

**HUMAN RESOURCES MANAGEMENT IN SOUTHEASTERN ASIA'S LOCAL  
GOVERNMENT  
CASE STUDY: PHILIPPINE AND THAILAND**

**Aya Maher,**

The German University in Cairo, Egypt <sup>1</sup>

**Randa El Bedawy,**

Misr International University, Egypt <sup>2</sup>

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**ABSTRACT:** *The objective of this theoretical study is to diagnose and analyze some of the positive and negative experiences of the human resources management (HRM) practices in southeastern Asia's local governments in both Philippine and Thailand in order to derive some lessons learnt for the local government in Egypt. The methodology used was based on analyzing and studying in depth the different literature reviews related to the contemporary framework for HRM at the local government in both countries. Findings in the two cities were more or less similar, including both negative and positive aspects. Negative findings in City A in Philippine and City C in Thailand confirm the typical concerns of corruption within the local government under decentralization. While findings in City B in Philippine and City D in Thailand reveal more or less similar results with rules and regulations of the civil service are strictly followed by the local government. The lessons learnt for the Egyptian case concluded that any inability to remove a poorly performing manager harms the performance of public organizations. Therefore, more attention should be given to the HRM at the Local Government level in Egypt in order to render a better public service.*

**KEYWORDS:** Public Administration, New Public Administration, Human Resource Management, Local Government.

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## **INTRODUCTION**

The HRM is a crucial pillar in the core of most nations' development plans and a boosting growth icon for any country's economic development. Over the past two decades, scholars and practitioners in the field of public administration have witnessed a number of reform initiatives aimed at enhancing the efficiency and effectiveness of public management. Major changes have included increased focus on service performance and outcomes in organizations at the local levels of government, and the implications of these reform efforts for personnel policy have been significant. The HRM approach requires both organizational and cultural changes for the public entity and its managerial structure. Increased management discretion, increased flexibility and

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responsiveness, enhanced performance, and utilization of private sector tools have fueled this reinvention movement (Battaglio & Condrey 2009). As many public organizations shift toward a performance-oriented approach to the delivery of public services, HRM personnel are expected to provide valuable input into the decisions regarding staff management and core objectives of the governmental entity. The changing nature of work in public sector organizations requires a new emphasis on human capital management to support and improve the public entities' operational and strategic objectives (French & Doug Goodman, 2011; 2012).

### **Objectives and Importance of the Study**

The importance of this study arises from its contribution at both the academic and practical levels as it tends to reflect the importance of the HRM at the local government as it is urgently requested for the growth and the sustainability of the economic development of Egypt especially after the Revolution 25<sup>th</sup> January, 2011. This study tends to reflect the new applications that can be used by the Egyptian Government to manage efficiently and effectively the HR at the local government as well as the challenges that can face the Egyptian government to manage efficiently and effectively the HR at the local government. On the academic level, the importance of this study arises from the fact that there are few studies within the Egyptian context that highlighted the new trends for improving the HRM at the local government. On the practical level, this study tends to shed the light on some of the international experiences in both the countries of Philippine and Thailand as a learning experience that can be applied successfully for the HRM at the local government in Egypt.

#### **Therefore, the objective of the study will be:**

- a. To demonstrate the current framework for the HRM at the local government.
- b. To review the international experiences of some countries regarding the application of the HRM at the local government.
- c. To provide a set of recommendations to improve the HRM at the local government in Egypt

### **THE RESEARCH METHODOLOGY**

This research is based on a descriptive analysis to review the literature review related to the contemporary framework for HRM at the local government. Moreover, this research is also using the case study approach to review the international experiences application of the HRM at local government in both the countries of Philippine and Thailand, in order to reach a set of recommendations that can be applied at the local government in Egypt.

### **LITERATURE REVIEW**

#### **The Current State of HRM in the Local Government**

HR functions in private and public organizations are challenged today by strategic and more business and customer-oriented roles, especially in the public sector, along with modernization and efforts to become more efficient and cost effective in delivering products and services, there are increasing demands for the HR function to play a more strategic role. The adoption of New Public Management (NPM) thinking in public organizations has resulted in increasing pressure to pay more attention to the management of their HR and adopt private sector processes and

principles in themes such as performance management and strategic orientation (Lindström & SinikkaVanhala,2011).

