated by senior managers. I have not seen any participation in planning by the operational staff. I think if all staff in this organization have some participation in planning it will be so good because they will understand their goal.

**Sub-question 4:** What has your organization done in performance appraisal?

**Response from respondent**

The performance appraisal has been done case by case. This means whenever the staff has work for one year, they will be evaluated by the end of that time. However, I am planning to manage the evaluation of all staff in the same period of time at the end of the year. We have our own evaluation form which requires every staff member to rate themselves. Additionally, line managers also rate their subordinates before they have a meeting. In the meeting, the line manager will give the result of the evaluation and ask the staff member if they agree with the result and if they have any explanation. Finally, the result after the meeting will be the final score for the staff member. A good score will bring about a high increase in salary.

**Sub-question 5:** What has your organization done in reward management?

**Response from respondent**

Apart of increasing the salary, we motivate our staff by paying a 13th month salary as a reward. We have a policy to promote employees of the month but it has not been put into practice yet.

**Main question 2:** There are some staffing approaches that are adaptively applied by the international organizations such as Ethnocentric, Geocentric, Regiocentric and Polycentric. Among these four approaches, which one best describes your staffing approach?

**Response from respondent**

We are applying the Regiocentric staffing approach. Some top directorial positions are sent from head office and some are expatriates from some countries in the region. We can recruit locally but the decision is made by the head office. Even though we have many excellent Lao staff, our
organization still needs to have some foreign staff for higher ranking positions. This is because they have a higher level of knowledge and tactics. I think this may be caused by the perspective of Lao staff that rarely accepts people from the same nationality to be the boss.

**Main question 3:** Has your organization experienced any problem in HR activities? What are they? And how are they influenced?

**Response from respondent**

We used to face the problem of a limited labour pool especially in health care. I could say that there is a shortage of labour in this sector. Due to this problem, we have to delay our work or sometimes we have to employ substandard skilled staff.

**Main question 4:** From your direct experience dealing with Lao employees, how would you describe your employees?

**Response from respondent**

From my observation Lao staff in this organization have quite good knowledge and skills but they need to take more initiative. I mean they can do the work but they need others to guide and direct them before they can start.

**Main question 5:** Overall, do you think your employer feels satisfied with Lao employees? What about your opinion? Are Lao employees qualified?

**Response from respondent**

I have found that Lao staff are qualified. We can finish the project on time and spend the budget on a regular basis. Most of our Senior Management Team (SMT) members are Lao people. Before the director makes any decision, he always asks for suggestions from the SMT. This is why I think the director has trust in the team.

However, Lao staff in general still need to improve more because after a long time working they may need to be refreshed and given new ideas in their head.
4.2.4 Respondent 4: The World Bank

Main question 1: What is the current practice of human resource management in your organization?

Sub-question 1: What has your organization done in recruitment?

Response from respondent

We have practiced the normal process of recruitment such as job advertising via the Newspapers and the organization’s website, interviewing and job offering. We also announce the job to the current staff within the organization who expect to upgrade themselves. After the staff are appointed, we will organize a two-day training session for their orientation. After that they will undergo thorough on the job training.

Sub-question 2: What has your organization done in training?

Response from respondent

We have an online training course in which the trainers virtually present their lessons from other countries and trainees in Lao can attend online at the same time that the training is conducted. The other form of virtual training is video conferencing training. That means the training is organized via the video conferencing system. Apart of that we also send some of our staff to train outside the organization to improve their English skills, and a few people are sent to be trained overseas. We also provide online training for our staff. What we do is to have a virtual classroom in which a trainer may be in another country and the trainees attend the class electronically.

Sub-question 3: What has your organization done in performance management?

Response from respondent

The performance monitoring is managed monthly. All staff who are present are required to join the monthly meeting that is deliberately hosted by different sectors. In this process, staff are allowed to report their work’s progress as well as any problem. After that the meeting report will be circulated to every staff member via the office network. Apart from the monthly meeting, we have a staff retreat where all work progress is reported by the staff.
**Sub-question 4:** What has your organization done in performance appraisal?

**Response from respondent**

The performance appraisal is done once a year before the yearly budget closing. In this process, all staff members are requested to answer the evaluated questions, and they will be commented on by the 15 co-workers that they choose. All staff have to complete evaluation forms which leverage the performance. Then the evaluation interview between staff and the department director is conducted in order to moderate the actual rate of performance. The result of the performance will be the factor influencing the increase of salary.

**Sub-question 5:** What has your organization done in reward management?

**Response from respondent**

We don’t have a reward system except the normal annual increment of remuneration based on the result of performance appraisal.

**Main question 2:** There are some staffing approaches that are adaptively applied by the international organizations such as Ethnocentric, Geocentric, Regiocentric and Polycentric. Among these four approaches, which one best describes your staffing approach?

**Response from respondent**

In our staffing approach, we normally practice the Geocentric. This means there is a mix of foreign staff from head office and Lao staff.

**Main question 3:** Has your organization experienced any problems in HR activities? What are they? And how are they influenced?

**Response from respondent**

We used to have problems on the labour market, for example, for some positions we need Lao staff but we could not get them because some applicants are not qualified. In addition, there are no Lao workers in some specific fields such as the Healthcare sector.
Main question 4: From your direct experience dealing with Lao employees, how would you describe your employees?

Response from respondent

We have employees that have appropriate knowledge to deal with their responsibility. This makes our work easier because we do not have to spend more money on building the capacity for them. Generally, Lao workers are well developed in terms of capability and innovativeness, especially the new Lao generation. The reason for this is because the country is more open and Lao people have more chance to study overseas and work in International organizations. However, Lao workers still need to be continuously developed.

Main question 5: Overall, do you think your employer feels satisfied with Lao employees? What about your opinion? Are Lao employees qualified?

Response from respondent

Our organization is satisfied in the performance of Lao workers as we can see it via the continuous movement of various projects in Laos. Personally, I as a human resource practitioner think that Lao workers are qualified, and we have some outstanding staff in our organization.

4.2.5 Respondent 5: World Vision Laos

Main question 1: What is the current practice of human resource management in your organization?

Sub-question 1: What has your organization done in recruitment?

Response from respondent

Recruitment is an on-going process. It does not mean we are growing but sometimes we have to get the new staff to replace the ones who have left. Sometimes we need new staff for a new project. What we have done is just the normal process of recruitment by advertising, interviewing and checking the background. Before each recruitment process is started, the unit that needs the staff will send a Personal Requisition Form (PRF) to HR which indicates the
position, salary, budget, advertising channels and so on. The form has to be approved by the line manager, Unit Director, HR director and General Director.

Mostly, the advertising will be put on the English and Lao newspapers, the organization’s website, the INGO network website, 108 Jobs (which includes website, Magazine, SMS and a radio). We have found that the most effective one is 108 Jobs.

We have approximately sixty job descriptions in our office. In case we do not have the one we have to use, we can find one from other offices from a hundred countries worldwide. We can also find one in the organization’s database. Once we have got the generic job description, we give it to the unit that has to use it and they will adapt it. We do not prepare a job description but we facilitate them to do so.

We also have an internal advertisement for any job opening by sending the vacancy announcement to the staff members’ email which is called a ‘Lotus Note’. In this manner, all staff can apply for the job. Sometimes we do only internal recruitment if we have found that the position may not get a lot attention from the applicants. However, sometimes we do only external recruitment if we need new blood.

For orientation, we have been doing orientations every 6 months of the year. The first time is held on January and the second time is held in June. The number of people depends on how many we have in that period of time. We bring them to a central location. We also organize induction for new staff. In the induction, new people will be advised of the policies of every department as well as the policy of the unit they are working in. Currently, I have a consultant working to put together a new package for orientation. He has done a booklet and there will be orientation modules. Traditionally, people have done a lot of paper work and PowerPoint. We are changing that. We will make it more modern, interactive so people do not get bored with five days sitting and listening to people. In short, we do orientation, we are modernizing it and there will be handbooks for them shortly.

**Sub-question 2:** What has your organization done in training?

**Response from respondent**
We have a Learning and Development manager. We have sent approximately 5 people a year to the master courses at the University of Philippines for five years. However, numbers of these people have left the organization after they got their qualification. In training, we try to look for staff from different lines that we have and people who work in the field. Everyone is informed. Sometime people in the field are most important.

The lowest levels are people from the community that are called community development workers. We have a large programme for the whole year called a-year-long programme that uses local NGOs to assist in the training.

The next level is called Transformation Development Facilitator. We have a training programme that will be used for them, and a consultant who will prepare and run the training.

After the end of the training, some of our staff will be selected for the training of trainers (TOT). These people will keep on training the other staff to make sure the work is on-going.

We also have training for management level. Training is going on throughout the year. Many managers have the chances to be involved in training. The training can be started when an individual calls and ask for it. We budget 5% of the total budget for capacity building. Apart from the requests of staff we also look for training opportunities for our staff by sending them off to the training if we find it will be appropriate for their work.

The selection criteria of the training are based on the staff development policy. The request for training will be considered based upon the revision of the staff development policy.

Apart from the training arrangements of the HR department, departmental training is also going on. The other departments may send their staff to attend training outside the organization and we just keep an eye on them.

**Sub-question 3:** What has your organization done in performance management?

**Response from respondent**

There are three stages of performance management. The first stage is setting objective learning. At this stage, staff will have to set their objectives and how the objectives are to be achieved. The second stage is mid-term review. At this stage, the set objectives will be revised in terms of how
far they can be achieved and what else they need to achieve the remaining objectives. The final stage is performance appraisal. All objectives will be evaluated. All stages are prepared by individual staff under the supervision of line managers.

**Sub-question 4: What has your organization done in performance appraisal?**

**Response from respondent**

Performance appraisal is done after the set objectives have been implemented for a year. All staff have to fill out the form stating what they have done so far and how much they think they can achieve by ticking the numbers 1-5. Then the discussions with the line manager is managed in order to revise everything. In this process, the line manager will moderate the final score for the staff and send it to the HR department to store the data in the remuneration and capacity building need database of the organization.

The results of this performance appraisal can bring about two things. The first one is a request for further development during the conversation between staff and line managers. The other one is from the result of the evaluation. When an individual’s appraisal result is poor it means they need an improvement. Then the line managers will have to look for capacity building opportunities for them.

**Sub-question 5: What has your organization done in reward management?**

**Response from respondent**

We do not provide any reward for our staff. Motivation is managed through the pay increase based on the performance result of individuals. This year we set the maximum increase of salary at 7% but only some of the staff can get 7%. Some may get lower and the others may get nothing.

**Main question 2: There are some staffing approaches that are adaptively applied by the international organizations such as Ethnocentric, Geocentric, Regiocentric and Polycentric. Among these four approaches, which one best describes your staffing approach?**

**Response from respondent**
We belong to the East Asia Regional Office. There are two staff members who have been sent to work in Laos together with other foreign staff that are recruited by our office in Laos. The others are Lao staff.

**Main question 3:** Has your organization experienced any problems in HR activities? What are they? And how are they influenced?

**Response from respondent**

Many people have qualifications but some of them are not high enough. However, we have got some smart people who have learnt and progressed a lot. With certain jobs we don’t get many applicants, the health and auditing sector for instance. This maybe because we do not pay well compared to the business sectors like banking or mining. However, we try to make it higher compared to other non-government organizations. Sometimes we get people with good technical skills but they do not have good English.

For culture differences, I do not see any problem caused by the different of culture. Even though we are Christian organizations, there are only 6% who are Christian staff. Then the other staff are from different tribes of Laos that have different religions but that never causes any cultural or religious issues for us.

**Main question 4:** From your direct experience dealing with Lao employees, how would you describe your employees?

**Response from respondent**

Lao people are hungry for education and improvement but due to the education system they cannot go very high. Laos is still a little bit closed and not so open for outside ideas. Laos has started to do this but it will take a few years before achieving it. Within our organization, we have spent a lot of the budget on promoting of people’s skills including sending them overseas as well as bringing trainers from overseas to train Lao staff. However, we have found that not many of them have applied what they have learnt to their work. They are scared of trying and starting new ways and do not like to take risks.
Main question 5: Overall, do you think your employer feels satisfied with Lao employees? What about your opinion? Are Lao employees qualified?

Response from respondent

Yes, I am absolutely satisfied with Lao staff. We look for attitude rather than high education. Some people may come in with very high education but they do not have good work performance compared to people who started from being a volunteer until they can develop themselves to be able to fill high level positions in our organization. As you know we are a non-profit organization and we do not pay very highly but we can get many people who work effectively for us.

