

EMPLOYMENT ADJUSTMENT STRATEGY FOR A PROPERTY DEVELOPMENT COMPANY DURING ECONOMIC CRISIS

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Abstract

During business crisis, cost cut back is necessary. The immediate contemplation usually comes to employee layoffs. However, less disturbing set of approaches can be exercise to cut back labor costs. This research explores strategy for adjusting employment for a property development company during the two economic crises in Thailand during both 1997 – 2000 and 2008 – 2009. The scope focuses on for-sale property development companies, both low-rise (single detached, duplex, and townhouse) and high-rise (condominium). The data is from the questionnaire survey with real estate developers who are the members of the three main real estate associations in Thailand.

The research results shows that property developers apply many approaches for employment adjustment, including layoff, pay cuts, reduction of overtime, bonus cuts, and reassignment/dispatching. The results show that respondents use many employment adjustment approaches to lessen employment cost during both crises. During the 1997-2000 crisis uses a more sever measures; more layoff percentages and more proportion of high payroll reduction than the other crisis. The findings also show the relationship between size of company capital, using expediting sale and transfer of finished units in the stock and move staff to subsidiary or affiliation company. This research should be considered as one of the primary research in this topic for real estate development area. These results can be beneficial for property providers' management approaches not only during business crisis but also during other business phases.

Key Words real estate development, economic crisis, business strategy, layoff, employment adjustment

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INTRODUCTION

During a declining in economy, there is also decreasing in demand (demand shift) for products/services could negatively affect a firm's unwelcome financial distress. As such, it is necessary for almost all business to tighten cash outflow in fear of uncertain and/or irregular and lower cash inflow. The immediate contemplation usually comes to employee layoffs. However, it has been numerous obvious impacts of staff layoffs to the layoff victims, survival employees and most of all to the person who perform the layoff and to the corporate itself. Therefore, less disturbing set of approaches can be exercise to cut back labor costs. With more effective management approaches in reducing employment cost during economic crisis, there are many payoffs to keep employees which are considered as one of the human capital of any business.

Research Objectives

The aim of this research includes: (1) to study approaches for employment adjustment during the two economic crises in Thailand, (2) to analyze different approaches against three attributes of a property development company: product type (low-rise, high-rise, and mixed products), the size of capital, and the business experience (year) and (3) to compare the similarity and/or differences between the two economic crises.

Research Scope

This study focuses only on a property development company producing low-rise and high-rise property for sale. These development companies are the members of one or more of the three main professional property development associations in Thailand¹.

LITERATURE REVIEWS

Employees are one of any companies' assets. However, during economic downturn, cost cut is vital for a company existence. To reduce corporate costs on hiring employees, there are numerous approaches: termination of employment and employment adjustment.

This section discusses related backgrounds of alternative approaches to reduce employment headcount and employment cost including: impact of layoffs, employment adjustment, research on employment adjustment approaches in Thailand during economic crises and the comparison of the two economic crises in Thailand during 1997-2000 and 2008-2009.

Impact of Layoffs

Termination of employment can be in both voluntary and involuntary termination forms. Voluntary termination is a decision made by the employee to leave the job. While, involuntary termination is the employee's removal by the decision of the employer. There are two basic types of involuntary termination, known as being "fired" and "laid off." To be fired or dismissal is the employer's choice to let the employee leave, generally for a reason which

¹ The three professional property development associations in Thailand are the Thai Real Estate Association, the Housing Business Association and the Thai Condominium Association.

is the fault of the employee. On the other hand, layoff is a less severe form of involuntary termination which is usually not strictly related to personal performance, but instead due to economic cycles, firm restructure, firm going out of business, or because of closing a certain type of production or service by the business. Job layoff is also classified in two groups: proactive and reactive. Proactive layoffs are defined as those that are part of an overall strategic objective, while reactive layoffs are responses to poor financial performance (Lee, 1997).

Impact on Participants

Terminations are painful to execute for executives. Resizing threatens the self-esteem and sense of fair play. All forms of terminations impact all parties involved. Many research studies on consequences of layoffs; on job layoffs victims (Bennett et al., 1995) (Marks and De Meuse, 2005); on job layoffs on survivor employee (Brockner et al., 1993, 1997) (Brockner and Martin, 1995); and on firm reputation and corporate management (Flanagan and O'Shaughnessy, 2005) (Marks and De Meuse, 2005) (Noer, 1993).

