

ESTABLISHING AND MANAGING AN EMPLOYERS' ASSOCIATION IN THE EASTERN SEABOARD AREAS OF THAILAND

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ABSTRACT

The purpose of this study is to propose alternatives for establishing, organizing, operating, and managing of an employers' organization in the Eastern Seaboard areas in Thailand. Based on a constructivism paradigm, qualitative research is chosen for this study. Three research questions are posed: What are the specific characteristics, objectives, functions and roles of an employers' organization? How are employers' organizations established, organized, operated, and managed? What are the best alternatives for establishing, organizing, operating, and managing of employers' organization? To guide this study in seeking the answers to the research questions the following research objectives have been established: (1) To study the concepts of an employers' organization as a major actor in the Thai industrial relations system; (2) To study the legal framework of employers' organizations in Thailand; (3) To study the establishment, organization, scope of activities, and functions of employers' organizations in Thailand; (4) To study the establishment, organization, scope of activities, and functions of employers' organizations in selected countries; (5) To find the best alternatives for establishing, organizing, operating, and managing of an employers' organization; and (6) To provide recommendations for the establishment, operation and management of employers' organizations in Thailand. Document review is the major method applied and a qualitative data analysis method is employed in analysing data in this study. Data analysis and collection are performed simultaneously. As a result of this study findings are presented and discussed in relation to the research questions and objectives. Based on the findings and discussions, alternatives for establishing, registering, and managing of employers' organization in Eastern Seaboard areas are proposed and recommendations were made accordingly.

Keywords: Employers' organization, employers' association, employers' federation, council of employers' organization, industrial relations system, Eastern Seaboard, Thailand

INTRODUCTION

In recent times, industrialization in Thailand has been moving from Bangkok and surrounding provinces to rural areas. This is due to the government policy to reduce labour migration from rural to urban industrialized areas by providing job opportunities and employment for the rural population. To motivate investors to move their industry to rural areas several incentive strategies are utilized by the Board of Investment (BOI)(A Thai Government agency). Industrial Estates were developed in many

rural provinces especially private industrial estates. According to the Industrial Estate Authority of Thailand, (IEAT 2009)(Another government agency) there are 37 industrial estates and 34 of them are located in upcountry areas. Six industrial estates are located in Choburi and eight in Rayong provinces including the Eastern Seaboard Industrial Estate (ESIE). There are now 218 factories in the ESEI. These factories include the world's largest automotive manufacturing and other well-known international and multinational companies.

Expansion of industrialization is normally coupled with unionization. In 2009, there were 1149 trade unions in the private and 44 trade unions in the public sector. There are 19 labour federations and 12 council of employees' organizations (Ministry of Labour 2009). There are 912 trade unions, 13 Federations and seven Council of Employees' Organizations located in provincial areas (DOLPW 2009). These figures indicate that trade unions are now moving from Bangkok into provincial areas. At present there are 37 trade unions in the Eastern Seaboard industrial estate alone and the number has been increasing every year. Trade unions are considered one of the major actors in the Thai industrial relations (IR) system. Their activities sometimes lead to unrests and violence. To have a balanced and stable industrial relations environment, employers must be active in the IR system too.

However, employers' organizations (EO) are still concentrated in the Bangkok area. According to the MOL (2009), there are 342 employers' associations (EA), two employers' federations (EF), and 12 Council of Employers' Organizations (CEO) in Thailand.. In provincial areas there are 158 EA, one EF and two CEO (DOLPW 2009). While trade unions are quite active, there are no EO established in the Eastern Seaboard area. As an EO is one of the major actors in the Thai IR system it is considered a counterpart of trade unions. To have a balanced and sound IR in the Eastern Seaboard area the establishment of an EO is seen as essential.

RESEARCH OBJECTIVES

To guide this study in seeking for the answers to the posed questions the following objectives were established: (1) to study the concepts of employers' organizations as a major actor in the Thai industrial relations system; (2) to study the legal framework of employers' organizations in Thailand (3) To study the establishment, organization, scope of activities, and functions of employers' organizations in Thailand (4) to study the establishment, organization, scope of activities, and functions of employers' organizations in selected countries (5) to find the best alternatives for establishing, organizing, operating, and managing of employers' organization; and (6) to provide recommendations for the establishment, operation and management of employers' organizations in Thailand

LITERATURE REVIEW

According to Creswell (2009) there are three ways to use literature in qualitative research: it is "used to frame the problem in the introduction to the study" (p. 27); it is "presented in a separate section as a review of literature" (p. 27); and it is "when presented in the study at the end; it becomes a basis for comparing and contrasting findings of the qualitative research" (p. 27). It is an ongoing task. It is

conducted in this study at a level sufficient to reach an understanding of the concepts of EO only. It is not conducted to the level of over contamination of the study (Whiteley 2004), and it is divided into five parts: IR system; EO; laws related to EO; EO in Thailand, and research related to EO.

Industrial Relations System In order to have a better understanding of EO a review of the concept of IR is necessary. Salamon (2000, p. 3), explains that “industrial relations encompasses a set of phenomena, both inside and outside the workplace, concerned with determining and regulating the employment relationship.” It is “concerned largely with the collective aspects of the employment relationship” (Rose 2001, p. 7). Dunlop (1958) proposed a theoretical framework for analysing the workings of IR systems which may vary in scope, ranging from a company to a country as a whole. He argues that an IR system at any one time in its development is “regarded as comprised of certain actors, certain contexts, an ideology which binds the industrial relations system together, and a body of rules created to govern the actors at the work place and work community” (p.7).