4.2.6 Summary of similarities and differences after categorization

Table 1 Similarities of the data of five organizations

<table>
<thead>
<tr>
<th>Recruitment</th>
<th>HI Laos</th>
<th>MAG</th>
<th>PSI Laos</th>
<th>World Bank</th>
<th>World Vision</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The department that needs new employees develops their own job description. We just facilitate the process of formulation. • We use normal recruitment processes. We communicate vacancy announcements via existing local printed media and electronically • We open job opportunities for internal and external applicants.</td>
<td>• The department that needs new employees develops their own job description. We just facilitate the process of formulation. • We use normal recruitment processes. We communicate vacancy announcements via existing local printed media and electronically • We open job opportunities for internal and external applicants.</td>
<td>• The department that needs new employees develops their own job description. We just facilitate the process of formulation. • We use normal recruitment processes. We communicate vacancy announcements via existing local printed media and electronically • We open job opportunities for internal and external applicants.</td>
<td>• We use normal recruitment processes. We communicate vacancy announcements via existing local printed media and electronically • We open job opportunities for internal and external applicants.</td>
<td>• We use normal recruitment processes. We communicate vacancy announcements via existing local printed media and electronically • We open job opportunities for internal and external applicants.</td>
<td></td>
</tr>
<tr>
<td>Aspect</td>
<td>Induction is managed mainly by the accepting department and HR department.</td>
<td>Induction is managed mainly by the accepting department and HR department.</td>
<td>Induction is managed mainly by the accepting department and HR department.</td>
<td>applicants.</td>
<td></td>
</tr>
<tr>
<td>------------------------------</td>
<td>-------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
<td>--------------</td>
<td></td>
</tr>
<tr>
<td><strong>Training</strong></td>
<td>We provide training for staff for capacity building and improvement. The training is organized based on the available budgets.</td>
<td>We used to send staff to attend training organized by other organizations</td>
<td>We also have sent staff to overseas training.</td>
<td>We provide training for staff for capacity building and improvement.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>We used to send staff to attend training organized by other organizations</td>
<td>We also have sent staff to overseas training.</td>
<td>We used to send staff to attend training organized by other organizations</td>
<td>We also have sent staff to overseas training.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>We also have sent staff to overseas training.</td>
<td></td>
<td>We used to send staff to attend training organized by other organizations</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **Performance Management**   | Performance review is conducted through the report system and reviewed by line managers. | Performance review is conducted through the report system and reviewed by line managers. | Performance review is conducted through the report system and reviewed by line managers. | Performance review is conducted through the report system and reviewed by line managers. |
|                             | No strategic plan dissemination                                       | No strategic plan dissemination                                       | No strategic plan dissemination                                       | No strategic plan dissemination |

<p>| <strong>Performance Appraisal</strong>    | We use a Self-evaluation form written by each staff member and submit it to the line manager. | We use a Self-evaluation form written by each staff member and submit it to the line manager. | We use a Self-evaluation form written by each staff member and submit it to the line manager. | We use a Self-evaluation form written by each staff member and submit it to the line manager. |
|                             | The forms are rechecked and moderated by line.                        | The forms are rechecked and moderated by line.                        | The forms are rechecked and moderated by line.                        | The forms are rechecked and moderated by line. |</p>
<table>
<thead>
<tr>
<th>managers</th>
<th>managers</th>
<th>managers</th>
<th>managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Face-to-face interview is organized to agree on the suitable performance of the employee.</td>
<td>● Face-to-face interview is organized to agree on the suitable performance of the employee.</td>
<td>● Face-to-face interview is organized to agree on the suitable performance of the employee.</td>
<td>● Face-to-face interview is organized to agree on the suitable performance of the employee.</td>
</tr>
<tr>
<td>● The result of the performance appraisal will be the supporting information for the salary increment.</td>
<td>● The result of the performance appraisal will be the supporting information for the salary increment.</td>
<td>● The result of the performance appraisal will be the supporting information for the salary increment.</td>
<td>● The result of the performance appraisal will be the supporting information for the salary increment.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reward Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>● We do not have a reward system</td>
</tr>
<tr>
<td>● We motivate staff by increasing remuneration based on the actual performance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Staffing Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moving from Geocentric to Regiocentric staffing approach</td>
</tr>
<tr>
<td>Geocentric approach</td>
</tr>
<tr>
<td>We use a mixed approach of Geocentricism and Regiocentism</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factors affected by HR practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>● We have some problems in recruitment. It is quite difficult to recruit some positions which require highly-educated people. Sometimes we get qualified applicants but we do not have enough budgets to employ them.</td>
</tr>
<tr>
<td>Geocentric approach</td>
</tr>
<tr>
<td>We have some problems in recruitment. It is quite difficult to recruit some positions which require highly-educated people. Sometimes we get qualified applicants but we do not have enough budgets to employ them.</td>
</tr>
</tbody>
</table>

| We have some problems in recruitment. It is quite difficult to recruit some positions which require highly-educated people. Sometimes we get qualified applicants but we do not have enough budgets to employ them. |

| We have some problems in recruitment. It is quite difficult to recruit some positions which require highly-educated people. Sometimes we get qualified applicants but we do not have enough budgets to employ them. | We have some problems in recruitment. It is quite difficult to recruit some positions which require highly-educated people. Sometimes we get qualified applicants but we do not have enough budgets to employ them. |

| We use Regiocentric approach |

| We do not have a reward system |
| We motivate staff by increasing remuneration based on the actual performance |
• We do not have a problem with cultural differences.

Lao staff’s human capital
• Lao staff are knowledgeable. They have suitable capacity to handle the organization work.

Satisfaction of employers on Lao employees
• Generally, the organization is satisfied with Lao staff.
  • Personally, they are qualified to do the job.

Table 2: Difference of data obtained from five organizations

<table>
<thead>
<tr>
<th>Recruitment</th>
<th>HI Laos</th>
<th>MAG Laos</th>
<th>PSI Laos</th>
<th>World Bank</th>
<th>World Vision</th>
</tr>
</thead>
<tbody>
<tr>
<td>We organize</td>
<td>We do not have a problem with cultural differences.</td>
<td></td>
<td></td>
<td>provide two-day training for new staff before going to the normal induction process</td>
<td>We have sent some of our staff to study for a Master Degree in a foreign country</td>
</tr>
<tr>
<td>two-day training</td>
<td>We do not organize on-the-site training</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2: Difference of data obtained from five organizations
<table>
<thead>
<tr>
<th>Performance Management</th>
<th>The performance monitoring is managed monthly. All staff have to submit their progress report in writing every month.</th>
<th>Performance management is systematically managed through three processes. The first one is setting the objectives. The second one is mid-term review and the third stage is performance appraisal.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Appraisal</td>
<td>Staff members are allowed to provide comment and recommendations for the improvement of the organization.</td>
<td>All staff will be evaluated after they have worked for one year. This means we do not organize performance appraisals together at the end of the year but we organize them whenever it is the one year anniversary of each staff member. However, I plan to change this and do it together at one time.</td>
</tr>
<tr>
<td>Reward management</td>
<td>We provide some financial and nonfinancial rewards for staff. For example,</td>
<td></td>
</tr>
</tbody>
</table>

| Capacity building programmes | | | |


<table>
<thead>
<tr>
<th>Factor affected on HR practice</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lao staff's human capital</td>
<td>Mostly, we have found that people in senior position have more capacity</td>
<td>Lao staff need to have more initiative</td>
<td>Lao staff have to be more open to outside ideas. We have spent lots of our budget on capacity building. However, we have found that not all of them apply the new knowledge to the job. This maybe because they dare not take a risk.</td>
</tr>
<tr>
<td></td>
<td>Even though Lao staff are well-educated, they need to be more open to the wide-world. They should be looking at problem in a wider scope and dare to initiate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction on Lao employees</td>
<td>Lao staff still need more improvement</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Note: some cells are left blank for similarities)

### 4.3 Survey data

The researcher distributed 20 copies of the questionnaire to each organization. That means that overall there were 100 copies that were distributed. However, only 90 copies were answered and handed back to the researcher. The survey was conducted in August of 2013 in five international organizations in Laos. The objective of the survey was to find out some facts on the application of the IHRM from the perspective of Lao staff as well as the current stage of their human capital. The filtering of the data is made in order to find the facts data obtained from all the respondents.
4.3.1 Demographic data

This section provides the demographic and general data of the respondents

Respondents’ gender

Question thirty seeks to obtain information about the respondents’ gender. The table below shows that 44 people or 48.9% of respondents are male and 46 people or 51.1% are female.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>44</td>
<td>48.9</td>
<td>48.9</td>
<td>48.9</td>
</tr>
<tr>
<td>Female</td>
<td>46</td>
<td>51.1</td>
<td>51.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Respondents’ age group

Question thirty-one requires respondents to categorize their age group. We can see that 71.1% of respondents are in the age-group of 20-35 years old, 23.3% are in the age-group of 36-50 years old and only 5.6% are in the age-group of 50-65 years old.

<table>
<thead>
<tr>
<th>Age groups</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-35 years</td>
<td>64</td>
<td>71.1</td>
<td>71.1</td>
<td>71.1</td>
</tr>
<tr>
<td>36-50 years</td>
<td>21</td>
<td>23.3</td>
<td>23.3</td>
<td>94.4</td>
</tr>
<tr>
<td>50-65 years</td>
<td>5</td>
<td>5.6</td>
<td>5.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Type of organization

Question thirty-two seeks to obtain the information about the type of organization that the respondents are working in. From the table below, 68.9% of respondents are working in non-
government organization (NGO) and 31.1% are people who work in international organizations (IO).

Table 5: Type of organization

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Government Organization (NGO)</td>
<td>62</td>
<td>68.9</td>
<td>68.9</td>
<td>68.9</td>
</tr>
<tr>
<td>International Organization</td>
<td>28</td>
<td>31.1</td>
<td>31.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Respondent’s responsibilities

Question twenty-six seeks to obtain information about the respondent’s responsibilities. The table below shows that 37 people or 41.1% are administrative officers, 31 people or 34.4% are technical officers and 22 people or 24.4% are general operational officers.

Table 6: Respondents’ responsibilities

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative officer</td>
<td>37</td>
<td>41.1</td>
<td>41.1</td>
<td>41.1</td>
</tr>
<tr>
<td>Technical officer</td>
<td>31</td>
<td>34.4</td>
<td>34.4</td>
<td>75.6</td>
</tr>
<tr>
<td>General operational officer</td>
<td>22</td>
<td>24.4</td>
<td>24.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

4.3.2 Data on Recruitment

In this section, respondents were asked to provide information about the recruitment process of the organizations they are working for.

Question 1: The length of time respondents have worked in the organization

Question one seeks to discover the length of the working period of the respondents. From the table below, it can be seen that 24 people or 26.7% have worked in the organization for less than one year. The second highest number at 22 people or 24.4% are people who have worked for
more than 6 years. Then the other numbers show people who have worked in the organization for
1-2 years, 3-4 years and 5-6 years at 17.8%, 20% and 11.1% respectively.

Table 7: Period of working

<table>
<thead>
<tr>
<th>Period of Working</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 year</td>
<td>24</td>
<td>26.7</td>
<td>26.7</td>
<td>26.7</td>
</tr>
<tr>
<td>1-2 years</td>
<td>16</td>
<td>17.8</td>
<td>17.8</td>
<td>44.4</td>
</tr>
<tr>
<td>3-4 years</td>
<td>18</td>
<td>20.0</td>
<td>20.0</td>
<td>64.4</td>
</tr>
<tr>
<td>4-5 years</td>
<td>10</td>
<td>11.1</td>
<td>11.1</td>
<td>75.6</td>
</tr>
<tr>
<td>more than 6 years</td>
<td>22</td>
<td>24.4</td>
<td>24.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Question 2: How the respondents came to know the organization

Question two focused on how the respondents came to know these organizations. From table 4 below, we can see that more than half or 58.9% of respondents came to know the organizations from the newspapers. Interestingly, 24.4% of respondents came to know the organization from friends. The number of respondents who came to know these organizations from a website is just 7.8%.

Table 8: How you came to know this organization

<table>
<thead>
<tr>
<th>Source of Information</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>News Paper ads</td>
<td>53</td>
<td>58.9</td>
<td>58.9</td>
<td>58.9</td>
</tr>
<tr>
<td>Organization website</td>
<td>7</td>
<td>7.8</td>
<td>7.8</td>
<td>66.7</td>
</tr>
<tr>
<td>Friend</td>
<td>22</td>
<td>24.4</td>
<td>24.4</td>
<td>91.1</td>
</tr>
<tr>
<td>Others</td>
<td>8</td>
<td>8.9</td>
<td>8.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Question 3: Understanding of the vacancy announcement

This question focuses on the respondents’ understanding of the job announcement of the organizations. The numbers of responses are quite similar for crystal clear and neutrally clear. To be precise, crystal clear is at 26.7% and neutrally clear is at 25.6%. The highest proportion at
38.9% is the number of people who quite understand the announcement. Additionally, very few people see the announcement as unclear.

Table 9: Understanding of vacancy announcement

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crystal Clear</td>
<td>24</td>
<td>26.7</td>
<td>26.7</td>
<td>26.7</td>
</tr>
<tr>
<td>Somewhat clear</td>
<td>35</td>
<td>38.9</td>
<td>38.9</td>
<td>65.6</td>
</tr>
<tr>
<td>Neutrally clear</td>
<td>23</td>
<td>25.6</td>
<td>25.6</td>
<td>91.1</td>
</tr>
<tr>
<td>Somewhat unclear</td>
<td>6</td>
<td>6.7</td>
<td>6.7</td>
<td>97.8</td>
</tr>
<tr>
<td>Unclear</td>
<td>2</td>
<td>2.2</td>
<td>2.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**Question 4:** Understanding the Job Description

Question four was created to pay particular attentions to the understanding of respondents of the job description. No surprise, the majority of respondents understand the job description very well. Then the numbers of people who respond somewhat unclear and neutrally clear are at 27.8% and 16.7% respectively.