In order for public managers and employees to execute a public sector vision, public sector reformers have to be careful with regards to issues and processes related to the following (Antwi & Analoui,2008):  
Selection and recruitment of suitable public managers and workforce  
Career development and promotion opportunities for public employees

Provision of a motivating incentive system for public employees

Adequate interaction between the entire public workforce, managers and their superiors

Team building, taking into consideration leadership, communication and control

Since public organizations have a different focus and are more complex environments than private companies, the applicability of HR as a strategic partner is perceived as an even greater challenge in the public than in the private sector. The lack of executive authority held by the function and the volume of routine work combined with a lack of resources in the local government context has a negative impact on the strategic ambitions of the HR function. Consequently, it is difficult for HR departments to adopt the strategic role often required by the prevailing HR policies. It is seldom enough that an HR manager has the will to act strategically or decides that the function will become 'more strategic'. Actually, various factors influence this objective. Organizational aspects such as public sector context, absence of a shared meaning for strategic HRM and the large size of organizations complicate the function's strategic ambitions (Lindström & SinikkaVanhala,2011). The "experts" astutely anticipated the increased importance of HRM as an innovative player in the strategic management of public organizations; however, several changes they envisioned for HRM a decade later may not have progressed as quickly as projected (French & Doug Goodman, 2011).

Heads of HR felt that the involvement of a broad range of stakeholders was critical to ensuring that the HR strategy was relevant to the organization. Equally, the heads of HR noted that the HR strategy had to be responsive to the broader legislative environment and changes within the public sector. Relations with senior line managers were also critical, since their support was essential. The heads of HR also explained that relations with line managers were vital to ensuring HR policies were successfully implemented (Truss, 2009).

Alongside the more strategic elements of the role, there was an expectation on the part of the senior managers in particular that the HR function would focus on employee welfare, ensuring a reputation for the council as 'good', 'fair' or 'equitable' employer. Equally, the training and development of the workforce and organizational development were seen as core strategic HR priorities. HR also had an important role to play in employee communication, both to employees and upwards from employees to senior managers (Truss, 2009).

Moreover, the top management has a crucial role if HR issues are to have sufficient value in the organization. The dependence on top management and the example it sets for the entire organization is emphasized: It's really difficult to follow through with matters in the department if the top management team isn't committed to them (Lindström & SinikkaVanhala, 2011).

It is increasingly important for the local governments to take a team approach for HRM and to ensure that team members consult with one another frequently. There are also newer ideas that are taking hold within local government, one such idea is to conduct regular field audits by having HR professionals and/or attorneys visit worksites to visually review practices for compliance with rules and regulations. A second idea is to encourage the HR team to focus its attention on troublesome areas by conducting spot-checks in areas of the organization suspected of non-compliance (McDowell, Amy & William, 2011).

New approaches to increase managers' ability to remove poorly performing employees include empowering managers, removing constraints on their ability to manage, and instituting performance management systems that connect employee efforts with results. Approaches to improve managers' ability to reward employees include increased reliance on the performance appraisal process and pay-for-performance schemes (Brewer & Richard, 2012). Employees are more likely to be confronted with stress if their efforts are not sufficiently rewarded or recognized either subjectively or objectively by their organization. Such an expression of organizational gratitude can be given by means of provisioning material rewards, such as pay rise or career advancement, or by means of intangible rewards, such as promotion, training, and so on. In other words, a job that is too demanding is harmful when tangible and intangible recognition for work is not commensurate with the efforts made by employees (Giauque, David, Simon Anderfuhren-Biget2, & Frédéric Varone, 2013).

There is a continuing tension between government imperatives on one hand, and the experiences of local government HR departments on the other. In the prevailing climate which privileges measurement and audit against national benchmarks over adaptation to local contingencies. It was noticed that such reforms were not only are associated with the New Public Management movement of the 1990s, which sought to improve the performance of public agencies and bring business practices into government, but also persist today as governments seek to implement serious programs and cutback management aimed at reducing the huge public debt that was amassed during the recent global economic recession (Brewer & Richard, 2012).

It was apparent that the expectation at all levels was that the HR department should excel in the 'nuts and bolts' of HRM practice. This included the renewal and modernization of HR policies in line with legislative changes and government imperatives (Truss, 2009).

After reviewing the current state of HRM in the local government, it was noticed that many of the traditional HRM practices are still considered very essential by human resource professionals at the local government level. Also, several anticipated changes have taken place at this level of government at a much slower progression than anticipated. The second part of the study tends to review the HRM in the Southeastern Asia local government (Case Study: Philippine and Thailand).

### **Case Study: Philippine and Thailand**

Decentralization has been an influential procedure for public sector reform for decades. Like many countries in Southeast Asia, the Philippines and Thailand have experienced the transitional period of decentralization since the 1990s, but its results are considered to be poor, allowing the increasing corruption to be associated with local elites (Burns, Hambletonm, & Hogget, 1994).