The major actors are employees and trade unions (Hyman 1983; ICFTU 2005); employers and their organizations (Windmuller 1984; IOE 2005); and government agencies having responsibilities related to industrial relations (Salamon 2000; Holley, Jennings et al. 2005). The context includes the settings where IR takes place and economic, social and technological factors impacting the operation of IR. The ideology can be thought of as the theory of IR such as unitary, pluralistic, and Marxist approaches to IR (Salamon 2000). The rules include laws and regulations guiding the practices of IR. In a day-to-day operation, collective bargaining is a major mechanism used for operating an IR system. However, disputes can occur at any time when the two major actors in the system are faced with disagreement leading to conflict and industrial actions such as strikes or lockouts may occur as a consequence.

Usually both parties attempt to resolve impasses which can occur either before or after a contract's expiration date by collective bargaining. In some cases, “union and management officials need third parties either to facilitate the negotiation process or to render a final and binding decision to resolve the bargaining dispute” (Holley, Jennings et al. 2005, p. 391). The most important strategy involving third parties in the collective bargaining process are conciliation and arbitration. Arbitration is mostly used with interest disputes while the judicial or administrative labour court is a means for resolving impasses related to the rights of the two major actors in the industrial relations system.

Employers' Organization Rose (2001) argues that the terms “management” and “employer” are often wrongly assumed to be synonymous with each other. He further argues that this is perhaps largely because they are generic and therefore overlap and complement each other. The term “employer” usually applies to a small business where the owner of the business is the employer of labour (employees) (Rose 2001). However, in a large company the employer is usually equated with the name of that company and its legally registered status (limited or public company) and large areas of the public sector where the government is the direct employer as in central government (Rose 2001). In larger organizations, professional managers are employed to undertake management functions within

their various specializations, for example, in finance, sales, production, marketing, personnel and human resource management (Rose 2001). They are employed to act on behalf of the owner and perform the necessary managerial functions (Moore 1946). Thus in the IR system both owner-managers and professional managers may play similar roles. In dealing with a trade union and other parties in the IR system, managers act in the capacity as employers, for example: in collective bargaining and settlement of industrial disputes (Purcell and Sisson 1983).

In general, EO includes EA (Employer Associations) that exist mainly for IR purposes (Rose 2001) and those trade associations where commercial interests were the chief organizational impetus (Windmuller 1984). Some trade associations serve both trade and labour policy objectives (Windmuller 1984). Similar to employees' organizations, employers are often organized by industries and locality. In addition, employers are also organized at sub-regional, regional and international levels. An EA can be defined as "any organization whose membership is composed of employers and whose purposes include the regulation of relations between employers and their employees or trade unions" (Salamon 1992, p.239).

The establishment of any EA is to achieve one or more aims in pursuit of their collective interests: "to regulate matters of trade and competition by mutual agreements; to seek statutory protection in matters of trade, particularly with regard to imported goods; to erect a united front in dealing with trade unions; to provide services in labour relations and personnel administration; and to contest the passage of social and labour legislation" (Windmuller 1984, p.1).

The development of an EA is "closely related to the development of trade unionism and collective bargaining" (Salamon 1992, p. 239). They generally owe their establishment to attempts, initiated mostly by employers themselves, and only rarely by outsiders (Windmuller 1984). Their establishment in England was largely as a reaction to the increasing membership and growing strength of trade unions (Salamon 1992). However, since their primary objective is to protect managerial prerogatives and resist the development of trade unionism - they, in some cases, provide financial support to members resisting a union claim and which are faced with either a strike or lockout (Salamon 1992).

EAs operate on the principle that "ultimate control over establishing policies, setting priorities, choosing functionaries, determining services, and setting dues resides in the membership, but that actual decisions are best made through a system of representative government" (Windmuller 1984, p.14). The governing structure of major EAs, including industrial associations and central federations, tends to be composed of three or four levels: "an assembly, a general council, an executive board, and a presiding officer who usually holds the title of president or chairman" (p.14). In practice, the primary responsibility for policy and decision making rests with a general council or executive committee which is elected by the membership and a number of specialist committees which may include co-opted members with particular expertise or interests to represent (Salamon

1992). *The day-to-day work of an ES is the responsibility of a paid staff - as a rule referred to collectively as the secretariat and its size depends on the size of the association and the range of services offered to members and the community (Windmuller 1984).*

The primary functions of an EO, as suggested by the Confederation of British Industries (CBI), may be grouped under four main headings: the negotiation of pay and conditions; the operation of disputes procedures; advisory and consultancy services; and representation (Sisson 1983). An EO performs direct negotiation of a collective agreement with trade unions (Clegg 1967; Gladstone 1984). EOs perform the function of the operation of a dispute procedure (Sisson 1983). This function assists its members in the resolution of disputes (Armstrong 1984). Advisory and consultancy services are one of the main functions of EO (Sisson 1983). This provides general help and advice to its members on IR matters and possibly other matters, also, e.g., trade matters, etc. (Salamon 1992; Sisson 1983; Gladstone 1984; Rose 2001). Representation is also a main function of employers' organizations (Sisson 1983). It represents its members' views and interests to government and other agencies (Salamon 1992; Sisson 1983; Gladstone 1984; Rose 2001). In addition to these functions an EO performs the task of the collection of information and data for members (and possibly, at times, for non-members, or the general public) concerning IR and non-IR issues (Rose 2001; Gladstone 1984). It also often conducts training for management (Gladstone 1984; Rose 2001).