Table 10 Understanding the job description

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crystal Clear</td>
<td>48</td>
<td>53.3</td>
<td>53.3</td>
<td>53.3</td>
</tr>
<tr>
<td>Somewhat clear</td>
<td>25</td>
<td>27.8</td>
<td>27.8</td>
<td>81.1</td>
</tr>
<tr>
<td>Neutrally clear</td>
<td>15</td>
<td>16.7</td>
<td>16.7</td>
<td>97.8</td>
</tr>
<tr>
<td>Somewhat unclear</td>
<td>2</td>
<td>2.2</td>
<td>2.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**Question 5:** Satisfaction on the job induction

This question aims to find out the respondents’ satisfaction on the job induction. From the table below, we can see that 38 people or 42.2% state they are very satisfied with the induction. This is
followed by people who feel somewhat satisfied at 37.8% and 17.8% is people who are neutrally satisfied.

Table 11: Satisfaction with job induction

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Satisfied</td>
<td>38</td>
<td>42.2</td>
<td>42.2</td>
<td>42.2</td>
</tr>
<tr>
<td>Somewhat satisfied</td>
<td>34</td>
<td>37.8</td>
<td>37.8</td>
<td>80.0</td>
</tr>
<tr>
<td>Neutrally Satisfied</td>
<td>16</td>
<td>17.8</td>
<td>17.8</td>
<td>97.8</td>
</tr>
<tr>
<td>Somewhat not satisfied</td>
<td>2</td>
<td>2.2</td>
<td>2.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Question 6: Internal recruitment**

Question six concentrates on the opening of job opportunities for the current staff. More than half of the respondents answered that the organization opens opportunities for internal recruitment every time. Precisely, the number is 49 people, equivalent to 54.4%. Also 33 people or 36.7% state that the organization sometimes opens the opportunity for the current staff.

Table 12: Opening opportunity for internal recruitment

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Every time</td>
<td>49</td>
<td>54.4</td>
<td>54.4</td>
<td>54.4</td>
</tr>
<tr>
<td>Sometime</td>
<td>33</td>
<td>36.7</td>
<td>36.7</td>
<td>91.1</td>
</tr>
<tr>
<td>Occasionally</td>
<td>4</td>
<td>4.4</td>
<td>4.4</td>
<td>95.6</td>
</tr>
<tr>
<td>Never</td>
<td>4</td>
<td>4.4</td>
<td>4.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**4.3.3 Data on Capacity building**

These questions were asked to find out if the training has been managed in the organizations.
Question 7: Participation in training

Question seven seeks to know whether the respondents have participated in the training that has been organized by the organization they are working in. From the table below, 75 people, that equivalent to 83.3%, respond that they have participated. Only 15 people or 16.7% never attend any training.

Table 13: Participate in training

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>75</td>
<td>83.3</td>
<td>83.3</td>
<td>83.3</td>
</tr>
<tr>
<td>No</td>
<td>15</td>
<td>16.7</td>
<td>16.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The table below is the sub-question of question number seven. It shows the frequency of participation in the training in a year. We can see that number of people answering that they participated one time per year and more than three times per year have the same proportion at 28 people or 31.1%. 15 people or 16.7% participated in the training 2 times per year. The number of missing is 16.

Table 14: How many times you participate in training

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 time per year</td>
<td>28</td>
<td>31.1</td>
<td>37.8</td>
<td>37.8</td>
</tr>
<tr>
<td>2 times per year</td>
<td>15</td>
<td>16.7</td>
<td>20.3</td>
<td>58.1</td>
</tr>
<tr>
<td>3 times per year</td>
<td>3</td>
<td>3.3</td>
<td>4.1</td>
<td>62.2</td>
</tr>
<tr>
<td>More than three times per year</td>
<td>28</td>
<td>31.1</td>
<td>37.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>74</td>
<td>82.2</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td>System</td>
<td>16</td>
<td>17.8</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Question 8: The importance of training
Question eight seeks to obtain information about respondents’ opinions on the importance of some characteristics associated with training. From the table below, 51.1% of respondents rate the usefulness of training for work as very important and only 4.4% see the usefulness of training for work as less important. Next, 41.1% of respondents see the training as being relevant to the job as very important and only 6.7% sees it is less important. Furthermore, 41.1% of respondents see that the training must respond to the needs and only 2.2% of respondents see that the training must respond to the need as less important.

Additionally, respondents equally rate the need for assessment as neutrally and somewhat important. To be precise, both characteristics have the same proportion at 33.3%. Satisfaction on training is also important, so respondents mostly rate it as neutrally, somewhat and very important. Interestingly, the scatter of the responses in the last row of the table shows the deviation of the data. It seems like the frequency of the training is not very important for respondents. Unlike the other characteristics, more respondents see frequency of training as less important.

Table 15: The importance of training

<table>
<thead>
<tr>
<th></th>
<th>Less important</th>
<th>Somewhat unimportant</th>
<th>Neutrally important</th>
<th>Somewhat important</th>
<th>Very important</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>Useful for work</td>
<td>4</td>
<td>4.4</td>
<td>2</td>
<td>2.2</td>
<td>12</td>
</tr>
<tr>
<td>Relevant to the job</td>
<td>6</td>
<td>6.7</td>
<td>2</td>
<td>2.2</td>
<td>11</td>
</tr>
<tr>
<td>Respond to the needs</td>
<td>2</td>
<td>2.2</td>
<td>5</td>
<td>5.6</td>
<td>19</td>
</tr>
<tr>
<td>Need assessment</td>
<td>3</td>
<td>3.3</td>
<td>7</td>
<td>7.8</td>
<td>30</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>2</td>
<td>2.2</td>
<td>6</td>
<td>6.7</td>
<td>20</td>
</tr>
<tr>
<td>Frequency of training</td>
<td>17</td>
<td>18.9</td>
<td>13</td>
<td>14.4</td>
<td>31</td>
</tr>
</tbody>
</table>

**Question 9**: Off-site training
Question nine is asked to find out if the respondents have been sent to attend training outside the organizations. The numbers show that 44.4% of respondents have been sent and 55.6% have not been sent to attend off-site training.

**Table 16: Off-site training**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>40</td>
<td>44.4</td>
<td>44.4</td>
<td>44.4</td>
</tr>
<tr>
<td>No</td>
<td>50</td>
<td>55.6</td>
<td>55.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The table below is the answer to a sub-question of question nine that asks about training organizations. Out of 40 respondents who have been sent to attend off-site training, 14 people were sent to private companies, 16 people were sent to other organizations that work in the same field, 1 person was sent to a government agency and 9 people were sent to international organizations.

**Table 17: Training organizations**

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private companies</td>
<td>14</td>
<td>15.6</td>
<td>35.0</td>
<td>35.0</td>
</tr>
<tr>
<td>Organizations working in the same field</td>
<td>16</td>
<td>17.8</td>
<td>40.0</td>
<td>75.0</td>
</tr>
<tr>
<td>Government Office</td>
<td>1</td>
<td>1.1</td>
<td>2.5</td>
<td>77.5</td>
</tr>
<tr>
<td>International Organizations</td>
<td>9</td>
<td>10.0</td>
<td>22.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>44.4</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing System</td>
<td>50</td>
<td>55.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Question 10: International training**
Question ten focuses on whether the respondents have been sent to overseas training. The table below shows that only 24 people or 26.7% have attended overseas training, and 66 people or 73.3% have never attended overseas training.

Table 18: Participation in international training

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Yes</td>
<td>24</td>
<td>26.7</td>
<td>26.7</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>66</td>
<td>73.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>90</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.3.4 Data on Performance management and performance appraisal

This section focused on the need to know the how performance of the staff is tracked as well the methods of conducting performance appraisal.

Question 11: Respondents know the strategic plan of the organization

Question eleven sought information on whether the respondents know the organizations’ strategic plan. The table shows that 91.1% state that they know the organization’s strategic plan and only 8.9% do not know it. Table 19: Know organization strategic plan

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Yes</td>
<td>82</td>
<td>91.1</td>
<td>91.1</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>8</td>
<td>8.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>90</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The table below is a sub-question of question eleven. The question aims to obtain information about the reason why the respondents do not know the organization’s strategic plan. We can see that all of the respondents provide the reason that the organization has not disseminated it.
Table 20: Reason of being unaware of the organization’s strategic plan

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>8</td>
<td>8.9</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>My Organization never disseminates it</td>
<td>82</td>
<td>91.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Question 12: Level of commitment of staff on the organization**

Question twelve focuses on the respondents’ commitment to the organization they are working in. The table shows that 21 people or 23.3% state their commitment is very high, and 41.0% state their commitment is quite high, while 30.0% state their commitment as high.

Table 21: Level of commitment

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very high</td>
<td>21</td>
<td>23.3</td>
<td>23.9</td>
<td>23.9</td>
</tr>
<tr>
<td>Quite high</td>
<td>37</td>
<td>41.1</td>
<td>42.0</td>
<td>65.9</td>
</tr>
<tr>
<td>High</td>
<td>27</td>
<td>30.0</td>
<td>30.7</td>
<td>96.6</td>
</tr>
<tr>
<td>Quite low</td>
<td>2</td>
<td>2.2</td>
<td>2.3</td>
<td>98.9</td>
</tr>
<tr>
<td>Very low</td>
<td>1</td>
<td>1.1</td>
<td>1.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>88</td>
<td>97.8</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System</td>
<td>2</td>
<td>2.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Question 13: Dissemination of result expectation**

Question thirteen focuses on the result expectation that organizations give to the respondents. The table shows that 66 people or 73.3% answer that the organization informs the respondents of their expectations. Also, 14 people or 15.6% answer that they were not informed and 10 people or 11.1% answer that they do not know what it really is.
Table 22: Organization inform result expectation

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>66</td>
<td>73.3</td>
<td>73.3</td>
<td>73.3</td>
</tr>
<tr>
<td>No</td>
<td>14</td>
<td>15.6</td>
<td>15.6</td>
<td>88.9</td>
</tr>
<tr>
<td>Don't know what it is</td>
<td>10</td>
<td>11.1</td>
<td>11.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Question 14: Frequency of the performance monitoring**

Question fourteen focuses on the frequency of the performance reviews that were conducted in the organizations. Among the total number of respondents, 24.4% answer that the performance review is done once a month, 20.0% answer that the performance review is conducted every six months, 33.3% answer that the performance review is conducted once a year and 20% answer that the performance review is conducted once a month, every six months and once a year.

Table 23: Frequency of performance management meetings

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Once a month</td>
<td>22</td>
<td>24.4</td>
<td>24.4</td>
<td>24.4</td>
</tr>
<tr>
<td>Every 6 months</td>
<td>18</td>
<td>20.0</td>
<td>20.0</td>
<td>44.4</td>
</tr>
<tr>
<td>Once a year</td>
<td>30</td>
<td>33.3</td>
<td>33.3</td>
<td>77.8</td>
</tr>
<tr>
<td>All answers above are correct</td>
<td>20</td>
<td>22.2</td>
<td>22.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The table below is a sub-question of question fourteen that was asked to obtain information on the participation of the respondent in the performance management review. The table shows that 32.2% answer that they have participated in the performance review every month, 24.4% answer that they have participated in the performance review every six months, 26.7 answer that they have participated in the performance review once a year and 16.7% answer that they have participated in the performance review every time.
Table 24: Your participation in performance review meetings

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Once a month</td>
<td>29</td>
<td>32.2</td>
<td>32.2</td>
<td>32.2</td>
</tr>
<tr>
<td>Every six months</td>
<td>22</td>
<td>24.4</td>
<td>24.4</td>
<td>56.7</td>
</tr>
<tr>
<td>At the end of the year</td>
<td>24</td>
<td>26.7</td>
<td>26.7</td>
<td>83.3</td>
</tr>
<tr>
<td>Every time</td>
<td>15</td>
<td>16.7</td>
<td>16.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Question 15:** The organization’s goals are too ambitious

Question fifteen seeks to obtain information about the respondents’ opinion on whether the organization’s strategic goal is too ambitious. The result shows that 32.2% answer yes, 35.6% answer no and 32.2% answer that they do not know.

Table 25: Organization set ambitious goal

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>29</td>
<td>32.2</td>
<td>32.2</td>
<td>32.2</td>
</tr>
<tr>
<td>No</td>
<td>32</td>
<td>35.6</td>
<td>35.6</td>
<td>67.8</td>
</tr>
<tr>
<td>Don't know</td>
<td>29</td>
<td>32.2</td>
<td>32.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Question 16:** The type of performance evaluation the respondents are familiar with

Question sixteen pays particular attention to the form of performance appraisal that the respondents are familiar with. The table below shows that 30 people or 33.3% answer that they are familiar with the written performance review. Only 4 people or 4.4% answer that they are only familiar with the interview review. Interestingly, 56 people or 62.2% answer that they are familiar with both forms.
Table 26: Type of performance appraisal you familiar with

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper based</td>
<td>30</td>
<td>33.3</td>
<td>33.3</td>
<td>33.3</td>
</tr>
<tr>
<td>Personal interview</td>
<td>4</td>
<td>4.4</td>
<td>4.4</td>
<td>37.8</td>
</tr>
<tr>
<td>Both</td>
<td>56</td>
<td>62.2</td>
<td>62.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**Question 17**: Understanding the process of the performance appraisal

Question seventeen seeks to obtain information about the understanding of the respondents of the performance appraisal process. It shows that the majority of respondents understand the process well. To be more precise, 24.4% responded that they understand it well, 36.7% responded that they quite understand it and 34.4% responded that they understand it.