This section of the study will discuss the HRM practices in four cities in both Philippine and Thailand. The study revealed a negative experience named by Case A in Philippine and Case C in Thailand and a positive experience named by Case B in Philippine and Case D in Thailand.

### **A Comparative Study: Philippine and Thailand**

Ishii, Rohitarachoo, and Hossain (2010) in his study, came up with a comparative study for the HRM in local government in two cities in Philippine and two cities in Thailand. He addressed the problem by focusing on HRM, in particular recruitment and selection, in decentralized local governments. Empirical observations from previous studies are presented for these two countries and the four case cities, which are followed by a comparative analysis across observations. Findings of these studies rooted differences of policy arrangements in the two countries, but also favorable evidences at the local level that cannot be explained by the existing theories (Ishii, 2010).

### **HRM Practices in Philippines**

The study for the recruitment and selection practices in decentralized local government in the Philippines necessitates an understanding of the country's circumstances that triggered its decentralization reform. Decentralization reform in Philippine went into full swing at the time of enactment of the Local Government Code (LGC) in 1991. The LGC was implemented under the administration of Cory Aquino (president 1986–1992), who emerged from the so-called EDSA Revolution, or the 'Peoples Power Movement', after the downfall of the autocratic regime of Ferdinand Marcos (president 1966–1986). In fact, decentralization was on Aquino's political agenda from the start. The constitution, which was established in 1987 included provisions for local autonomy. Hence, much of the LGC contains institutional arrangements on peoples' participation at the local level (Charlic, 2001).

### **Case 1- Negative Experience: City A in Philippine**

City A is the capital city of one of the four provinces in Bicol region of the Philippines and its major industry is rice and root crop agriculture (City A, 2008a). While half of the city's land is used as agricultural land, population wise, a number of residents are employed in the service and trading sectors around the city centre. Around 550 regular staff works at the city council (City A, 2008b). Ishii, in his study, revealed that the national regulations regarding recruitment and selection at the first glance seemed to be followed in the right manner in the city. However, through further interviews during his study, it became evident that the compliance of HR-related rules is actually superficial. The personnel selection board is organized and the regulated procedure of recruiting the regular staff is followed under the board, but the board members are not involved in the actual selection judgment. All they do is to sign the form prepared by the chief executive office. It was well known by the personnel officers that the best applicant is not always hired even though the applicant meets the required qualification as the decision is always based on political factors rather than objective criteria. Political intentions also influence recruitment of non-regular staff. In addition to the 550 plantilla staff, the city hall hires so many or countless number of job orders, or short term employees with no job to do just for political reasons. Regular staff members can be recognized from the temporary staff by having any documents on their desks to work on. These job orders serve in the hall for a short term with a limited amount of money, and are traditionally hired by the mayor because of political reasons. More precisely, the posts are not there to hire personnel on a demand basis, but are to be used as for a political means. In this way, embedded



nepotism in recruitment and selection was observed in the city (Ishii, 2010). Tapales, Padilla, and Joaquin's (1998) also confirmed this in their academic contribution. In the case of LGUs that do not have formal classification and pay plans, jobs may be filled depending upon the needs of the local public service, but more often, through the discretion of the local chief executives and/or local councils.

City B is one of the oldest cities in the Philippines, established by Spain in the late 16th century (Robredo, 2006).

Case 2- Positive Experience: City B in Philippine

City B is one of the oldest cities in the Philippines, established by Spain in the late 16th century (Robredo, 2006).

It is also the centre of trade, education, and culture (City B, 2012). Nonetheless, the majority of its land is still used for agriculture, apart from the central area of the city centre where shopping malls, bus terminals, and offices have been built. The city council is headed by a renowned mayor and consists of 497 regular staff and 488 non-regular staff. In City B, the national regulations on HRM are rigidly implemented. Recruitment procedures are followed by the personnel selection board which is organised by the administrators, personnel department head, department head of the concerning vacancy, two local

assembly members, a representative of employees association and a chairman of the city's employee empowerment program called Productivity Improvement Program PIP (City B, 2012). Many employees from City B stated that their recruitment and selection are completely fair and follows the proper recruitment procedures. The personnel office of the city had developed a document called Ratig Sheet of Applicant, a checklist using a five point scale, which includes the following sections:

- Education and training
- Work performance
- Experience and outstanding achievements
- Psychosocial attitudes and personal traits
- Potential

The sheet is filled out by the personnel selection board members in the selection interview, in which situational and behavioral questions are asked to the applying candidates. The board members have standardised judgement criteria and the applicants can be objectively compared. The decision is made by the board and passed to the mayor for his approval.