Impact on Cost

In fact, impacts of job layoffs damage corporate level more than just on firm reputation and management problems. The costs of separation packages temporarily decline productivity or quality of firms. Furthermore, rehiring and retraining costs more than offsetting the short-term saving from reduced payroll expense. Mounting evidence indicates that layoffs only temporarily alleviated today's corporate symptoms, while they impair the future health of organizations (Downs, 1995). Layoffs create a downward spiral that can boost financial results in the short term but also create a need for multiple, successive layoffs to maintain those results. Layoffs are horribly expensive and destructive of shareholder value.

Impact on Firm's Knowledge

More importantly, it is essential for maintaining competitive advantages. An organization's talent is a company's primary source competitive advantage. When an individual leaves a firm, for whatever reason, he/she is taking away some piece of knowledge that supported them in performing the tasks associated with their job (Krogh and Kameny, 2005).

Employment Adjustment

To reduce labor costs, there are many approaches with less disruption to all parties involved than job layoffs. The less disruption measures are through payroll cut for management, bonus cuts, reduction of overtime, freezing new hires, dismissal of part-time workers, early voluntary retirement, reassigning and dispatching of surplus workers to subsidiary or affiliated company and reassignment of surplus workers to different sections of the same company (McNerrey, 1997) (Ilmakunnas and Maliranta, 2003). Employees that are temporary transferred to affiliated network can be rehired when a company regains its business demand and financial strength. One or more of the above measures can be used, i.e. wage cut and dispatching to subsidiary company.

There are many benefits of alternative approaches not to layoff. Above alternative measures provide a way in which to maintain the established professional relationships which have taken much time and financial resources to build. These alternatives hold fast to the premise that the employees will return to the company when the economy improves, thereby avoiding direct rehiring and training costs, and indirect costs associated with new employee assimilation and adjusting to new work environment (Krogh and Kameny, 2005). The basic idea is that job reallocation, job displacement and unemployment are more costly for the individual worker, firm and the economy if skills are not transferable across jobs.

More importantly, knowledge-based firms have become ever more dependent on the knowledge of their employees. Never-laid-off employee approach has become a priority approach. This is because the benefit of a company is that they don't lose quality people who they've invested in. Retaining their employees is retaining their knowledge and expertise. Competence and skillful employee or labor is one of the four factors in economic theory of 'Factor of Production'. Labor's education and skills is defined as 'Human Capital'² (Sullivan and Sheffrin, 2003). Human capital can be differentiated between "general" human capital (which is valued by all potential employers) and "firm-specific" human capital (which involves skills and knowledge that have productive value in only one particular company) (General Human Capital, 2010).

Japan Employment Adjustment Subsidy

Japanese companies are more likely to cut dividend payments than employees (McNerrney, 1997). Part of this claim is due to Employment Adjustment Aid Subsidy which has been provided by the Ministry of Health, Labour and Welfare (The Japan Institute for Labour Policy and Training, 2010). This subsidy is available to business owners who, due to a contraction in their business activities caused by economic reasons related to fluctuating business cycles or changes in the industrial structure, have unavoidably had to place on leave (leave from work or assignment to training sessions) or transfer employees. Since 1975, the employment adjustment subsidy has played a central role in Japan's employment policies (Ohtake, 2000). It seems possible that the employment adjustment measure has become an incentive for firms to choose business interruption rather than dismissal of their employees.

Employment Adjustment Practices during Economic Crises in Thailand

Vanichvatana and Peungchuer (2009:1) conducted qualitative research through in-depth interviews with real estate developers for strategies, techniques, and/or activities to survive during the two most recent economic downturns in Thailand. A part of the interview questions is about strategy to manage cost of a company. Table 1 and Table 2 are the translations of the results of this work. Table 1 shows the synthesis of similar contents of

² Human Capital refers to the stock of competences, knowledge and personality attributes embodied in the ability to perform labor so as to produce economic value. It is the attributes gained by a worker through education and experience (Sullivan and Sheffrin, 2003). Human Capital is a classic study of Gary S. Becker, the recipient of the 1992 Nobel Prize in Economic Science. Becker's classic study of how investment in an individual's education and training is similar to business investments in equipment. He introduced the important distinction between "general" and "firm-specific" human capital.

cost management strategies during the recent two economic downturns in Thailand. Table 2 is the comparison of strategies used between the two economic crises.