Table 27: Understanding of the performance appraisal process

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Understand well</td>
<td>22</td>
<td>24.4</td>
<td>24.4</td>
<td>24.4</td>
</tr>
<tr>
<td>Somewhat understand</td>
<td>33</td>
<td>36.7</td>
<td>36.7</td>
<td>61.1</td>
</tr>
<tr>
<td>Neutrally understand</td>
<td>31</td>
<td>34.4</td>
<td>34.4</td>
<td>95.6</td>
</tr>
<tr>
<td>Somewhat don't understand</td>
<td>3</td>
<td>3.3</td>
<td>3.3</td>
<td>98.9</td>
</tr>
<tr>
<td>Don't understand</td>
<td>1</td>
<td>1.1</td>
<td>1.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**Question 18**: Opinion of the performance evaluation form

Question eighteen focuses on the performance appraisal form. We can see that 45.6% of the respondents answer that the form is neutrally easy to fill in. Also, 35.6% answer that it is quite easy to write and 14.4% answer that it is very easy to write.
Table 28: Writing performance appraisal

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very easy to write</td>
<td>13</td>
<td>14.4</td>
<td>14.4</td>
<td>14.4</td>
</tr>
<tr>
<td>Quite easy to write</td>
<td>32</td>
<td>35.6</td>
<td>35.6</td>
<td>50.0</td>
</tr>
<tr>
<td>Neutrally easy to write</td>
<td>41</td>
<td>45.6</td>
<td>45.6</td>
<td>95.6</td>
</tr>
<tr>
<td>Somewhat difficult to write</td>
<td>4</td>
<td>4.4</td>
<td>4.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**Question 19:** Expectations after the performance appraisal

Question nineteen seeks to obtain information about the expectation of the respondents after the performance appraisal. The table below shows that 69 people or 76.7% of the total respondents expect to have an improvement while 50 people or 55.6% of total respondents expect to receive positive feedback. Also, 65 people or 72.2% of the total respondents expect to have their salary increased. 36 people or 40% of the total respondents expect to be promoted. Additionally, 20 people or 22.2% of the total respondents expect to receive a reward. Only 2 people or 2.2% of the total respondents expect nothing.

Table 29: Expectation after performance appraisal

<table>
<thead>
<tr>
<th></th>
<th>Improvement</th>
<th>Positive feedback</th>
<th>Raise of salary</th>
<th>Promotion</th>
<th>Receive reward</th>
<th>Nothing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>N</strong></td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>Expectation after a performance appraisal (N of 90 respondents)</td>
<td>69</td>
<td>76.7</td>
<td>50</td>
<td>55.6</td>
<td>65</td>
<td>72.2</td>
</tr>
</tbody>
</table>

**Question 20:** Opportunity for explanation in the performance review meeting

Question twenty focuses on whether the respondents are provided with the chance to explain their weak points during the performance meeting. We can see that 74 people or 82.2% answer
that they were provided with chances to explain their weak points and only 17.8% answer that they were not provided with the chance to explain them during the interview.

Table 30: Chance to explain weak points

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>74</td>
<td>82.2</td>
<td>82.2</td>
<td>82.2</td>
</tr>
<tr>
<td>No</td>
<td>16</td>
<td>17.8</td>
<td>17.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**Question 21:** The belief that a good performance brings about a reward

Question twenty-one seeks to obtain information on the belief of respondents that a superior performance brings about a reward. From the table below, the number of respondents who believe that a superior performance will bring about a reward is 42 or 46.7%. In addition, 24 people or 26.7% of respondents answer that they do not believe that they are not sure.

Table 31: Good result bring about rewards

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Believe</td>
<td>42</td>
<td>46.7</td>
<td>46.7</td>
<td>46.7</td>
</tr>
<tr>
<td>Don't Believe</td>
<td>24</td>
<td>26.7</td>
<td>26.7</td>
<td>73.3</td>
</tr>
<tr>
<td>Not sure</td>
<td>24</td>
<td>26.7</td>
<td>26.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**4.3.5 Data on the reward management**

This section allows the respondent to the answer the questions about the reward management of their workplace.

**Question 22:** You have ever received a reward from the workplace

Question twenty-two focuses on whether the respondents have received rewards from the organization. Only 39 people or 43.3% state that they have received rewards and 51 people or 56.7% state they have never received rewards from the organization.
The following table is the information on the sub-question of question twenty-two. This question concentrates on the forms of rewards that respondents have received from the current workplaces. Among 39 people who have received rewards, 15 people received money, 11 people received gifts, 2 people received a touring package and 3 people received complimentary rewards.

Table 33: Type of rewards received

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money</td>
<td>15</td>
<td>16.7</td>
<td>38.5</td>
<td>38.5</td>
</tr>
<tr>
<td>Gift</td>
<td>11</td>
<td>12.2</td>
<td>28.2</td>
<td>66.7</td>
</tr>
<tr>
<td>Touring package</td>
<td>2</td>
<td>2.2</td>
<td>5.1</td>
<td>71.8</td>
</tr>
<tr>
<td>Learning opportunity</td>
<td>8</td>
<td>8.9</td>
<td>20.5</td>
<td>92.3</td>
</tr>
<tr>
<td>Complimentary</td>
<td>3</td>
<td>3.3</td>
<td>7.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
<td>43.3</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System</td>
<td>51</td>
<td>56.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Question 23: Reward preferences**

Question twenty-three pays particular attention to the respondents’ preferences on reward types. We can see that 61 people or 67.8% prefer both financial and nonfinancial rewards. Only 18 people or 20% prefer financial rewards only, and 11 people or 12.2% prefer nonfinancial rewards only.
Table 34: Type of rewards you prefer

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td>18</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Nonfinancial</td>
<td>11</td>
<td>12.2</td>
<td>12.2</td>
<td>32.2</td>
</tr>
<tr>
<td>Both</td>
<td>61</td>
<td>67.8</td>
<td>67.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**Question 24:** The reward is the result of good performance

Question twenty-four seeks to obtain information about the respondents’ observation on whether the rewards they get reward for good performance. The results show that 63 people or 70% of total respondents believe that the rewards that they receive are the result of good performance. Additionally, 25 people or 27.8% are not sure if the rewards they get are the result of good performance.

Table 35: Rewards are the result of performance appraisal

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>63</td>
<td>70.0</td>
<td>70.8</td>
<td>70.8</td>
</tr>
<tr>
<td>No</td>
<td>1</td>
<td>1.1</td>
<td>1.1</td>
<td>71.9</td>
</tr>
<tr>
<td>Not sure</td>
<td>25</td>
<td>27.8</td>
<td>28.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>89</td>
<td>98.9</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Missing</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>System</td>
<td>1</td>
<td>1.1</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.3.6 Data on the human capital of the Lao staff

This section investigates the level of human capital of Lao staff members in the target organization.
**Question 25:** The highest educational achievement of the respondents

Question twenty-five aims to find out the respondent’s highest educational achievement. The highest proportion of respondents is people who have a Bachelor Degree. The number is 51 people or 56.7% of the total respondents. The other levels are 14.4% have a Higher Diploma, 14.4% have Master Degrees, 8.9% have a Secondary Schools completion certificate and 5.6% have Post-graduate Degree.

<table>
<thead>
<tr>
<th>Table 36: Highest education achieved by respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Frequency</strong></td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>Secondary school</td>
</tr>
<tr>
<td>Higher Diploma</td>
</tr>
<tr>
<td>Bachelor's Degree</td>
</tr>
<tr>
<td>Post Graduate</td>
</tr>
<tr>
<td>Master's degree</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

**Question 27:** The education of respondents can support their work.

Question twenty-seven focuses on the respondent’s opinions on whether their qualification can support their work in the organizations. The table below shows very impressive answers. More than half of the respondents, namely 70%, answered that their education is the factor that supports the work they are doing now. Only 14.4% answer no and 15.6% answer ‘not sure’.

<table>
<thead>
<tr>
<th>Table 37: Your education can support your work</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Frequency</strong></td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>Not sure</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>
**Question 28:** Respondent’s self-confidence about their responsibility

Question twenty-eight focuses on whether the respondents think they have suitable capacity to do their current jobs. From the table below we can see that 74 people or 82.2% answer that they have suitable capacity to do the current jobs. Only 1 person or 1.1% answers that he or she does not have the capacity to do the current job. Also, 15 people or 16.7% are not sure whether they have capacity to do their current jobs.

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>74</td>
<td>82.2</td>
<td>82.2</td>
<td>82.2</td>
</tr>
<tr>
<td>No</td>
<td>1</td>
<td>1.1</td>
<td>1.1</td>
<td>83.3</td>
</tr>
<tr>
<td>Not sure</td>
<td>15</td>
<td>16.7</td>
<td>16.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**Table 38: Do you have the capacity to do the job**

**Question 29:** The importance of enhancing capacity for career advancement

Question twenty-nine pays particular attention to the capacity of the respondents. They were asked to rate the importance of the enhancement of capacity for their advancement. We can see that 78 people or 86.7% of the respondents see that the enhancement of capacity is very important. 11 people or 12.2% of them see it as somewhat important. Only one person or 1.1% sees that it is neutrally important.

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very important</td>
<td>78</td>
<td>86.7</td>
<td>86.7</td>
<td>86.7</td>
</tr>
<tr>
<td>Somewhat important</td>
<td>11</td>
<td>12.2</td>
<td>12.2</td>
<td>98.9</td>
</tr>
<tr>
<td>Neutrally important</td>
<td>1</td>
<td>1.1</td>
<td>1.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
4.3.7 Some other interesting data on human capital

The data below is additionally filtered to find out the association of different variables. As one of the main objectives of this research is to find out the situation of Lao human capital, this section mostly provides data on the capacity of Lao staff that is associated with education levels.

The association of the highest education achieved and the belief that education can help their work

The table below shows the association between the data on the highest education that the respondents have achieved and the proportion of respondents who believe that their education helps them to do the job. We can see that all categories believe that their education can support their work. The prominent example is the respondents who have a Bachelor Degree. Precisely, 39 respondents who have achieved a Bachelor Degree believe that their education can help them in working and only 6 respondents in the same category believe that their education does not help them to do their jobs.

Table 40: Highest education achieved and whether education can support their work

<table>
<thead>
<tr>
<th>Highest education achieved</th>
<th>Your education help your work</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Secondary school</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Higher Diploma</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>Bachelor's Degree</td>
<td>39</td>
<td>6</td>
</tr>
<tr>
<td>Post Graduate</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Master's degree</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>63</td>
<td>13</td>
</tr>
</tbody>
</table>

The table below is the test of association that shows significant value (Sig. value) at 0.418 which is considerably higher than the probability value (P-value) which is universally identified at 0.05. Therefore, it can be conclude that there is no association between the highest education achieved and the belief of respondents that their education can support their work.
Table 41: Chi-square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>8.159a</td>
<td>8</td>
<td>.418</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>7.096</td>
<td>8</td>
<td>.526</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>.829</td>
<td>1</td>
<td>.363</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>90</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*p*-value ≥ 0.05

The association between the highest education achieved and the capacity to do their jobs

The table below shows the association between the data on the highest education that respondents have achieved and their capacity to do their jobs. We can see that most of the respondents in all educational categories think that they have the capacity to do their job. For instance, the respondents who have achieved a Master Degree think that they can do the job and only one person is not sure.

Table 42: The highest education achieved and the capacity to do the job

<table>
<thead>
<tr>
<th>Highest education achieved</th>
<th>You have capacity to work in the position</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Secondary school</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Higher Diploma</td>
<td>11</td>
<td>0</td>
</tr>
<tr>
<td>Bachelor's Degree</td>
<td>41</td>
<td>0</td>
</tr>
<tr>
<td>Post Graduate</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Master's degree</td>
<td>12</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>74</td>
<td>1</td>
</tr>
</tbody>
</table>

The test result shows the Sig. value of 0.174 that indicates a higher proportion than P-value. Therefore, we can conclude that there is no evidence of association between the level of education and the capacity to do the job of staff in target organizations.
Table 43: Chi-square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>11.517</td>
<td>8</td>
<td>.174</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>6.254</td>
<td>8</td>
<td>.619</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>.381</td>
<td>1</td>
<td>.537</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>90</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*p-value ≥ 0.05

The association of the belief of respondents that education can support their job and the perception of their capacity to do the job

The table below is the test to compare the belief of respondents that education can support their job and the perception of their capacity to do the job after both variables have already been compared to the highest level of education of the respondents. It is found that 52 people who believe that their education support their work also perceive that they have the capacity to do the job. In addition, thirteen people who do not believe that their education cannot support their work believe that they have the capacity to do the job.

Table 44: Your education can support your work and the capacity to do the job

<table>
<thead>
<tr>
<th></th>
<th>You have ability to work in the position</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Your education helps your work</td>
<td>Yes</td>
<td>52</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Not sure</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>74</td>
<td>1</td>
</tr>
</tbody>
</table>

The table below shows the test result. It can be seen that the Sig. value of the test is 0.043, which is lower than P-value so it can be concluded that there is an association between the belief of respondents that education can support their job and the perception of their capacity to do the job.
The association of the highest education achieved and the importance of capacity building

The table below shows the association of the highest education level that respondents have achieved and the importance of capacity building. We can see that the majority of respondents in all educational categories see capacity building as very important.