An example of an EO in England is the CBI which is the EO equivalent to the TUC (Rose 2001; Armstrong 1984). It was formed by Royal Charter in 1965 as a result of the amalgamation of three existing national bodies which represented employers (Rose 2001; Armstrong 1984; Sisson 1983). They were: The Federation of British Industry (FBI) formed in 1916; The National Association of British Manufacturers; and The British Employers' Confederation (Sisson 1983; Rose 2001; Armstrong 1984). The objectives of the CBI include: to provide for British industry the means for formulating, making known and influencing general policy in regard to industrial, economic, fiscal, commercial, labour, social, legal and technical questions, and to act as a national point of reference to those seeking industry's views; to develop the contribution of British industry to the national economy; and to encourage the efficiency and competitive power of British industry to the national economy, and to provide advice, information and services to British industry to that end (Rose 2001). The CBI also acts as a "source of nominees for various tripartite bodies such as the ... bodies like the Health and Safety Commission, and it provides a panel of employer representatives for industrial tribunals" (Rose 2001, p.11).

In addition to the national level there are EOs at regional and sub-regional levels. For example in Europe, the Union of Industrial and Employers' Confederations of Europe (UNICE) was established in 1958 and consists of over thirty central employers' federations (like the CBI) from over twenty European countries (Rose 2001). Its main contacts are with the European Union, the European Parliament, the Council of Ministers and the Economic and Social Committee (Rose

2001). It also works with “other European-level governmental organizations and international non-governmental organizations such as the European Trade Union Confederation (ETUC)” (Rose 2001, p.11; Salamon 1992). Its priorities include: creating a favourable climate for enterprise; promoting European research and development, and technology; strengthening European economic and social cohesion; developing a dialogue between UNICE and ETUC; and liberalizing world trade on the principles of reciprocity and fair competition (Rose 2001).

In Asia, the ASEAN Confederation of Employers (ACE) was established in 1978 to optimize liaison, co-operation and representation in the fields of labour and social legislation, industrial relations and practices (ACE 2010). The five founding members, APINDO, ECOP, ECOT, MEF and SNEF, firmly supporting the fundamental objectives of ASEAN in its pursuits of effective measures for regional economic co-operation, declared their agreement to unite and establish the ASEAN Confederation of Employers (ACE 2010). The affairs of ACE are governed and administered by a Board of Directors comprising a duly authorized representative from each member (ACE 2010). Its objectives are: To foster the solidarity and development of Employers' Organisations in the region; to safeguard and promote the interests of ASEAN employers. to collate and disseminate information on legislative changes and general developments in the fields of labour, social and economic matters, which are likely to affect the interests of employers; to foster closer relations and co-operation between and among the members, and to render mutual assistance in matters of common interest; to maintain closer relations and co-operation with regional and international organizations having similar aims and objectives; to promote harmonious industrial relations, help maintain peace, and encourage improved productivity; to co-ordinate the views of members and to represent their views at regional and international levels (ACE 2010).

At the international level, the International Organization of Employers (IOE) was established in 1920 (IOE 2005; IOE undated). Since its creation, it has been recognized as the only organization at the international level that represents the interests of business in the labour and social policy fields (IOE undated; IOE 2005). At present, it consists of 136 national EOs from 132 countries from all over the world (IOE undated; IOE 2005). The mission of the IOE is: to promote economic, employment and social policy environment necessary to sustain and develop free enterprise and market economy; to provide an international forum to bring together, represent and promote the interests of national EOs and their members throughout the world in all labour and socio-economic policy; to assist, advise, represent and provide relevant services and information to members, to establish and maintain permanent contact among them and to coordinate the interests of employers at international level, particularly within the ILO and other international institutions; to promote and support the advancement and strengthening of independent and autonomous EOs and to enhance their capabilities and services to members; to inform public opinion and promote understanding of employers' points- of-view; and to facilitate and promote the exchange and transfer of information, experience and good practice amongst members (IOE undated; IOE 2005).

Laws Related to Employers' Organization There are several laws related to EOs. This section will review the laws related to EOs and laws which directly prescribe the procedures for establishment and operation of an EO in Thailand (Joungtrakul 2010).

The Criminal Code of Thailand B. E. 2499 (1957) was first enacted in 1956 and was effective from 1 January 1957. The provision applicable to an EO is prescribed in Section 117. It prohibits strikes or lockouts or concerted cessation of trade or business with any person for the purpose of bringing about any change in the Law of the Country, coercing the Government or intimidating the public, and the culprit shall be punished with imprisonment not exceeding seven years or a fine not exceeding fourteen Baht, or both. Whoever, with the knowledge of the above purpose, takes part or assists in the above actions with any person shall be punished with imprisonment not exceeding three years or a fine not exceeding six thousand Baht, or both. Whoever, with the knowledge of the above purpose, commits any act of violence, threatens to commit any act of violence or intimidates by any means whatever so as to compel any person to take part or assist in the said actions with any person, shall be punished with imprisonment not exceeding five years or a fine not exceeding ten thousand Baht, or both. As an EO may be involved in decision-making about lockouts from time-to-time the above provisions should be taken into account by its management.

The Labour Protection Act B. E. 2541(1998) is considered to be a minimum standard of employment conditions and must be complied by all concerned. It covers areas such as wages and salaries, working days, holidays, etc. As EO normally provides legal advice and assistance services to its members, so it is important that its management has a certain level of knowledge and understanding of this Act. One of the most important provisions of this Act relating to EO is to nominate its representative to be an elected member in various tripartite committees prescribed in this law. This includes: the National Wages Committee; the National Welfare Committee; the National Safety, Health and Working Environment Committee; and the Employee Welfare Fund committee.