The city council had been taking HRM issues quite seriously for the past decade under the mayor's initiative. The PIP, mentioned above, was the starting point for the city council to keep the focus of HR. The program was introduced and according to the book written by the mayor

to get officials away from the mind set of a traditional mode of public service with a belief that with such crucial change, it will help make the city hall more efficient (Robredo, 2006). For this purpose, office-wide aptitude tests were implemented to put the right people in the right places. This program was later taken over by a customer---orientation program that received an

international donor's support. Encouraged by the mayor, the head of the personnel department has been proposing inventive HR practices, not just limited to recruitment and selection, seeking increased motivation of the personnel and for work efficiencies. These include employees' satisfaction survey as well as the staff's evaluation of the mayor and management officers. As shown above, in City B, where the significance of HRM has been emphasized by the chief executive, nationally set arrangements on recruitment and selection are respected and even developed with their own capacity.

### **HRM Practices in Thailand**

#### **Case 3 – Negative Experience: City C in Thailand**

City C is located in Songkhlaa province in the southern part of Thailand. The amount of its budget is quite large because of the mayor's connection with the upper level governments. The recruitment and selection at City C is centralized with the decisive power in the hands of the mayor, even employees rotation is also in his hands. These rotations affects not only the higher level officers but also the lower level officers like drivers, who may be transferred to even more inferior jobs. In City C, for employees to keep their position, they must be very loyal and connected to the mayor. (City C, 2011).

One interviewee stated: "I have been working as a fiscal and finance director for three years and I have never been assigned by this mayor to the jobs which require decision making. An HR officer honestly confessed that many of the staff are unmotivated for their job under such conditions (Ishii, 2010). External factors, such as politics at the national or provincial level, also affect recruitment and selection for city positions. For example, provincial politicians ask the mayor to allocate his friends or relatives to a specific position in the city. The mayor responds to the request and gets some budget benefits in return as gratitude. Therefore, in City C, HRM is completely dominated by the mayor, who conducts paternalistic and unfair operations of civil service management. Such situations severely affect the motivation of those in the civil service.

#### **Case 4- Positive Experience: City D in Thailand**

City D is a medium-sized city in the Nakhon Pathom province in the central region of Thailand. Recently, the area has been modernized, and thus manufacturing real estate business and trading have come to be the vital industry of the city. The population has also increased by accepting migrants from all over Thailand. In the city office, there are 170 staff members. The mayor of City D is renowned for his straightforward management style. Recruitment and selection for city positions are completely merit based. Any vacant positions are announced in public and the applicants who have passed the examination are shortlisted for further consideration. Only those who originate from the region are prioritized. One HR administrator who accepted an interview showed confidence that the applicants are selected in a fair manner. In City D, performance evaluation for the officers is conducted twice a year to be referred to during the internal recruitment and selection process. Any vacancies available for the existing staff are announced and advertised in the city office, so that any eligible officers who would like to get promoted or rotated can apply for the position. It was explained by one interviewee that the mayor's straight forwardness could even smooth relationships with upper level

governments. Politicians at the provincial level trusted the performance of the mayor because most projects and budgets assigned to City D have been accomplished. Therefore, they hardly request the favor of nepotistic employment from the mayor (City D, 2011). In this way, the mayor of City D has established the norm of transparent operation and ensures that it is supported even by the external parties, although the norm may not be maintained 100% of the time.

### 3) Comparative Analysis

Based on the above information, a comparative analysis in both Philippine and Thailand can be drawn with regards to the policy arrangements on HRM under decentralization with regards to the following points:

- **Historical Background:** The explanation for this gap may be explained by the historical backgrounds of the two countries. As mentioned earlier, in the Philippines, local political entities have been enjoying a certain level of autonomy since long before the decentralization reform. Meanwhile, Thailand has a long history as a united kingdom, in which local administration is under the control of the central government, and its decentralization reform initiative launched in relatively recent days is mainly targeted at fiscal problems. In the case of the Philippines, decentralization reform was a part of the democracy campaign through the 'Peoples' Power Movement', and therefore, re-centralization is unlikely to be supported by anybody in the country. In developing countries, decentralization reform is often associated with political rather than administrative decentralization. The Philippines may be a good example of such a case where the political aspects of decentralization reform are striking.
- **Power of Local chief Executive:** As discussed in both countries in Case A in Philippine and Case C in Thailand, the local chief executives seem to have been provided excessive power to influence many aspects of local governance.
- **Recruitment and Selection:** In terms of recruitment and selection, unfair screening through nepotism is a commonly reported and actually observed problem in both countries as appeared in Case A in Philippine and Case C in Thailand.
- **Examination:** As discussed in the negative experience in City A of Philippine and City C in Thailand, examination results are not the primary criteria of recruitment and selection, and compliance of these centrally set regulations are not strictly monitored in practice. The capacity of LGUs to recruit temporary staff that are exempt from these regulations can also be a means of paternalism. In addition to that, a closer observation of each system and its implementation reveals the differences of these two cases, especially in role-sharing between the central and local governments. In the Philippines, a competitive examination is set by the national government for LGU applicants and the LGC regulates the basic procedure of recruitment and selection. The CSC at the national government also supervises LGUs by setting related regulations and guidelines. On the other hand, in Thailand in City D, although arrangement of employment examinations is left to each local government, procedures of the examination, as well as criteria of recruitment and selection, are all instructed by the central government. Implementation of these centrally-set rules and regulations is monitored by the committee of the respective provincial government. The structure of this monitoring arm is similar to that of the CSC



in City B in Philippines, but the level of intervention is quite different. While the CSC functions as a steward, the committee of Thailand goes further to be an auditor of the local government's implementation of central rules. As such, the discretion of Thai local governments on HRM might be smaller than their Filipino counterparts.

- **Shift towards Centralization and Decentralization:** Facing the corrupted implementations of the regulated arrangements, the responses of the two countries have also been different: While the government of Thailand has been gradually shifting its attitude towards re-centralization, such as through moving the authority to arrange recruitment examinations back to the central level, the Philippines has not made any such correction on its principle of decentralization. It is obvious that in Thailand that such a tendency seems to be supported not only by the central and provincial government officials that may want to regain their authorities and to reduce their duties of supervision, but also by some of those in the local government that feel uneasy being self-sustaining, especially considering corrupt situations. In other words, they have strong confidence in the central authority's capacities rather than in their own bosses which is different than the local governments of the Philippines who are likely to see their discrepancies on HRM issues as given.

## **CONCLUSIONS & RECOMMENDATION**

The study revealed the different HRM policy arrangements in the local government in both Philippine and Thailand. Findings in the case cities are more or less similar, including both negative and positive aspects. Negative findings in City A in Philippine and City C in Thailand confirm the typical concerns of corruption within the local government under decentralization. In both countries, devolved authorities on HRM matters belong mostly to the local chief executive. It is understandable that in the Philippines, where supervision by the national government is rather lax, governors or mayors easily seek to use their power for political means. In particular, employment of short-term workers is a significant measure to oblige their supporters. However, even in Thailand, whose central government has been keen to monitor local governments, the situation is quite similar. The local chief executives can still pursue their personal interests by doing favors for their relatives or supporters, though perhaps not as openly as in the Philippines. Meanwhile, some positive evidences are also assured in both countries in the other two cases, City B in Philippine and City D in Thailand follow the rules and regulations on civil service management set by the central government which are followed rigidly by the local government. In the case of City B, an originally created evaluation sheet was introduced to the recruitment process, which is one step ahead of the existing regulation. In both cities, elaborated HRM is actually not limited to just recruitment and selection but also introduced into other HR practices. Further evidence is found in the fact that they regularly conduct performance evaluations, which are referred to when a promotion is considered. HRM in these two cities consists of a set of HR-related practices that are consistent with each other, rather than an aggregation of isolated practices. This point is evident in these cities because the overall HR practices after the entry seem to motivate the staff within the local government offices as a whole system. Furthermore, these cities have succeeded in constructing an

atmosphere or so-called norm of observing regulations and being transparent, which is shared and supported by external actors such as donors and politicians who could otherwise encourage the local chief executive to grant them a favor. Moreover, there is no reasonable explanation from the culturalists' perspectives nor institutionalists' arguments that can explain why some cities are corrupt while others are not even within the same socio-cultural and/or socio-economic conditions.

Finally, it was evident that many of the traditional HRM practices are still considered very essential by HR professionals at the local level. Moreover, several anticipated changes have taken place at this level of government at a much slower progression than anticipated. To conclude, the inability to remove a poorly performing manager harms the performance of public organizations. Perhaps a better next step to improve the HRM at the Local Government level in Egypt, is to focus on the importance of the public organizations' missions in Egypt and on the intrinsic motivations of the Egyptian public employees, such as duty and the public service-related aims of government work. Indeed, the growing literature on public service motivation suggests that these types of incentives are the most powerful motivators for public employees and the ones that are most closely linked to performance improvement.

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