Table 46: The highest education achieved and importance of capacity building

<table>
<thead>
<tr>
<th>Importance level of capacity building</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very important</td>
<td>Somewhat important</td>
</tr>
<tr>
<td>-------------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>Secondary school</td>
<td>5</td>
</tr>
<tr>
<td>Higher Diploma</td>
<td>10</td>
</tr>
<tr>
<td>Bachelor’s Degree</td>
<td>47</td>
</tr>
<tr>
<td>Post Graduate</td>
<td>4</td>
</tr>
<tr>
<td>Master’s degree</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>78</td>
</tr>
</tbody>
</table>

The table below shows a significant Sig. value that is higher than the P-value. To be more precise, the Sig. value is 0.134, which is higher than the P-value. Therefore, we can conclude that there is no significant association between the level of education and the importance of capacity building.
Table 47: Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>12.410</td>
<td>8</td>
<td>.134</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>9.019</td>
<td>8</td>
<td>.341</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>3.534</td>
<td>1</td>
<td>.060</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>90</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*p-value ≥ 0.05

The association between gender and the capacity of respondents

This research has also sought to know the correlation between gender and the capacity of the respondents. The objective of this is to find out if gender has any impact on the level of the capacity to do the job or not. We can see that the proportion of males who answer that they have the capacity to do the job is higher than the females.

Table 48: Gender and the capacity to do the job

<table>
<thead>
<tr>
<th>Your gender</th>
<th>You have capacity to work in the position</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Male</td>
<td>38</td>
<td>1</td>
</tr>
<tr>
<td>Female</td>
<td>36</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>74</td>
<td>1</td>
</tr>
</tbody>
</table>

From the test, the Sig. value is at 0.262, which is higher than the P-value so it can be concluded that there is no significant association between the respondents’ gender and their capacity. This means gender does not have any impact on the respondents’ perception of their capacity.

Table 49: Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>2.678</td>
<td>2</td>
<td>.262</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>3.095</td>
<td>2</td>
<td>.213</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>1.358</td>
<td>1</td>
<td>.244</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>90</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*p-value ≥ 0.05
The difference between gender and the capacity of respondents

It is also interesting to research the difference between male and female on their perception of their capacity to do the job. This test was made using an SPSS Independent Samples T-test. It is the test to find out difference sets of variables. Based on the table below, it is found that the mean value of females is higher than males. Additionally, the Standard Deviation or the spread of data of females is greater than males as well.

Table 50: Male and female Statistics

<table>
<thead>
<tr>
<th>Your gender</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>You have the capacity to work</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>in the position</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>44</td>
<td>1.25</td>
<td>.651</td>
<td>.098</td>
</tr>
<tr>
<td>Female</td>
<td>46</td>
<td>1.43</td>
<td>.834</td>
<td>.123</td>
</tr>
</tbody>
</table>

The table below is the test result of an Independent Sample T-test or the test of difference of two sets of data. It can be seen that Sig. of variance is 0.015, which is considered as lower than P-value. This means there is a significant variance. In this case, “Equal Variance Assumed” should be used. From the test, the Sig. value is 0.246, which is considerably higher than the P-value. Therefore, the result shows that there is no significant difference between male and female perceptions of their capacity to do the job.

Table 51: Independent Sample Test

<table>
<thead>
<tr>
<th></th>
<th>Levene's Test for Equality of Variances</th>
<th>t-test for Equality of Means</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>Sig.</td>
</tr>
<tr>
<td>Equal variances assumed</td>
<td>Equal</td>
<td></td>
</tr>
<tr>
<td>You have capacity to work in the</td>
<td></td>
<td></td>
</tr>
<tr>
<td>position</td>
<td>variance</td>
<td>Sig.</td>
</tr>
<tr>
<td>assumed</td>
<td></td>
<td>.015</td>
</tr>
<tr>
<td></td>
<td>Equal</td>
<td></td>
</tr>
<tr>
<td>variances not assumed</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>.015</td>
</tr>
</tbody>
</table>

\( p\)-value \geq 0.05
The association of age group and the viewpoint of respondents on their capacity to the job
This assumption is made to clarify the association of the age group of the respondents and their perception of their capacity to do the job. The basic assumption is that more senior people have more capacity. However, the test result shows one person in the group of 50-65 years old answers that he or she does not have the capacity to do their current job. The other groups have no one answering ‘no’.

Table 52: Age group and capacity of respondents

<table>
<thead>
<tr>
<th>Your age group</th>
<th>Yes</th>
<th>No</th>
<th>Not sure</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-35 years</td>
<td>50</td>
<td>0</td>
<td>14</td>
<td>64</td>
</tr>
<tr>
<td>36-50 years</td>
<td>20</td>
<td>0</td>
<td>1</td>
<td>21</td>
</tr>
<tr>
<td>50-65 years</td>
<td>4</td>
<td>1</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>74</td>
<td>1</td>
<td>15</td>
<td>90</td>
</tr>
</tbody>
</table>

According to the test result below, it is clearly seen that the Sig. value is 0.000, which is lower than the P-value so it can be concluded that there is no significant association between age group and the capacity to do their current jobs.

Table 53: Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>21.227a</td>
<td>4</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>11.437</td>
<td>4</td>
<td>.022</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>2.601</td>
<td>1</td>
<td>.107</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>90</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$p$-value $\leq 0.05$

4.4 Summary

This chapter has presented the result of the data collection. It is divided into two parts: the transcribed data of the interview and the tabled data from the questionnaire survey. In the transcribed data section, the data is filtered by grouping the similarities and differences of information obtaining from the interviewees. In contrast, the data gaining from the survey questionnaire is extracted from the SPSS program.
In the first section, the presentation of data is in paragraph format where the transcription of the interviewed respondents is alphabetically ordered. From the summary, it is found that most organizations have more similarities in information than differences. In the second section, data is displayed in tables together with explanations.

The findings in this chapter will support the interpretation and the discussions which are undertaken in the next chapter.
Chapter 5

Discussions

5.1 Introduction

In chapter five all responses are interpreted in the form of a discussion. The findings from the last chapter are also discussed based on the objectives and research questions identified in chapter one. The aim of the research is to find out what the actual application of international human resource management is in the context of the human capital of multinational organizations in Laos. Therefore, this chapter will provide useful information about the practices of HR functions - recruitment, training, performance management, performance appraisal and reward management - which are discussed after the general findings of the responses. Then the staffing policy that is being used by the target organizations is presented, based on the actual character of the organizations and the type of staff. Next, the challenges to the application of IHRM are reviewed. Additionally, the stage of human capital that the staff of the participant organizations have is discussed, based on the opinions of the HR managers and the perspectives of the respondents. Finally, the findings about Lao human capital in association with some HR activities is discussed in accordance with the hypotheses outlined in chapter one.

5.2 General findings

This discussion would not be complete without the presentation of general information from the findings. This is because this section will present the information that allows the readers to get to know some characteristics of the target organizations.

Basically, the participants of this research vary in terms of the length of working time. It is shown in Table 7 on page 75 that there is not much difference between the number of respondents who have worked in the organization for less than one year, 1-2 years, 3-4 years, 4-5 years and more than 6 years. This means that this research will obtain a variety of opinions from employees who have different experience in their work and awareness of their organizations.
Gender is also considered to be important factor that affects the result. This research is very successful in ensuring the equality in gender representation as Table 3 on page 73 shows. This means this research can obtain the facts and opinions of both genders equally.

When discussing gender, it is also interesting to know about the age of the respondents. Therefore, this research has also seeks to obtain information about the age of the respondents in the form of age-groups. From the result of the findings as can be seen in Table 4 on page 73, the majority of respondents are in the young age-group between 20-35 years old.

However, even though the age group may have some degree of impact on the research data, this element is made more sophisticated by the education level of the respondents. The data in Table 36 on page 90 shows that the majority of respondents have tertiary education at in different levels from Higher Diploma to Master’s Degree.

The felling of the responsibility of the respondents is also interesting to know, so this research seeks to obtain information on the respondent’s responsibility. Due to a limitation in the making of the questionnaire, this research has classified the careers of the respondents into three categories: Administrative officer, Technical officer and General operational officer. It has been found that this research has participants in all three categories (see Table 6 on page 74).

This part will end with information on the type of organization. Although this research’s main target included profit and non-profit multinational organizations, the research results only include non-profit organizations. Furthermore, it is found that only International Non-Government Organizations (INGO2) and International Organizations3 (IO) participated in the research (see Table 5 on page 74).

5.3 The practice of IHRM of multinational organizations

Based on the information obtaining from both methods of data collection - interview and questionnaire - on the practice of IHRM of five international organizations, it can clearly be seen

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2 International Non-Governmental Organization or INGO is an international or foreign non-profit organization having a legal status, which desires to provide development assistance and humanitarian aid without any pursuit of profit. (From DECREE OF THE PRIME MINISTER ON THE ADMINISTRATION OF NON-GOVERNMENTAL ORGANIZATIONS (NGOs) IN THE LAO PEOPLE’S DEMOCRATIC REPUBLIC. Number 013/PM. 2010)

3 International Organization is the UN Agency organization
that all functions of HR activities are applied by most organizations, especially the practices associated with Lao staff.

5.3.1 Recruitment

According to the literature review in chapter two, recruiting people is the process of attracting possible applicants to fill the vacant positions (Hartel & Fujimoto, 2010; Mondy & Mondy, 2012; Nel et al., 2011). The reason for asking this question is because the researcher wants to know the actual practice of the recruitment process that all target organization are using. Based on the information provided by the respondents, it is found that most of the organizations are using normal recruitment processes. The process is starts with checking the budget, and continues with the formulation of the job description, the job advertisement, CV screening, the job interview, referent check, job offer and induction.

The development of the job description (JD) is not just used for the advertisement, but also as the guideline of the duties and responsibilities of the successful candidates. Therefore, the department that needs the new staff has to create their own JD. This is because they have direct experience and deep understanding of the job compared to the HR department. What the HR department does is facilitate the process of formulation. From the survey data in Table 10 on page 76, it is clear that almost all of the staff state that they understand the job description well this means the JD is well-formulated.

After the JD is approved, most of the respondents put their vacancy announcements on media, including printed and online sources. The printed media is popularly made through the country’s newspapers, including Vientiane Times, Vientiane Mai, 108 jobs Magazines. The online media is basically using their respondent’s organization websites, www.108jobs.la and www.jobtoday.la. Some organizations also put their job announcements on the local radio in case they need local people to fill the vacant position. The reason for this is the advertisement can reach the local people more easily through the radio compared to the newspapers, which are seldom available for locals. The information above is supported by the findings of the survey in Table 8 on page 75. It is shown that the majority of respondents have known about their organizations via newspapers and the organizations’ website. Apart from the general media, the spread of awareness of the organizations is also from the respondents’ friends. The survey also sought to
find out how well the job opening advertisement is presented. From data in Table 9 on page 76, it is found that nearly all staff understand the vacancy announcement.

Apart from the job advertisement which is aimed to attract external applicants, all of the target organizations also open up opportunities for internal applications. This practice is done in line with the idea of many experts that when recruiting, it is important to look for both sources of possible applicants (Dessler, 2011; Nel et al., 2011). One of the respondents stated that they recruit people from external sources because they need new blood and they recruit people from internal source because they need experience and skills. This information is confirmed by the survey data in Table 12 on page 77. The result shows that more than half of the respondents answer that the organization opens up the opportunities for them and over one third of the respondents answer that the organization sometimes open up the opportunities for them to apply for vacant positions.

The induction of the new staff is practiced differently by the target organizations. Three out of five organizations have done their induction via the normal procedures. The process starts with induction in the department that the new staff member is working in. At this stage, all duties and responsibilities will be explained for the new staff. Then HR will take the new staff to visit all the other departments. At this point, they will get to know the relationship and inter-dependency between departments. Then some other documents that need to be accurately managed, for instance financial forms, will be explained to the new comers. The final step is with the HR department. At this point, the organization’s policies, cultures and procedures will be explained to the new staff. Additionally, one out of five organizations stated that orientation is conducted every six months. In this manner, all of the new staff members will be brought together in one place and inducted. The other organizations stated that they have two-day training for the new staff before they go through the normal induction process. Induction satisfaction was also tested in order to find out how well it is done. From data in Table 11 in page 77, it is shown that the majority of the staff understand the job induction process of the organizations.

5.3.2 Training

Based on the literature review in chapter two, training is another activity of the HR function. It is described by many experts as the process of building the capacity of people so they have suitable
capability to do their jobs (Dessler, 2011). Training is an activity that is regularly organized by most organizations. From the research data, it is clearly shown that all of the organizations provide on-the-site training for their staff. The selection criteria of the potential participants of the training are based on for instance, the performance appraisal result and the request of the employees. The frequency of the training is depending on the actual annual budget. This means the amount of training is based on the amount of funds they have. Nevertheless, from the statistics of the survey in Table 13 on page 78, the majority of respondents have participated in training.

Apart from on-the-site training, all target organizations have also sent their staffs to attend off-the-site training. We have learnt that off-the-site training is worthwhile for the staff because they can pay full attention to the training compared to the training in the office, in which they may have some responsibilities during the training (Byars & Rue, 2006; Nel et al., 2011). From the survey data in Table 16 on page 80, it is found that only one-third of the staff have been sent to attend training outside the office. Additionally, the researcher has also surveyed the type of training organizations that respondents have been sent to. The data in Table 17 on page 80 shows that the majority of the staff were sent to private companies and organizations that work in the same field as the sending organizations. Apart from sending staff to attend the training outside the organizations, most of the target organizations have also sent their employees to attend overseas training. However, the survey result in Table 18 on page 81 shows only one-third of the total sample staff have been sent to participate in training at international levels.