The Social Security Act B. E. 2533 (1990) was effective from 2 September 1990. It is one of the most important labour laws in Thailand and EO management needs a certain level of knowledge and understanding of this Act. One of the most important provisions of this Act related to an EO is to nominate its representative to be elected members in two very important tripartite committees prescribed in this Act. The first committee is the National Social Security Committee. This committee is the Board of Directors of the Social Security Office. The second committee is the Appeal Committee. This committee is responsible for decision-making on all appeals submitted involving social security matters.

The Workmen's Compensation Act B. E. 2537 (1994) was effective from 1 July 1994. This Act prescribes provisions for the administration of the Workmen's Compensation Fund established for compensating employees for on-the-job injuries. Employers are the only party contributing to this

fund. One of the most important provisions of this Act relating to EOs is to nominate its representative to be elected member in the Workmen's Compensation Fund Committee prescribed in this Act.

The Skills Development Promotion Act B. E. 2545 (2002) was effective from 29 January 2003. It prescribes the requirements that all employers with 100 or more employees make contribution of 1% of the total wages paid to employees as determined to be the basis for establishing the rate of contribution to the Skills Development Fund. An exception was given to those employers who provided training to 50% of their total employees. One of the most important provisions of this Act that related to EOs is to nominate its representative to be an elected member in the Skills Development Promotion Committee prescribed in this Act.

The Labour Court Establishment and Labour Court Procedures Act B. E. 2522 (1979), was effective from 11 May 1979. It prescribes the procedures for hearing and passing the rulings on labour cases brought before it. The most important part of this Act relating to EOs is to nominate its representative to be elected as an Associate Judge of the Labour Court prescribed in this Act. The associate judges come from both employers and trade unions. They are considered to be judicial officials and must be appointed by the King. So it is one of the most prestigious positions in Thai society. It is considered one of the motives for establishing trade unions and EOs in Thailand.

The Labour Relations Act B. E. 2518 (1975) was effective from 28 March 1975. It is considered the blueprint for the IR system in Thailand. Almost all parts of this Act related to EO especially Parts 6 and 7 where it prescribed the establishment and operation of employers' associations and federations including the council of employers' organizations. More details of this Act are discussed later in this study.

It should be noted that all labour laws are considered as laws relating to the peace and order of society. Thus, there are both civil and criminal penalties. The civil penalty ranges from the fining of not more than Baht 1,000.00 up to Baht 500,000.00. The criminal penalty ranges from imprisonment of not more than one month up to five years.

As an EO normally provides legal advice and assistance services to its members, it is important that its management and officials have certain levels of knowledge and understanding of the Thai labour laws.

Employers' Organization in Thailand It was prescribed clearly in Section 5 of the Labour Relations Act B.E. 2518 (1975) that an "employer" refers to "A person agreeing to accept an employee for work by paying him wages, and includes a person entrusted by an employer to act on his behalf; where an employer is a juristic person, an employer means the person authorized to act on behalf of the juristic person and includes the person entrusted by the authorized person to act on his behalf" (DOLPW 2004, p.2). The Labour Protection Act B.E. 2541 (1998) prescribed that an "employer" include a person designated by an employer to act on his behalf; and that where the employer is a juristic entity, the term

also includes a person authorized to act on behalf of that juristic entity. (Thongdee 2004). Therefore, management staff are usually counted as employers as their duties and responsibilities require them to act on behalf of the employer both in terms of managing the total organization or part of the organization i.e. production , finance, or human resource.

EOs in Thailand are established and operated under the Labour Relations Act B.E. 2518 (1975) as employees' organizations. The Act prescribes three levels of EO: employers' associations (EA), employer federations (EF), and the council of employers' organizations (CEO). One of the CEOs, the Employers' Confederation of Thailand (ECOT), is a member of the ACE and the IOE.

Research Related to Employers' Organizations Most research has been focused on trade unions and labour disputes and settlement. Few research are concentrating on EOs. (Plowman 1982) argued that though EOs perform important functions in the highly institutionalised systems of IR in Australia, very little is known about them. This part will focus on selected research and journal articles related to EOs.

Plowman (1978) analyses the responses made by EAs to the major challenges confronting them. It is argued that EAs are reactive organisations evolving as dependent, semi-autonomous or autonomous institutions to accommodate the external challenges confronting them within their spheres of operation. EAs are seen as particularly reactive as a countervailing power to trade unions. The presence of strong union organisations within an industry is seen as a primary reason for the establishment of an efficient EO within that industry. The internal challenges facing EAs are also examined. These include the problems of fragmentation, proliferation, separatism, competition and membership control. The paper contends that economic and IR realities have forced associations to assess the optimum mix required for maximum autonomy compatible with economic and operational efficiency. The pressures for unity have grown and, notwithstanding the independent outlook both within and between employer groups, considerable rationalisation has taken place.

The findings of this research are useful to this study as it could be used as a guideline for discussion.. They may also be the basis for recommendations to be made.

Barry (1995) commented that Plowman has consistently argued that Australian employers developed permanent associations as a response to the introduction of compulsory arbitration. His research challenges the reactivity thesis by subjecting a number of Plowman's key assumptions to historiographic and comparative scrutiny. First, permanent associations, whether organized on a trade, industry or state basis existed before the advent of arbitration. Second, the increase in EA formation and activity that occurred around the end of the 19th century can only partly be attributed to the introduction of compulsory arbitration in Australia.. Its development is similar to that which has happened in other countries.