The in-depth interviews were conducted with eight top executive management executives of real estate development firms during December 2008. These firms had established prior to the economic crisis (1997–2000) and have been able to survive through and continue the business through the current economic downturn (2008–2009). These eight firms are divided into three groups (1) three low-rise development companies: (L1, L2, L3), (2) three high-rise development companies: (H1, H2, H3), and (3) two mixed-product (low-rise and high-rise) development companies: (M1, M2). Most of the samples (seven out of eight) are big real estate corporations that develop many residential projects per year. Only one sample is a small company developing only one housing project at a time.

The contents concerned are about layoff staff, payroll cut and reduce overtime and bonus and dispatch staff to other section and/or affiliation which is illustrated in Table 1. The contents reveal from the interviews are then analyzed for the similarity and differences as illustrated in Table 2. The findings from this qualitative research in about cost management strategy are as follows: (1) During the 1997-2000 Thailand economic crisis, most of the respondents, six out of eight, layoff their staffs with the percentage of staff layoff from 10% up to 74%, (2) Half of the respondents also reduce payroll, overtime and bonus with the frequency of 4 out of eight, (3) The dispatching of staff to subsidiary or affiliation company occurs only to high-rise and mixed product companies with the frequency of three out of eight, (4) In the other hand, for the economic downturn during 2008-2009, these interviewee's development companies make no staff layoffs and (5) For this later crisis, few respondents, with the frequency of two out of eight, decrease employment costs by applying the reduction in payroll, overtime and bonus.

The Information from these two tables reflects that (i) Real estate development companies practice many approaches of employment adjustment other than job layoffs and (ii) There are totally different in using cost management approaches to reduce employment costs during these two economic crises.

Employment in Property Development Business

Staffs employed in property development industry are with a wide range of profession, education and skills. The need for variety of different types of employment is also depending upon business scope for services and activities performed in a property development process; i.e. land acquisition, land development, property development, building construction and property management.

Table 1: The Synthesis of Similar Contents of Cost Management Strategies during the Two Economic Crises in Thailand

	1997-2000								2008 – 2009							
	Lowrise			Highrise			Mixed Product		Lowrise			Highrise			Mixed Product	
	L1	L2	L3	H1	H2	H3	M1	M2	L1	L2	L3	H1	H2	H3	M1	M2
1. Layoff Staffs	Layoff 10%	Lay off	Layoff 74%	n/a	Layoff/ Keep only Head of each Department	Layoff 33%	Layoff 30%	No Layoff / But Freeze New Hire	No Layoff	Not yet Layoff	n/a	n/a	n/a	No Layoff	No Layoff/ Reduce duplicate Works	No Layoff / But Freeze New Hire
2. Payroll cut, reduce OT & Bonus	n/a	Redu ce	Reduce	n/a	n/a	Reduce 30%	Reduce 17%	Not Reduce	n/a	Not Reduce Yet	n/a	n/a	n/a	Not Reduce	Not Reduce	n/a
3. Dispatch staff to other section / to affiliation	n/a	n/a	n/a	n/a	n/a	Dispatch to property management (Fee base)	Dispatch to property management (Fee base)	Dispatch to other Project	n/a	n/a	n/a	n/a	n/a	No Dispatch	n/a	n/a

(Source: Translated from Vanichvatana and Peungchuer, 2009)

Table 2: The Comparison of Strategies Used between the Two Economic Crises

	Surviving Strategies through 1997 – 2000	Strategies for 2008 – 2009	Comparison
Cost Management			
1. Layoff Staffs	- Layoff (6 out of 8) --- - No Layoff (1 out of 8) Freeze New Hire	- Not yet Layoff (1 out of 8) - No Layoff (4 out of 8) No Layoff , But Reduce duplicate Works	Different
2. Payroll cut, reduce OT & Bonus	- Reduce (4 out of 8) -- - Not Reduce (1 out of 8)	- Not Reduce Yet (1 out of 8) - Not Reduce (2 out of 8)	Different
3. Dispatch staff to other section / to affiliation to retain qualified staffs w/ company	- Dispatch to property Mgmt. (fee base) (3 out of 8)	The Situation Not Occur Yet (at the time of the interview)	Different

(Source: Translated from Vanichvatana and Peungchuer, 2009:1)

The Characteristics of the Two Economic Crises in Thailand

The most two recent economic crises in Thailand, 1997-2000 and 2008-2009, are different in origin, causes, and characteristics of situations in economic, financial institutions, real estate industry and demand. Table 3 shows the comparisons of these characteristics between the two crises.