One of the target organizations provides online training through the internet and video conferencing. This means their staff do not have to travel abroad but they can attend the training in the office. However, some obstacles such as time, can impact on the results of training. This is because the training may be conducted in different regions and times so participants from Laos may not be able to attend the training out of office hours.

Other organizations provide educational support for their staff. Some employees are sent to study their Master Degree in the Philippines. However, it is not very successful in terms of sustainability because some of the students leave the organization after they have graduated. In addition, only this organization mentioned that they have training guide booklets.
5.3.3 Performance Management

Performance Management (PM) is alleged to be one of the key functions of HR activities. It is the tool that most organizations use to track the performance of individuals (Byars & Rue, 2006; Nel et al., 2011). In this research, the questions regarding PM are made in order to find out how the performance of the staff is reviewed. It is found that all of the target organizations are utilising quite a similar mechanism. The process is firstly started with the monthly progress report. At this stage, the staff make a report about the progress of activities and send it to the line managers to review. Staff may be required to prepare and submit the report differently. Then the managers will bring the concise report to present it at the organizations’ monthly, quarterly, six-month and annual meetings. This can be seen through the result of the survey in Table 23 on page 83. The respondents’ answers to the question asking about the frequency of PM meeting are scattered. That means that some of them prepare the report every month, quarterly, six-monthly, and yearly. Some prepare monthly reports only and some prepare quarterly reports only. Also, the answer on the participation in the performance meeting of the staff is also spread. From the data in Table 24 on page 84, it can be seen that the difference of staff who have participated in the performance meeting is not so high. This means that some of them participate in only the monthly meeting, some in the six-monthly meeting, some in the annual meeting and some in every meeting. The other contributing factors on superior performance are the performance expectation agreement and the employees’ commitment to the workplace. The agreement on performance can be seen in the form of the result expectation that the organization requires from its subordinates (Stredwick, 2014). This research has also tested whether this factor is carried out in the participant organizations. From data in Table 22 on pages 83, it clear that the participant organizations have informed the employees on the result expectation. Additionally, commitment is mostly stimulated by the understanding of the organization’s strategic goal (Daft & Pirola-Merlo, 2009; Holbache, 2010). This means that the organization has to encourage its subordinates to know its strategic plan, such as vision, mission, values, objectives and goals. Therefore, this research has also asked the respondents if they know the strategic plan of the organization. Surprisingly, the answer from the HR managers and the survey on the staff are going in different directions. Most of the HR managers respond that they have not disseminated the strategic plan. However, the answer from the survey respondents in these target organizations
indicates that most of them know the strategic plan of the organizations (see Table 20 on page 82). This may be because it is not an HR task to disseminate the organization’s strategic plan. Furthermore, this research also seeks to know the staff’s level of commitment to their organization. From data in Table 21 on page 82, it is found that more people state that their commitment to the organization is high to very high.

5.3.4 Performance Appraisal

Many experts claim that performance appraisal is the process to measure the quality of performance management (De Winne & Sels, 2010; Nel et al., 2011). This section seeks to understand how performance appraisals are done by international organizations, using the sample that was taken from the participants in this research. Commonly, most of the organizations use the self-evaluation process. Every staff member will be evaluated once a year by completing the evaluation form. Firstly, staff member mark their score in PA form. Secondly, the forms are checked and moderated by the line managers. Finally, all staff are interviewed to appraise the exact level of performance. At this stage, most staff are given the chance to clarify the reason for incomplete work and poor performance (see Table 30 on page 87).

The information above is supported by the results of the survey as well. Respondents were asked to provide an answer on their familiarity of the PA methods. Table 26 on page 85 shows that more than half of the staff is familiar with both written and interview methods. Then the PA tool is also used to test the understanding of the respondents of the PA form. From Table 28 on page 86, it is clear that most people found it is easy to write. From data in Table 27 on page 85, it is clear that most of the staff state that they understand the process of the PA.

Respondents are also asked about the expectation of employees after their performance appraisal in order to find out what they want after the PA. It is found in Table 29 on page 86 that respondents mainly expect to have an improvement. Then the other expectations are quoted in descending order such as raise of salary, positive feedback, promotion, reward, and expect nothing.

5.3.5 Reward Management
Many experts state that reward or compensation is the motivator of superior performance (De Winne & Sels, 2010). However, this research has found that apart from paying a salary to the staff, nearly all of the target organizations do not have a reward system. Only one organization stated that the reward is made for some specific actions, not overall performance. For example, attendant bonus is paid for staff who are never absent from work and positional bonus is paid for staff that have a high position. Additionally, they also provide a nonfinancial reward for the staff that have good performance, for example, man of the month, women of the month. Only one organization states that they reward their staff members by providing a yearly bonus or 13th month salary in addition to the increase of salary.

The information above corresponds to the survey data on reward. The survey of all the respondents shows that only one-third of the respondents stated that they have received rewards from the organizations (see Table 32 on page 88). Among this number, almost half of them receive money and few people receive gifts (see Table 33 on page 88). Furthermore, the survey result in Table 34 on page 89 shows that the majority of the staff prefer both financial and nonfinancial rewards.

Even though the organizations do not provide a reward, they motivate their staff by salary increments based on the actual performance. Generally, the basis of a salary increase is made through the system. The performance appraisal is numerically calculated through the system to produce a result in percentage form. The staff who have high percentages are more likely to acquire more incremental rates.

Overall, it can be summarised that even though the reward is not a crucial part of human resource management in the target organizations, most of the staff still have a good perception of the reward system. This means that, no reward is provided but people still think of a reward. If we link this perception to Table 35 on page 89, we find that people prefer reward and they also think that the reward is result of the good performance. Therefore, it would be good if the performance of the staff in target organizations can be stimulate by a reward.
5.3.6 Analysis of the actual application of HR functions compared to the literature

Based on the discussions above, it is clear that all HR functions have been used by all participant organizations. If the concept of IHRM, which is recognized to use the same HR activities as normal HRM, is picked to compare, it can certify that multinational organizations in Laos have applied IHRM concept. As this research focuses on the host country labour force, it cannot respond to some other HR activities that can be found in literature review.

5.4 Staffing Approaches

Staffing is the mechanism of bringing in, moving staff member within, throughout and out of the organization. Staffing policies are designed based upon different factors such as the country of operation, subsidiary features, the competitive strategy, the stage of internationalization and type of industry (Hartel & Fujimoto, 2010). Therefore, it is important for the HR manager to consider what staffing policy the organization should apply.

To recap, there are four staffing approaches that are adaptively applied by the organizations that operate their business internationally. They are Ethnocentric approach, Geocentric approach, Regiocentric approach and Polycentric approach (Dowling et al., 2009; Hartel & Fujimoto, 2010; Nel et al., 2011). (For the discussions see Chapter two.)

In the interviews, some HR managers claim that they are using the Geocentric approach and some claim that they are applying Regiocentric approach. The Geocentric approach corresponds to the application of staffing policy of the organization because the organization consists of a few foreign staff who are sent from headquarters and some staff from Laos. The decisions are sometimes made by headquarters and sometimes by the Lao office. In addition, the Regiocentric approach is applied through a mixture of some foreign staff from regional office and Lao staff. Sometimes they are able to recruit new staff from the region but they need to be approved by headquarters.
5.5 Factors affecting the application of International Human Resource Management in Laos

The aim of this section is to discover the challenges that the target organizations face in HR practice. The factors influencing the application of the IHRM were identified in chapter two. If these factors are linked to the real circumstance in Laos, we will see that the implementation of the development policy of Laos has quite a little bit impact on the application of the IHRM of sample organizations. From the research, it is found that Laos is politically stable since there is only one party governing the country (Fane, 2006). Laos also has sufficient laws to promote the business activities of local and international firms (Gunawadarna, 2008). The economic system has an enviable economic situation with the annual GDP growth rate at 7-8% (United Nations, 2014). Therefore, the HR managers point out only two main factors that they are concerned about.

Most of the target organizations face the problem of inconsistency of the labour pool. The problem in this context refers to the direct impact it has on the recruitment of the labour force, especially for the vacant positions that need to be filled by highly educated staffs. Sometimes they face the challenge of a lack of human resource in a specific field especially in the health sector. Sometimes they do not have enough funds to pay for the qualified applicant who request a very high remuneration, so they have to employ applicants who request lower remuneration. Sometimes foreign language becomes a big barrier for the applicants who have appropriate skills for the job but they do not speak the language that is used to communicate with foreign staff, such as English. Due to these issues, organizations sometimes have to delay the implementation of new projects or sometimes they have to spend more money on remuneration. Additionally, they have to spend more money on job re-advertising.

As most of the target organizations are international organizations that consist of a mix of Lao and some expatriates, the suspicion that the problems may be caused by cultural differences must be faced. Culture refers to collective mental programming which distinguishes one nation from another; it is a construct which cannot be directly observed, but it can be seen through verbal statements and other behaviours (Du Plessis, 2010). This research has also inquired about the reaction of organizations towards cultural issues. The response is quite surprising in that most of
the target organizations stated that they do not have any problems that are caused by culture differences. One organization states that they avoid cultural difference issues by organizing an activity called ‘welcome express’. What they do is gathering together the new and current staffs then disseminate organization’s culture and the Lao culture.

5.6 The status of Lao human capital in multinational organizations

It is mentioned in chapter two that human capital refers to the unique set of knowledge, skills and abilities of workers that are learned from education and work experience (De Winne & Sels, 2010). This section will provide the facts about Lao human capital through the information provided by HR managers as well as from the survey. However, both sets of information are retrieved from the facts, perspectives and opinions of the respondents.

It was asked how the HR manager would describe staff in their organization. Overall the responses from five organizations are comparable. Most of them state the Lao staff are knowledgeable and they have suitable capacity to carry on the assigned work. This can be seen through the accomplishment on a regular basis of the organizations’ activities. Due to the successes of every project⁴ they are able to receive continued support from donors. Additionally, this research also surveyed the education level of the respondents and found that the majority of the respondents have tertiary education (This can be seen in Table 36 on page 90). When it was asked whether the education is factor that supports their work in these organizations, it was discovered that the majority of the respondents see their education level as the factor to support their work in the international organization (see Table 37 on page 90). Furthermore, this research also asked the opinion of the respondents about their perception of their capacity to do their current jobs. Most of the respondents claim that they have enough capacity to do their jobs (see Table 38 on page 91). Interestingly, when the respondents were asked about the importance of enhancement capacity for advancement, nearly all of them rate it as very important (see Table 39 on page 91).

However, there are some weak points that Lao human resources need to improve, as can be seen through information provided by HR managers. One organization claimed that the more senior

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⁴ Project refers to a set of activities that are operated with the purpose to provide development assistance in specific areas. For example, Reading Promotion Project is managed to support illiteracy reduction of the government of Laos.
staff are very well-educated compared to the staff in lower positions. Another organization sees their staff as being knowledgeable and able to work effectively for the organization in Laos. However, they are not ready to work at the international level. Another organization states that even though Lao staff in the organization are knowledgeable, they do not take the initiative. They need people to start as their guide first so they can follow. This is why their organization still needs to have some foreign staff. Finally, another organization sees Lao staff as people who do not want to take risks. They have spent a lot of money on capacity building for the staff but the organization has found that Lao staff have not applied what they have learnt into their work. In short, Lao staff are knowledgeable, skilful, innovative and capable of working on the assigned job. Especially, the more senior positions are more likely to be more effective. However, they are not ready to work internationally and they dare not take risks.

This research also underscores the assessment of Lao human capital by finding out if Lao staff members are qualified from the viewpoint of the employers and the personal viewpoint of HR Managers. This research has found that Lao staff in the target organizations are qualified to work in international organizations in Laos. When HR managers were asked opinions about Lao staff, they all stated that they are satisfied with the performance of Lao staff. However, Lao staff still need more improvement.

5.7 Some findings about Lao human capital in association with some HR activities

It is mentioned in chapter two that human capital is the result of education and the countries that invest more in education are more likely to be attractive for foreign investment. It is also noted that after the opening up of the country, Laos has spent a lot of funds investing in building the capacity of its human resources. Therefore, this section examines human capital in association with the HR activities that are applied by international organizations.
5.7.1 Education level and human capital

The survey data regarding the education level of samples in the target organizations show that almost all of the respondents had spent their time studying in school between 11 to 17 years long. This means they have a certain grade of human capital. Hence, it is interesting to test whether there is any significant association between their highest achievement of education and their human capital.

5.7.1.1 The association of education and the belief that education can support their work

This section begins with the findings on the association between the highest education that respondents have achieved and the proportion of respondents who believe that their education can support staff to perform their work. From Table 40 on page 92, we can see that the majority of the staff in all educational categories in the target organizations believed that education can support their current work. However, it is interesting to note that the proportions of believe and not believe concerning staff who have a Master Degree are equal. Therefore, to be clearer, it is important to test the association by hypothesis as follows:

**Hypothesis 1:** $H_{A1}$: There is an association between the highest education achieved and the belief that education can support the respondent’s work.

The test result in Table 41 on page 93 shows that there is no evidence of an association between the highest education achieved and the belief of respondents that their education can support their work. This means a higher education level does not affect the belief of respondents that their education can support their work.