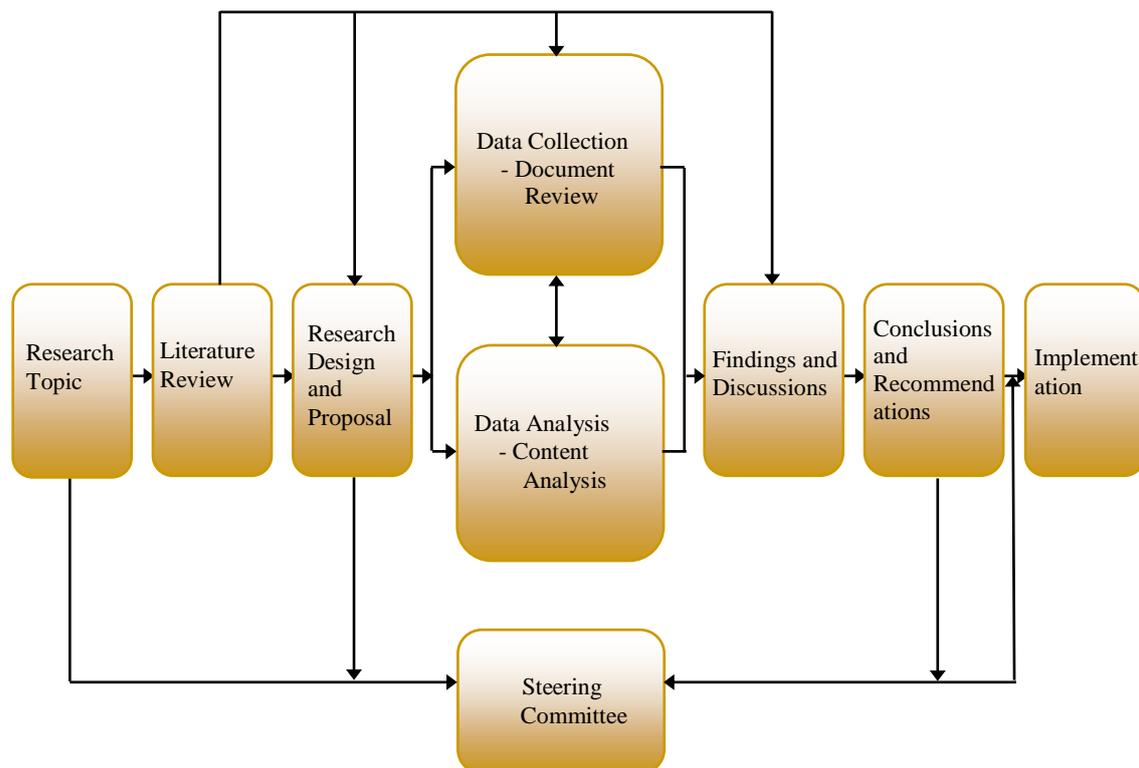
The establishment of Eos in other countriesy can be compared with the motive for establishing of EOs in Thailand found in this study.

RESEARCH DESIGN

A research design is “a journey from the intensely philosophical through the procedural to the practical and on to the final step of the representational” (Whiteley 2002). It is a plan for collecting and analysing data in order to answer the research question (Holsti 1969). It includes “the overall approach to be taken and detailed information about how the study will be carried out, with whom and where” (Maykut and Morehouse 1994, p.64). It is a “planning for certain broad contingencies without, however, indicating exactly what will be done in relation to each” (Lincoln and Guba 1985, p. 226).

Based on a constructivism paradigm (Guba and Lincoln 1989; Guba 1990; Creswell 2007), and case study strategy (Yin 1994; Stake 1995; Creswell 2007), qualitative research was chosen for this study. Patton asserts that “a qualitative design needs to remain sufficiently open and flexible to permit exploration of whatever the phenomenon under study offers for inquiry. Qualitative designs continue to be emergent even after data collection begins (Patton 1990, p. 196). Patton emphasizes that the degree of flexibility and openness in the design is a matter of great variation among designers (Patton 1990). Take into account the flexibility of qualitative design, Figure 1, illustrates the design of this study.

FIGURE 1 : RESEARCH DESIGN



As shown in Figure 1, the design of this study begins with the proposal and approval of the research topic by the steering committee appointed by the company followed by the conduct of a literature review which is an on-going process. Based on the literature review a qualitative design of this study was made and a research proposal was presented to the steering committee for approval. Data collection methodology used in this study was document review. Data analysis was performed in

parallel with the data collection. Findings were presented and discussed followed by the presentation of conclusions and recommendations. The study report was then presented to the steering committee for approval.

RESEARCH METHODOLOGY

According to Silverman (2000, p.77) research methodology is “a general approach to studying research topics.” It defines how we will go about studying any phenomenon where a research method is “a specific research technique” (p.77). Some of the methods of qualitative research include: observation; text and documents; interviews; and audio and video recordings (Silverman 2000). In this sense, it is a method used for data collection and document review and is one of the major methods of data collection in qualitative research (Creswell 1998; Creswell 2007). This study is a qualitative research and document review is applied.