Table 3: The Comparison of the Characters of the Two Economic Crises in Thailand

Characteristics	1997-2000 Economic Crisis	2008-2009 Economic Crisis
<u>Origin of the Crises:</u>	Within Thailand	The United States of America
<u>Courses of the Crises:</u>	<ul style="list-style-type: none"> * Implement Financial Liberalization without enough preparation and supporting policy * Not good Governance and Supporting Database 	<ul style="list-style-type: none"> * Sub-prime problem: Mortgages issued in recent years to sub-prime borrowers are extraordinary rise in mortgage delinquencies and foreclosures
<u>Situation of Economic:</u>	<ul style="list-style-type: none"> * Abrupt economic contraction: with Liquidity problem; * Get Secure Fund from IMF Loan * Float Thai Baht Currency, Sudden * Loans from Local and International Financial Institutions were stopped 	Problem in Export Sector and Tourism Sector
<u>Situation of Financial Institutions:</u>	<ul style="list-style-type: none"> * Close down 76 Financial Institutions * Survive ones have many NPL problems 	<ul style="list-style-type: none"> * Very secure * The Bank of Thailand put tight control policies to commercial banks on project loans and mortgage loans
<u>Situation of Real Estate Development Industry:</u>	<ul style="list-style-type: none"> * Only 10% (200 out of 2000) companies survives * The survival firms have liquidity problems and huge debts 	<ul style="list-style-type: none"> * Some contraction of normal business cycle * But many big firms still have business expansion due to good loan credit from banks
<u>Situation of Demand:</u>	<ul style="list-style-type: none"> * No security in employment * Existing customer stop down payment, New one delay buying decision; * No Incentive Policy or support from Government 	<ul style="list-style-type: none"> * Some postpone buying decision * But still have stable demand level * Government issues many supporting incentive policies: reduce transfer fees, personal tax credit, and other tax exemptions

(Source: Translated from Vanichvatana and Peungchuer, 2009:1)

The situations of Thailand during 1997-2000 economic crisis which originated within Thailand and caused due to the imposing of the financial liberalization policy was far worse than the current one in every situations. In contrast, Thailand during 2008-2009 gets impact from U.S.A. sub-prime problems with the noticeable effects on export and tourism sectors. However, with tight control from governmental sectors and cautious from recent experiences and unwounded private sectors, many industries and economic fundamental in Thailand are strong and stable.

METHODOLOGY

This research extends the previous work of Vanichvatana and Peungchuer (2009) with quantitative research to examine the norm of the real estate industry in Thailand. The data is collected through questionnaire survey distributed to real estate developers who are the members of the three main professional real estate developers in Thailand, as stated earlier in the scope of the study. The questionnaire for this survey was designed based on the knowledge gain from the earlier qualitative analysis (Vanichvatana and Peungchuer, 2009) as shown in Table 1 and Table 2. The surveyed data was collected during March and April, 2009. The respondents are 43 out of 530 distributed questionnaires.

Table 4: The Summary of Variables Used in the Analysis

Abbreviations	Meaning
<u>Independent Variables</u>	
Capital_Cat	– Capital Category, capital of the respondents as registered to the Ministry of Commerce, Thailand: 1 = Low capital, capital less than 100 million baht ³ , 2 = Medium capital, capital between 100 million to 500 million baht 3 = High capital, capital more than 500 million baht
ProdType_Cat	– Product Type Category, the product type of the respondent: 1 = Low rise, 2 = High rise, 3 = Mixed type (low rise and high rise)
Exp_Cat	– Experience Category, experience, in year, of the respondents as checked from the registered information with the Ministry of Commerce, Thailand: 1 = Low experience, work less than 5 years, 2 = Medium experience, work less between 5 to 12 years, 3 = High experience, work more than 13 years.
FIN_Source97_X and FIN_Source08_X (X = 1 to 7)	– Types of source of finance: 1 = Share holders as a source of finance, 2 = Foreign alliance, 3 = Existing banks/financial institutions, 4 = New banks/financial institutions, 5 = Pressed sale and transfer of finished units in the stocks, 6 = supplier credits, 7 = Change business from for sale to lease.
<u>Dependent Variables</u>	
Layoff97 and Layoff08	– Types of Layoff Plan: 1 = No layoff plan, 2 = Not layoff yet, 3 = Layoff less than 10% of total staffs, 4 = Layoff between 10-50% of total staffs, 5 = Layoff more than 50% of total staffs
PayrollCut97 and PayrollCut08	– Types of Payroll Reduction Plan: 1 = No payroll reduction plan, 2 = Not have payroll reduction plan yet, 3 = Plan to reduce payroll less than 10% of the salary, 4 = Plan to reduce payroll between 10-50% of the salary, 5 = Plan to reduce payroll more than 50% of the salary
EmployAdjust97 and EmployAdjust08	– Types of Employment Adjustment: 1 = Reduce payroll/salary, 2 = Reduce overtime (OT), 3 = Reduce bonus
MoveStaff97 and MoveStaff08	– Whether have plan to dispatch staffs to subsidiary or affiliated company 1 = Not have 2 = Have