5.7.1.2 The association of the highest education achieved and the capacity to do the job

This test has been made because of the previous part on the support of education for work. It is interesting to see the data in Table 42 on page 93. The figure shows that almost all of the respondents claimed that they have the capacity to do the job. If we concentrate on the respondents who have achieved a Master Degree, we will see that more of them stated that they

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5 The education system in Laos includes 11 years of general education, 3 years of Higher Diploma, 5 years Bachelor Degree, 1 year of Post-Graduate, and 2 years of Master Degree
have the capacity to do the job compared to other groups. This issue created the need to know if the education level has an association with the perception of staff of their capacity to the job. Therefore, this suspicion is tested to find out the correlation based upon the hypothesis follows:

**Hypothesis 2**: $H_{A2}$: There is an association between education level and the perception of staff members of their capacity to do the job.

From the test result in Table 43 on page 94, it shows there is no evidence of a significant association between education level and the perception of staff of their capacity to do the job in target organizations. Therefore, we can conclude that the information on the education level of staff is independent of the perception of staff members of their capacity to do the job. Said another way, a higher education level does not mean that the staff think they have a higher capacity to do the job.

**5.7.1.3 The association between the belief of respondents that education can support their job and the perception of their capacity to do the job**

This test is based on the first two tests on the education level of respondents and their beliefs that education can support their work and the perception of their capacity to do the job. It is found in both tests above that there is no evidence of a significant relationship between their education level and their belief that education can support their work and their perception of their capacity to do the job. Therefore, it is more interesting to test the association between the belief that education can support the respondents’ work and the perception of their capacity to do the job. The test is made through the hypothesis as follows:

**Hypothesis 3**: $H_{A3}$: There is an association between the beliefs that education can support their work and the perception of their capacity to do the job.

The test result in Table 44 and 45 on page 94 and 95 shows that there is a significant association between the belief of the respondents that education can support their job and the perception of their capacity to do the job. This means that most of the respondents who believe that their education can support their work are more likely to perceive that they have the capacity to do the job.
5.7.1.4 The association of the highest education achievement and the importance of capacity building

This question is constructed based upon the need to understand whether the level of education has any association with the perspective of the staff on the capacity building in the target organizations. Table 46 on page 95 indicates that the majority of the respondents in all educational groups see the enhancement of capacity for advancement as a very important issue. However, we still doubt whether the level of education has any association with the perspective of staff members on the importance of capacity building. Said another way, higher education is the factor influencing the respondent to view the importance of capacity building. Therefore, a new hypothesis has been made.

**Hypothesis 4:** H₄: There is a relation between the education level of staff in the target organizations and their perspective on the importance of capacity building.

It is clearly seen in Table 47 on page 96 that there is no significant relation between education level and the perspective on capacity building. This means that no matter how high the education level is, it does not affect the perspective of staff on capacity building.

5.7.2 Demographics and human capital

This discussion pursues the association of demographic data such as the gender and age group of respondents and the perception of their capacity to do the job. The capacity in this context refers to the perception of having appropriate knowledge, skills, innovation and general capacities.

5.7.2.1 The impact of gender on the awareness of the respondents’ capacity for the work they are doing.

This test is made to find out if the gender of the respondent has any impact on the response of the respondents. Based on the result in Table 48 on page 96, it is found that most males and females perceive that they have the capacity to do the job. The test aims to find out if gender has any impact on their perception of their capacity. In other words, this test is made to test whether one gender has any impact on the data set. For example, whether males perceive they have more
capacity or females perceive that they have more capacity. Therefore, this test is made by the hypothesis as follows:

**Hypothesis 5**: $H_{A5}$: Gender has an impact on the perception of staff of their capacity.

The test result in Table 49 on page 96 demonstrates that there is no evidence of a significant association between both genders on the perception of staff of their capacity to do the job. This means gender has no impact on the perception of staff members of their capacity.

**5.7.2.2 The difference of both genders’ perception of their capacity to do the job**

This research is made to be more interesting by testing the difference of gender and the perception of staff of their capacity to do the job. From the result in Table 50 on page 97, it is seen that both sets of data, which indicate male and female, mostly believe that they have enough capacity to do the job they are doing. From this result, it is interesting to investigate further to see if there is a difference between the responses of males and females so the next hypothesis is made.

**Hypothesis 6**: $H_{A6}$: There is a difference between male and female respondents’ perception of their capacity to do the job

From the test, it is found in Table 51 on page 97 that the perceptions of males and females on their capacity to do the job are not significant different. It can be elaborated that males and females have the similar awareness of their capacity to do the job.

**5.7.2.3 The test of the association of age group and the perspective of respondents of their capacity to the job**

This test is made based on the need to know if age group has any association with the staff’s perception of their capacity to do the job. Table 52 on page 98 shows that most age groups perceive that they have the capacity to do the job. However, it is interesting to know if the responses of all age groups are linear. This means that older people are more likely to be more capable. Therefore, this test is made by the hypothesis below.

**Hypothesis 7**: $H_{07}$: There is an association between the age group of staff and their perception of their capacity to the job.
From the result of the test, which can be seen in Table 53 on page 98, it is found that there is no significant association between the age group of the staff and their perception of their capacity to do the job. This means that the greater seniority of staff members does not mean that they think they have more capacity to do the job.

5.8 Summary

It was found that all the participant organizations have applied HR functions in different ways. Some organizations use nearly all HR activities but some have not used all of them because of their limitations such as a limited budget and a shortage of labour force in certain sectors.

This chapter also highlighted the staffing policy of the target organizations and it was found that all of them have used the mixed staffing approach. This means that there are some expatriates working with Lao staff members. Additionally, the factors influencing the application of IHRM are discussed. However, because of the limitations, the discussions may not cover the problems that may be beyond the scope of the information provided by the target organizations.

It is also interesting to note the current status of Lao staff members regarding human capital. The discussions demonstrate that Lao staff are qualified to work for international organizations in Laos. Finally, some information regarding the human capital of Lao staff is discussed based on the statistical data.

In the next chapter there is a summary of the overall research as well as the provision of some recommendations for better practice.
Chapter 6

Conclusions and recommendations

6.1 Introduction

This chapter synthesizes all the main ideas of the research as well as elaborating on how the discussion is significant for this thesis. This chapter provides some recommendations that were found during the research process as well as in the period of distilling and analysing the data. Some future research opportunities that may be useful for other researchers or readers of this thesis are also provided.

6.2 Research summary

The main aim of this research was to obtain information on the application of International Human Resource Management (IHRM) in the context of the human capital of multinational organizations in Laos. In order to be able to present the results point by point, the researcher formulated some research questions that cover the aim and objectives of this research. Moreover, in order to test some associations, this research also generates some hypotheses that need to be statistically tested.

The research explored the literature of related theories on HRM, IHRM and human capital. The literature review provided supporting theories on the research enquiry. In addition, it also suggested the track that all findings and discussions should keep on. It is found that IHRM is not a new concept of HRM and the practice of IHRM uses the same HR activities as normal HRM concepts but some contents and applications may differ. Nevertheless, IHRM can be best used when the organizations operate their business overseas market. It is also interesting to note that the countries that invest more in education are more likely to be attractive to foreign investment. This is because if there are more educated people in the nation there is more human capital.

In order to ensure that this thesis was properly executed, the research methodology, data collection and data analysis, was also outlined. This is because the right design of the methodology can bring about valid and reliable information. This thesis uses descriptive study,
which aims to research the existing phenomena. The data collection tools that are used by this research are the qualitative approach which is represented by interview and the quantitative approach which is represented by survey questionnaire. Additionally, the main target location of this research is in Laos and most of the participants are international organizations that are operating in Laos and their staff members.

After the overall process of data collection, it was found that there are many interesting findings that relate to the literature review that can be briefly summarized as follows:

It is found that most organizations have adaptively applied HR activities. Some organizations have HR departments but some of them integrate HR work in an Administrative department. This means an Administrative manager has to perform HR tasks. It is important to note that most of the participant organizations use normal recruitment processes. Also they provide training for their staff members both within the organization and by sending them to attend training outside the organization. Additionally, this thesis found that the performance review is mostly done by the line manager through a report system. It is commonly found in participant organizations that performance appraisal is done by using evaluation forms together with an interview. Finally, most participant organizations do not have reward systems but they all have different ways to motivate their staff such as an annual increase in remuneration, bonuses and praise.

This thesis also seeks to identify the staffing policies that the participant organizations are practicing. On the one hand, it was found that some participant organizations are applying the Geocentric staffing approach with a mix of staff members that includes Lao people and some foreign staff from headquarters. On the other hand, some other participant organizations are applying the Regiocentric staffing approach. Human resource managers stated that the mix of staff members includes Lao people, people who are sent from headquarters and people that the organizations have recruited from the regional area. However, both groups have to follow instructions from headquarters or the regional office.

The problems influencing the application of the IHRM of participant organizations have also been identified by means of this research. The major problems they are facing now are the limited labour pool in some sectors such as health and internal auditing. Another problem related to labour is the lack of skilled labour and the request for very high remuneration that the
organizations cannot afford. The cultural problem that is common in some other countries which was expected to exist in Laos is not confirmed by the HR managers of the participants. This means even though they are culturally different, there is no problem that is caused by culture differences.

The quality of Lao staff members’ human capital has also been evaluated through the discussions with the HR managers who have been closely working with them. The result shows that Lao staff members are knowledgeable and they have suitable capacity to do the organization’s work. Generally, their employers are satisfied with Lao staff and they are also qualified to do the job.

The human capital of Lao staff has also been tested applying SPSS data analysis. The test generated some interesting results that are outlined as follows:

- A higher education level does not make respondents believe that their education can support their work.
- A higher education level does not mean that staff think they have higher capacity to do the job.
- Most of the respondents who believe that their education can support their work are more likely to perceive that they have more capacity to do the job.
- A higher education level does not affect staff members’ perception of their capacity building.
- Gender has no impact on the perception of staff members of their capacity.
- Males and females have the same awareness of their capacity to do the job.
- The greater seniority of staff members does not mean that they have enough capacity to do the job.

Overall, the research project has achieved all its objectives and the research questions were answered. The various hypotheses were also addressed.

### 6.3 Recommendations

The recommendations that are generated and based on the findings at every step of the research process, including data collection, management of information and discussions, are as follows:
• Due to the problems faced by all the participant organizations with regard to recruitment, the participants must carry out workforce planning\(^6\) so that the recruitment process can supply sufficient applicants to enter the selection process.

• The participant organizations may have to allocate enough budgets for building capacity for their staff members. Additionally, they should also formulate a training manual to be used to ensure their training is effective.

• It is found that staff members prefer the training that is relevant to their jobs but they have less preference for frequency of the training. Therefore, the training provided by the organizations should less often and should concentrate on the topic that is relevant to the staff members’ work.

• HR departments should also disseminate and reinforce the organization’s strategic plan in order to encourage the commitment of the employees so they will be able to give a good performance.

• The expectations of the staff members after their performance appraisals are in the following order of preference: improvement, increase of salary, receiving positive feedback, promotion, rewards, and expect nothing (see Table 29 on page 86). Therefore, the performance appraisal should be planned in order to respond to their real needs. Another important point that should be taken into account is the result of the performance appraisal should be activities that can encourage the improvement of the staff members.

• Even though there is not an issue that can be caused by cultural differences, the participant organizations should continue cultural harmonizing in the form of training, for instance, especially when the country is integrated into ASEAN Economic Community (AEC), when a more and more diverse workforce will be allowed to move freely in ASEAN member countries. The understanding of cultural issues will be an advantage for employees to avoid any interpersonal conflicts that may be caused by culture differences.

• There are many techniques to encourage employee initiative but this research would recommend the effective management of rewards since reward can be used to improve employees’ efforts and performance. Additionally, it is also believed that reward has a

\(^6\) Workforce planning refers to the integration of the holistic resourcing planning process that ensures the organization gets the right people in the right role in order to respond to the organizational profit plan. (Nel et al., 2011)
huge impact on the organizational corporate culture (Marchington & Wilkinson, 2012). Therefore, if the participant organizations want to encourage initiative, they may have to value the people who have inventiveness by providing the rewards for them. Consequently, employees will be have initiative as they know what they do is what the organization treasures.

6.4 Limitations

There are some limitations that have been revealed while carrying out this thesis.

The first limitation is that nearly half of the HR managers have not had a background in human resource management. Additionally, more than half of them have been working for the participant organizations for less than one year especially in HR tasks. This issue can affect gaining sufficient data as some experts including Moriarty (2011) state that the qualitative data collection has the purpose of obtaining in-depth information from people who have an understanding on the issue.

- The data in this research is only from a non-profit organizations source. This means the data results cannot cover all types of multinational organizations.
- Additionally, this research aims to obtain information from Lao staff members only. This can be the reason that this research is an incomplete match between the literature exploration and the result discussions because it could not cover all components of the IHRM practices of the participant organizations. Some examples of this are cross-cultural training, international recruitment, international induction, and the movement of staff at the international level.

6.5 Future research opportunities

As Laos is integrating into the AEC as well as other international communities, it is important for Laos to promote the understanding of IHRM concepts especially in the context of a host country. It is claimed by many experts including Marchington and Wilkinson (2012) that the best management of people can bring about competitive advantage. Therefore, future research opportunities are listed as follows:
• Conducting more research on IHRM in specific HR activities such as international recruitment, international training, and international induction.

• Conducting research that can cover all participant groups, such as profit making organisations to ensure that the participant organizations are covered by all criteria of multinational organizations.