Data Collection The goal of qualitative research is to produce high quality, meaningful and relevant data, such that it is possible to emerge valuable insights within a social context (Whiteley 2002, p.4). The quality of data collected and used depends on the methods used to collect such data. The researcher “should determine the most practical, efficient, feasible, and ethical methods for collecting data as the research progresses” (Marshall and Rossman 1999, p.138). Document review has been chosen as the data collection method in this study as it is an unobtrusive measure in research (Berg 1998; Marshall and Rossman 1999). It is “rich in portraying the values and beliefs of participants in the setting” (Marshall & Rossman 1999, p.116). The first part deals with reviewing of the legal framework for EOs (DOLPW 2004). The second part deals with the review of documents related to EOs in Thailand (ECOT 1986; ECEA 1990a; ECEA 1990b; ECOT 2006; ECOT 2008; ECEA 2009; ECOT 2009; ECEA 2010). The third part deals with the review of documents related to EOs from 103 countries which included Europe, America, Africa and Asia (IOE 2010).

Data Analysis Data analysis in this study is based on content analysis described by Weber (1990); Berg (1998) and Creswell (2009). As stated in the research design data analysis and collection are performed simultaneously.

FINDINGS AND DISCUSSION

Based on the document review and analysis, this section presents the discussion of findings in responding to each of the six research objectives.

Objective One: To study the concepts of an employers’ organization as a major actor in the Thai industrial relations system.

According to the Labour Relations Act B. E. 2518 (1975), there is no definition of EO. However, it specifies that EA means an organisation of employers established pursuant to this Act; and that employers' federation means an organisation of two or more EAs established pursuant to this Act. It

also specifies the objectives and functions of the associations and federations. Based on the description of objectives and functions it is comparable to the definition given by Salamon (1992, p.239) that an EA is “any organization whose membership is composed of employers and whose purposes include the regulation of relations between employers and their employees or trade unions.”

An EO may be in the form of an association, federation, confederation, or a CEO. It is distinct from other trade or industry associations or federations in that its major objective is to deal with IR matters. In Thailand it must be registered under the provisions of this Act. Those organizations registered under other laws such as the Thai Chamber of Commerce and the Federation of Thai Industries, are not EOs under this Act. although they are powerful organizations in terms of economics, they do not and are not allowed to perform activities related to IR.

Objective Two: To study the legal framework of employers’ organizations in Thailand. To achieve this objective, an essential provisions of the Labour Relations Act B. E. 2518 (1975) related to EO is discussed.

There are three levels of EOs in Thailand; EAs, EFs, and CEOs. The most important levels are the EA and the CEO. The EA deals with the micro activities of IR at the company level while the CEO deals with the macro policy decisions at industry, national and international levels.

Similar to a trade union, the EA can be established by virtue of the provisions under the Act. In establishing an EA, there must be at least three employers, in the same description of undertaking, to act as promoters who must have Thai nationality (Joungtrakul 1986; Chandravithun and Vause 1994; Joungtrakul 1996). Section 63 of the Act stipulates that persons who may become members of the EA must be employers engaging in the same category of business activity. In a case where the employer is a juristic person, it shall be held that such juristic person is a member of the EA (Chandravithun and Vause 1994).

The functions of the EA are prescribed in Section 66 of the Act which is basically the same as for the functions of a trade union. The same protections provided to trade union are also provided to EAs as prescribed in Section 67 of the Act. The functions of EA are to: (1) demand, negotiate for settlement and acknowledge an award or enter into an agreement with a Labour Union or Employees regarding the activities of its members; (2) manage and carry out activities for the benefit of its members, that is, within the objectives of the EA; (3) provide information services regarding business undertakings for its members; (4) provide advisory services for solving problems or eliminating disagreements relating to administration and working methods; (5) provide welfare services relating to the allocation of funds or properties for its members or for the public benefit, that is, as the general meeting considers appropriate; and (6) collect membership fees and subscriptions at the rates prescribed in the regulations of the EA. These functions can be performed by the EA registered under the provisions of this Act only.

Members have both rights and obligations. Their rights include: (1) submitting opinions to second the proposal, discussing in favour of, or in opposition to, or raising questions about activities of the Association and casting votes on motions; while those who fail to pay dues under the Rules and Regulations are not entitled to such rights; (2) Applying for election as committee members, being appointed as sub-committee members or officials of the Association; while those who fail to pay dues under the Rules and Regulations are not entitled to such rights; (3) Requesting the Association to protect their interests relating to terms and conditions of employment according to this Act and to give advice on labour problems; (4) Receiving assistance and benefits provided by the Association; (5) Having access to membership records, documents and accounts of the Association; and (6) Appointing not more than three representatives of the juristic person to attend all the general meetings.

Their obligations include: (1) Attending meetings organized by the Association; (2) Complying with rules and regulations of the Association, lawful resolutions and rules of the committee meeting and of the general meetings; (3) Conforming to the collective agreements made with the workers, trade unions or labour federations; (4) Providing cooperation and assistance to the Association in its activities beneficial to the members; (5) Protecting the interests of the Association and not behaving in opposition to the Association; and (6) Informing the Registrar or the Secretary of the Association regarding changes of the members' address or qualifications of their representatives.

The process of establishment of an EA is prescribed in Section 54-61 of the Act. This process is applicable to the establishment of an employers' federation and a CEO. Section 112 of the Act prescribes that two or more EAs with members engaging in the same category of business activity may join together to register the formation of a federation of employers. An Employers' federation in Thailand has quite limited roles to play in the Thai IR system. It is designed by the law to be the second highest level of employers' organization as a counterpart of a labour federation.

Similar to the council of employees' organization, the CEO is established under the provisions of the Act. Section 119 of the Act prescribes that no less than five EAs or EFs may form a CEO with the objectives of promoting education and labour relations (Suppanakorn 1996). The CEO is designed to be the highest level of EO and to be a counterpart of the council of employees' organization. It should have the same status as the CBI in England.