• Possibly, it would be favourable for future research to select expatriates as part of the sample so the research can discuss all the applications of IHRM on both Lao staff and expatriates.

6.6 Closing statement

It can be concluded that the application of IHRM and the practice of normal HRM activities can be used best when the organization have moved their business across borders. Once the organizations move across borders they have to select an appropriate staffing policy in order to ensure the effective use of people. Another important issue to be considered for multinational organizations is the factors affecting organizations in non-national nations such as human capital, the economic situation, differences of culture and other circumstance that can exist in the country of operation.

In the case of Laos, this research shows that the IHRM is applied which can be seen through the findings and discussions. It is found that all HR functions are practiced. Also, the staffing approach that is being used by international organizations can be identified as well as some factors that affect the practice of IHRM. Finally, this thesis makes it clear that Lao human capital is a contributing factor for success as well as a drawback factor that impacts on the application of IHRM.
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Appendix 1: Open-ended interview questions

Topic: “The application of international human resource management in the context of human capital in international organizations in Laos”

1. What is the current practice of human resource management in your organization?
   a. What has your organization done in recruitment?
   b. What has your organization done in training?
   c. What has your organization done in performance management?
   d. What has your organization done in performance appraisal?
   e. What has your organization done in rewarding management?

2. There are some staffing approaches that are adaptively applied by international organizations such as Ethnocentric, Geocentric, Regiocentric and Polycentric. Among these four approaches, which one best describes your staffing approach?

3. Has your organization experienced any problem in HR activities? What are they? And how are they influenced?

4. From your direct experience dealing with Lao employees, how would you describe your employees?

5. Overall, do you think your employer feels satisfy with Lao employees? What about your opinion? Are Lao employees qualified?
Appendix 2: Research Questionnaire.

Instruction: please tick (√) in the most suitable answer for you

Part 1. Recruitment

1. How long have you been working in this organization? Please select one relevant answer
   ( ) Less than 1 year
   ( ) 1-2 years
   ( ) 3-4 years
   ( ) 4-5 years
   ( ) More than 6 years

2. How did you come to know this organization? Please select all relevant answers
   ( ) Newspaper advertising
   ( ) Organization’s website
   ( ) Friends
   ( ) Others, please specify…………………………..

3. Do you understand clearly when you first see your organization’s vacancy announcement? Please select one relevant answer
   ( ) Very clear
   ( ) Somewhat clear
   ( ) Clear
   ( ) Somewhat unclear
   ( ) Not at all clear
4. Do you understand your job description well?

(  ) Very well
(  ) Well
(  ) understand it
(  ) Somewhat unclear
(  ) Not at all

5. How do you rate your satisfaction on job induction?

(  ) Very satisfied
(  ) Somewhat satisfied
(  ) Neutrally satisfied
(  ) Somewhat dissatisfied
(  ) Totally dissatisfied

6. Has your organization ever opened job opportunities for internal applicants including you?

(  ) All the time
(  ) Sometimes
(  ) Occasionally
(  ) Rarely
(  ) Never
Part 2. **Capacity building**

7. Have you ever participated in capacity building programs within your organization?

( ) Yes

( ) No

If yes, how many times in a year?

( ) 1 time

( ) 2 times

( ) 3 times

( ) More than 3 times

If no, why? Please tick all relevant answers

( ) You are not in the position that needs training

( ) Your organization does not have training programs

( ) You are not willing to attend the training

( ) Other reason

8. Please rate your participation in organization capacity building programmes? (1 = least important, 2 = somewhat least important, 3 = neutral important, 4 somewhat important, 5 very important)

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Part 3. Performance management and performance appraisal

9. Have you ever been sent to training organized by other organizations?

(    ) Yes
(    ) No
If yes, mostly in what kind of training organizations? (Please tick all relevant answers)

(    ) Private training companies
(    ) Organizations that work in the same fields
(    ) Government agencies
(    ) International organizations support

10. Have you ever been sent by your organization to participate training overseas?

(    ) Yes
(    ) No

11. Do you know your organization’s strategic plan e.g. vision, mission, values

(    ) Yes
(    ) No

If no, why?
(    ) my organization never shares
(    ) we do not have vision, mission and values
(    ) I see these stuffs as the less important for my job
12. How would you indicate your commitment on your organization?

(   ) Very high
(   ) Somewhat high
(   ) Neutrally high
(   ) Somewhat low
(   ) Very low

13. Have you been told the performance expected of your position?

(   ) Yes
(   ) No
(   ) Not sure what it

14. Normally, how often the progress review is processed in your organization?

(   ) Monthly
(   ) Every 6 months
(   ) At the end of the year
(   ) All of above answers

Which of the above review requires your participation?

(   ) Monthly
(   ) Every 6 months
(   ) At the end of the year
(   ) Every review
15. Please indicate what type of performance appraisal that you are familiar with?

( ) Paper based performance appraisal
( ) Verbal (interview) performance appraisal
( ) Mixture of paper and interview method

16. Do you think your organization set the goal to ambitious for the coming year?

( ) Yes
( ) No
( ) Don’t know

17. Please rate your understanding on the performance appraisal process in your organization in done?

( ) Very understand
( ) Somewhat understand
( ) Neutral understand
( ) Somewhat not misunderstand
( ) Not at all understand

18. How did you find the performance appraisal form?

( ) Not at all difficult to deal with
( ) Somewhat not difficult to deal with
( ) Neutrally difficult to deal with
( ) Somewhat difficult to deal with
( ) Very difficult to deal with
19. What did you expect after the performance appraisal is done? (Please select all relevant answers)

( ) Improved poor performance
( ) Constructive feedback
( ) Increase of remuneration
( ) Promotion
( ) Reward
( ) Nothing

20. Have you ever been given opportunity to explain about your poor performance during the performance appraisal interview?

( ) Yes
( ) No

21. Do you believe that superior performance leads to better reward?

( ) Yes
( ) No
( ) Unsure
Part 4. **Reward management**

**22.** Have you ever received rewards from your organization?

( ) Yes
( ) No

If yes, in what form? (Please select all relevant answers)

( ) Money
( ) Gifts
( ) Tour packages
( ) Learning opportunities
( ) Recognition
( ) other, please specify…………………………

**23.** What type of reward do you prefer?

( ) Financial reward
( ) Non-financial reward
( ) Both

**24.** Do you think your reward is derived from your superior performance appraisal?

( ) Yes
( ) No
( ) unsure
## Part 5. Human capital of respondents

### 25. What is your highest education that you already achieved?

- [ ] General education
- [ ] Diploma
- [ ] Bachelor’s degree
- [ ] Post-graduate diploma
- [ ] Master’s degree
- [ ] PhD

Other, please specify…………………………..

### 26. What is your current job?

- [ ] Administrative officer
- [ ] Technical staff
- [ ] Clerical
- [ ] Other, please specify……………………..

### 27. Do you think your education is the factor that supports your job in this organization?

- [ ] Yes
- [ ] No
- [ ] Not sure

### 28. Do you think you have capacity to support your current job?

- [ ] Yes
- [ ] No
- [ ] Not sure
29. Please rate your enhancement of your skills, knowledge and capability in order to support you advancement of your work

( ) Very important
( ) Somewhat important
( ) Neutrally important
( ) Somewhat least important
( ) Not at all important

Part 6. General

30. What is your gender?

( ) Male
( ) Female

31. What is your age group?

( ) 20-35 years
( ) 36-45 years
( ) 46-60 years

32. What is your organization type?

( ) International business
( ) Non-government organization (NGO)
( ) International organization
( ) Other, please specify……………………………..

Thanks for your kind support.
Appendix 3: Information for participants

Research Project Title:

Synopsis of project

The project is designed to investigate the actual application of the international human resource management in the context of human capital of multinational organizations in Laos. In this manner, qualitative and quantitative approaches will be used to obtain the data. Data analysis will be done and interpreted based on the finding objectives.

What we are doing

We are trying to find out the current situation of the application of international human resource management in Laos. In order to achieve this research, the researcher has selected only multinational organizations that are operating their business in Laos. The research also seeks to know the current state of Lao human capital in the perspective of the multinational organizations. Therefore, some Lao employees in multinational organizations are selected to participate in the research.

What it will mean for you

The research is conducted based upon the existing problems of the application of human resource activities of multinational organizations in Laos. Therefore, this research will be very useful for you and your organization. This is because the provision of primary data of your organization on HR practices will be analyzed through the right methodology so you will obtain the information about yourself, your employees and your organization. Hence, your participation is very meaningful. This means this research will obtain the right information, persons, organization and practices. In this process, I will meet HR manager to
interview on HR practices for 60-120 minutes and will distribute 20 questionnaires for 20 employees in your organization.

If you agree to participate, please sign a consent form. This does not stop you from changing your mind if you wish to withdraw from the project. Your parent/guardian can also ask for you to be withdrawn. However, because of our schedule, any withdrawals must be done within 2 weeks after we have interviewed you.

Your name and information that may identify you will be kept completely confidential. All information collected from you will be stored on a password protected file and only you, the three researchers and our supervisors will have access to this information.

Please contact us if you need more information about the project. At any time if you have any concerns about the research project you can contact our supervisor:

My supervisor is Prof. Pieter Nel, phone 815 4321 ext. 7026 or email: pnel@unitec.ac.nz

UREC REGISTRATION NUMBER: (2013-1049)
This study has been approved by the UNITEC Research Ethics Committee from 01/08/2013 to 01/08/2014. If you have any complaints or reservations about the ethical conduct of this research, you may contact the Committee through the UREC Secretary (ph: 09 815-4321 ext 6162. Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.
Appendix 4: Participant Consent Form

**Research Project Title:**

The Application of International Human Resource Management in the context of Human Capital of Multinational Organizations in Laos.

I have had the research project explained to me and I have read and understand the information sheet given to me.

I understand that if the pool of interested parties exceeds places available, I may not be selected to participate. I also understand that I don't have to be part of the project if I don't want to.

If I am selected to participate:

I understand that I can withdraw from the project within two weeks of receipt of the transcript. I also understand that everything I say is confidential and none of the information I give will identify me; the only persons who will know what I have said will be the researcher and his supervisor. I understand that all the information that I give will be stored securely on a computer at Unitec Institute of Technology for a period of 5 years.

I understand that my discussion with the researcher will be taped and transcribed. I have an opportunity to review and amend a transcript.

I understand that I can see the finished research document.

I have had time to consider everything and I give my consent to be a part of this project.

*Participant Name: .................................................................

*Participant Signature: ............................ Date: .................

Participant contact details:

*Researcher Name: Minghouankham Sisavath

*Researcher Signature: ... .......................... Date: ................
Appendix 5: Consent letter form participant organizations

Consent Letter

To: Mingkhounkham Sisavath  
Department of Management and Marketing  
UNITEC Institute of Technology

From: Handicap International Laos.

Ref: consent for interview and data collection

I have been given and have understood an explanation of this research project for the Master of Business. I have had an opportunity to ask questions and have had them answered. I understand that neither my name nor the name of my organization will be used in any public reports, and that I may withdraw myself or any information I have provided for this project without penalty of any sort.

I agree to take part in this project.

Vientiane, July 25, 2013

Thavone Phomhaksak
Admin. Manager
Handicap International Laos P.D.R
Consent Letter

To: Mingkhouankham Sisavath
   Department of Management and Marketing
   UNITEC Institute of Technology

From: MAG Lao PDR

Ref: consent for interview and data collection

I have been given and have understood an explanation of this research project for the Master of Business. I have had an opportunity to ask questions and have had them answered. I understand that neither my name nor the name of my organization will be used in any public reports, and that I may withdraw myself or any information I have provided for this project without penalty of any sort.

I agree to take part in this project.

MAG Lao PDR, Vi... Programme Officer
Name: Simon Rea
Date: 11.06.2013
Consent Letter

No: 0994

17 Jun 2013

To: Mingkhouankham Sisavath
   Department of Management and Marketing
   UNITEC Institute of Technology

From: Phonethip Phouheuanghong

Ref: consent for interview and data collection

I have been given and have understood an explanation of this research project for the Master of Business. I have had an opportunity to ask questions and have had them answered. I understand that neither my name nor the name of my organization will be used in any public reports, and that I may withdraw myself or any information I have provided for this project without penalty of any sort.

I agree to take part in this project.

[Signature]

Phonethip Phouheuanghong
Administration Manager, PSI/Laos

Vientiane, Lao PDR.
Consent Letter

Mingkhouankham Sisavath  
Department of Management and Marketing  
UNITEC Institute of Technology

To whom it may concern:

Ref: consent for interview and data collection

I have been given and have understood an explanation of this research project for the Master of Business. I have had an opportunity to ask questions and have had them answered.
I understand that neither my name nor the name of my organization will be used in any public reports, and that I may withdraw myself or any information I have provided for this project without penalty of any sort.

I agree to take part in this project.

Sincerely,

Paniti Chuenrudeemol  
Human Resources Officer  
The World Bank  
Southeast Asia
Consent Letter

To: MingkhouankhamSisavath
Department of Management and Marketing
UNITEC Institute of Technology


Ref: consent for interview and data collection

I have been given and have understood an explanation of this research project for the Master of Business. I have had an opportunity to ask questions and have had them answered. I understand that neither my name nor the name of my organization will be used in any public reports, and that I may withdraw myself or any information I have provided for this project without penalty of any sort.

I agree to take part in this project.

Vientiane
Director of Human Resource Department

Name: Mr. Colin Scott
Date: 30 July 2013