The objectives of the EO are limited to the objectives that are prescribed in this Act. For an EA, the objectives are to acquire and protect interests relating to conditions of employment and promoting better relationships between employers and employees and among employers themselves. For an employers' federation, the objectives are to promote better relationships between the EAs and to protect the interests of EAs and employers. For the CEO, the objectives are to promote education and labour relations.

Only those persons who have Thai nationality by birth can be the promoter, committee and sub-committee members. This is a major obstruction and limitation to the establishment and management of EOs in Thailand as foreigners cannot play an active role in the organization. However, they can play supporting roles to the organization. They may be appointed to the position of advisors and working parties or other positions that are not prohibited by the laws.

It should be noted that, there are penalty provisions both civil and criminal in this Act and other related laws. So, in establishing and managing an EO, it is essential for the committee, members and management team to be familiar with the provisions of the laws. An appointment of a legal adviser may be advisable or necessary.

Objective Three: To study the establishment, organization, scope of activities, and functions of employers' organizations in Thailand. To achieve this objective a review of documents related to two selected EOs was made. The first case study was a CEO, the Employers' Confederation of Thailand (ECOT) and the second case was an EA, the Electronics and Computer Employers' Association (ECEA).

ECOT is the first CEO in Thailand established on 7 January 1977 with registration No. 1. ECEA was established on 2 July 1986 with registration No. 17. The scope of activities of both ECOT and ECEA are limited to IR only. The objectives of ECOT are to promote education and labour relations. The objectives of ECEA are to acquire and protect the interests of its members in regard to the terms and conditions of employment and promote good relations between the employers and the employees and among the employers themselves. These objectives are specified by law.

ECOT members comprise EAs and federations. In addition there are associate member who are individual employers. These members has no voting rights but are entitled to services provided by ECOT. Members of ECEA are all major computer and electronics manufacturers. Members employ more than 100,000 workers. Total investment of ECEA members is more than 20,000 Million Baht. The export value of ECEA members are more than 200,000 Million Baht.

ECOT functions include: IR, such as representing members in dispute handling, collective bargaining and others IR matters; training and development such as providing education and training programs for members including technical, knowledge skills, etc.; wages and employment, such as participating in the processes of policy and laws such as national wages and employment policy; economic affair, such as trade, commerce, technology and etc.; legal and advisory services, such as advisory services to members in grievances, disputes, labour issues, etc.; research, such as research on working conditions including wages and social welfare. ECEA functions are narrow in scope and concentrate on information sharing and networking.

Eos in Thailand especially ECOT were established as a result of the expansion of trade unions. This supports the arguments of Windmuller, 1984, but it contrasts to the argument made by Plowman that Australian employers developed permanent associations as a response to the introduction of compulsory arbitration (Barry (1995).

ECEA was established by small enterprises which are limited partnerships. Even though the electronics industry in Thailand is an industry consisting of many large enterprises, due to the provision of the Thai labour relations law stipulating that the promoters of the EA in Thailand shall be of Thai nationality by birth and since most large enterprises are foreign or multinational companies of which most of the management are expatriates, they could not directly initiate the promotion to establish an EA. Thus the three small mentioned enterprises with Thai owners and managers initiated the establishment of this EA. Later on, many large enterprises had joined as member of this EA and contributed to it with active and continuous operations. This is a good example of the way to establish an EA for international and multinational companies in Thailand.

Objective Four: To study the establishment, organization, scope of activities, and functions of employers' organizations in selected countries. To achieve this objective a review of documents on EOs in 103 countries in four continents classified by the IOE was made. There are 15 EOs in North and South American countries, 38 EOs in European countries, 22 EOs in African countries, and 28 EOs in Asian countries. It was found that although certain differences are identified most of the establishment, organization, scope of activities, and functions of EOs in these countries are similar. However, only those EOs in Asia who are members of the IOE are discussed in this paper.

Their names are varied. There are 14 of them which use the word "employer" in their names, which include EAs, federations, confederations and councils. Eight of them are in the form of Chambers of Commerce & Industry. Others are organized in the form of Associations of Industrialists such as in the case of Association of Lebanese Industrialists, business federations such as in the case of the Japan Business Federation. In China, it is organized in the form of an enterprise confederation called the China Enterprise Confederation.

The Employers' Federation of Ceylon is the oldest organization. It was founded in 1928 and is registered under the Trade Unions Ordinance as a Trade Union of Employers. The youngest is the Cambodian Federation of Employers & Business Associations established in 2000. An amalgamation of organizations occurred in two countries. In New Zealand where Business New Zealand Inc. was established in 2001 as an amalgamation of two previous organisations, the NZ Employers' Federation and the NZ Manufacturers' Federation. In Japan, Nippon Keidanren, a comprehensive economic organization was established in May 2002 as an amalgamation of two organizations, Keidanren and Nikkeiren.

Their scope of activities, range from economic, social, and labour affairs, IR and issues affecting the workplace, enterprise management, information service, OSH, CSR and any matters which have the potential to influence the development of the economy, HRD and R&D, promoting business and industry in the country, business representation, advocacy and services; related economic, labour and social analysis. The Singapore National Employers' Federation concentrates only on labour matters. The Vietnam Chamber of Commerce and Industry aims at accelerating socio-economic development of the country and technological relations between Vietnam and the rest of the world.

Their membership admission varies. Some comprise only associations such as in the case of Australian Chamber of Commerce & Industry. Some comprise individual enterprises such as in the case of the Bahrain Chamber of Commerce & Industry. Some accept both individual companies and EAs such as in the case of the Cambodian Federation of Employers & Business Associations.

Their functions comprise seven major areas: IR, such as representing members in dispute handling, collective bargaining and others industrial matters,; training and development such as providing education and training programs for members including technical, knowledge skills, etc.; wages and employment, such as participating in the processes of policy and law-making such as the national wages and employment policy; economic affairs, such as trade, commerce, technology , etc.; legal and advisory services, such as advisory services to members in grievances, disputes, labour issues, etc.; research, such as research on working conditions including wages and social welfare; lobbying as lobbyist group on national issues. This function is performed in Australia.

Objective Five: To find the best alternatives for establishing, organizing, operating, and managing of employers' organizations. To achieve this objective the alternatives for establishing, registering and managing an EO are proposed and discussed. Alternatives are presented in Table 1.

TABLE 1: ALTERNATIVES FOR ESTABLISHMENT ,REGISTRATION, AND MANAGEMENT

Alternatives	Establishment	Registration	Management
1	To establish an EA in each type of industry such as the Automobile Industry EA. After establishment, these associations choose to join one of the most active CEOs to participate in various industrial relations activities as needed. These EA plays an active role in this CEO and gradually takes control over its management. At that point the objectives and policies of employers	Registration may be accomplished by a representative appointed by a group of companies in the Eastern Seaboard. A meeting may be convened to obtain a resolution to establish an EO in the Eastern Seaboard areas and then appoint a group of representative to proceed with the registration.	After establishment of an EO the committee or the board of directors is elected at the first general meeting of members and it will be responsible for the management of the organization. However, a secretariat is necessary to perform all administrative functions. In this first alternative the Eastern Seaboard team may be assigned to act as the secretariat to perform all administrative functions.

	and management in Eastern Seaboard can be fully implemented.		
2	To establish a CEO in Eastern Seaboard. This involves establishing an EA in each type of industry in the Eastern Seaboard. When five or more EAs are established then these associations register as a CEO.	After obtained a resolution to establish an EO. The meeting may also decide to contract out the registration process to a consultant company to handle all the processes until the registration is completed.	<p>This alternative may be divided into two steps as follows: The first step is to contract out the management functions of the EO to a consulting company. At the same time the management team as proposed in alternative one will work with the consultant to gain experience. Once the team has gained enough experience to run the organization then the consultant turns over all the management functions to the team . This may take about three years.</p> <p>The second step is that when the first step is completed the Eastern Seaboard team will take over the management of the organization. If it is necessary the consulting company may be used on a case-by-case basis to help when certain problems occur.</p>

To provide room for senior foreign executives to play active roles in EAs and CEOs they should be appointed to positions of advisors and working parties of the association or CEO. An advisory council with the chairman and advisors may also be established for this purpose.

Objective Six: To provide recommendations for the establishment, operation and management of employers’ organizations in Thailand. To achieve this objective the recommendations for establishing, registering and managing a EO is discussed and proposed.

How to establish an EO? There are three recommendations: It is recommended that: First, alternative two is chosen and the establishment of a CEO is made. This will provide opportunities for management and employers in the Eastern Seaboard to play a key and active role in the Thai IR system. It begins with establishing at least five EAs and then forms a CEO for the Eastern Seaboard areas. Second, at present there is no unity among employers in Thailand in terms of IR. To be able to play an active and progressive role in the IR system in various contexts ranging from an industrial, national and international levels EOs must be united and well-recognized by all stakeholders groups. The new CEO

to be established takes a leading role to create unity of all EOs in Thailand. If all CEOs can be merged into one organization, unity could be created and it could become a powerful force in the Thai IR system. Thirdly, the government includes the central organizations of both employers and employees in the Joint Public and Private Sectors Economics Committee. Since Thailand has developed to be more industrialized and the labour problems have become more apparent and have developed into the main critical problems of business organizations, it is therefore justified to have the direct stakeholder groups becoming part of the decision-making process.

How to register an EO: To streamline the process of establishing an EO it is recommended that alternative two is chosen and an appropriate consultant be contracted to handle all the processes of the establishment of the EO.

How to manage an EO: To ensure the smoothness of management of an EO especially in the starting period, it is recommended that alternative two is chosen and a consultant be contracted to handle all the management of administrative functions of the EO. When the Eastern Seaboard team gains enough experience and expertise then the consultant can transfer all the management functions to the team.

Theoretical Contributions and Practical Implications

While the literature on industrial relations system in general is large, the scholarly literature on EOs in Thailand is very limited. Most of this literature concentrates on trade unions and dispute settlement instead of enhancing the industrial relations system with proactive strategic IR management participation of all major actors or stakeholder groups. This study is one of the first to deal with EOs in Thailand. It helps extend IR theories to include EOs which is one of the major actors or stakeholders in the Thai IR system.

In terms of practical contribution, this study will help foreigner investors and expatriates who work in Thailand to understand the Thai IR practices related to employers and management roles in the Thai IR system. It will help them to prepare themselves to contribute to the enhancement of IR system which impacts the management of their businesses. It will also help them to adjust themselves to the needed situations in managing their business.

Future Research Agenda

This study is a qualitative research study employing document review as the single data collection method. A qualitative study with other data collection methods would expand the knowledge and understanding of EOs in a wider context. A quantitative study on this topic would enhance knowledge and understanding and testing of generalization of the Western IR and EO theories in the Thai cultural context.

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