³ The current currency exchange rates are as following:

1 USD = 32.5 Baht, 1 AUD = 27.5 Baht, 1 GBP = 47.5 Baht, and 1 EU = 40.5 Baht.

Hypothesis: This research conducts quantitative data analysis to verify the consistency of the earlier qualitative analysis findings. The research hypothesis is based on the findings of the qualitative analysis. There are two hypotheses as follows: (i) Real estate development companies use many approaches of employment adjustment and (ii) There are differences in employment adjustment strategies between the two economic crises.

Variables: The analysis is based on four independent variables and four dependent variables with the details as shown in Table 4. The first three independent variables, Capital_Cat, ProfType_Cat, and Exp_Cat, are the attributes of the respondents. The last independent variables are the financial sources used during economic crises. The four dependent variables are the four approaches used to reduce employment costs including: (1) types of layoff plan, Layoff, (2) types of payroll reduction plan, Payroll, (3) types of employment adjustment, EmployAdjust and (4) plan to dispatch staffs to subsidiary or affiliated company, MoveStaff.

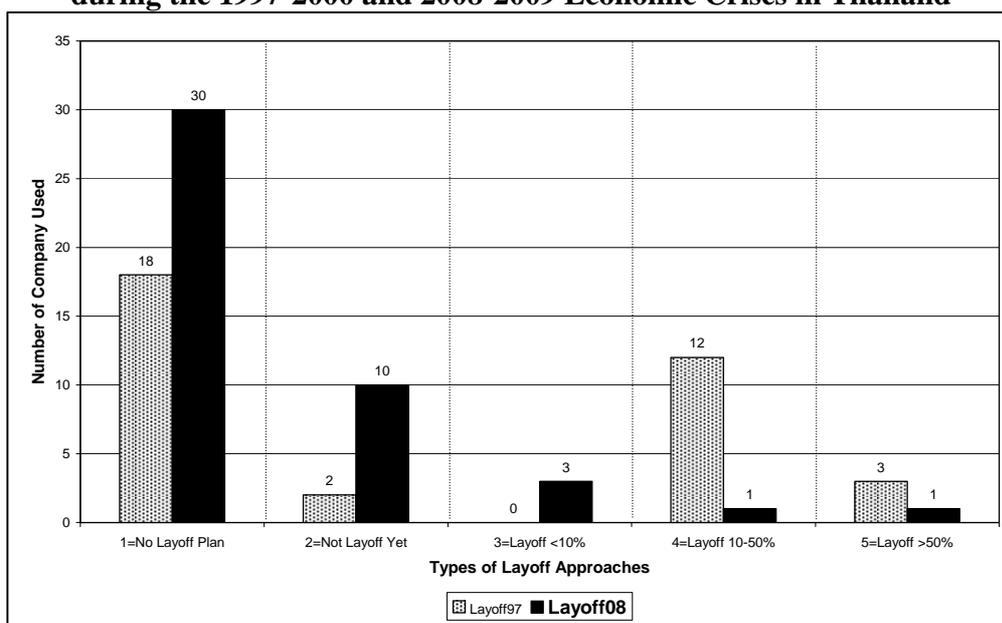
FINDINGS

The analysis is conducted for both descriptive analysis and chi-square tests towards the two hypotheses. The analysis results are as follows:

Layoff

As depicted in Figure 1, it appears that the layoff situations for the property developer respondents during 1997-2000 are more severe than those during 2008-2009. During the 1997-2000 economic crisis, 26% of the respondents had no plan for layoff staffs, while the number is about 44% for the 2008-2009. During the 2008-2009 crisis, there are more respondents that have not layoff staff yet than those during 1997-2000. The situation of the worsen sides, layoff 10-50% and layoff >50%, the 1997-2000 crisis also shows more deteriorate than the 2008-2009 crisis. As seen, the layoff 10-50% approach for the 1997-2000 peaks up to 17%, while it is only 1.45% for the 2008-2009 crisis.

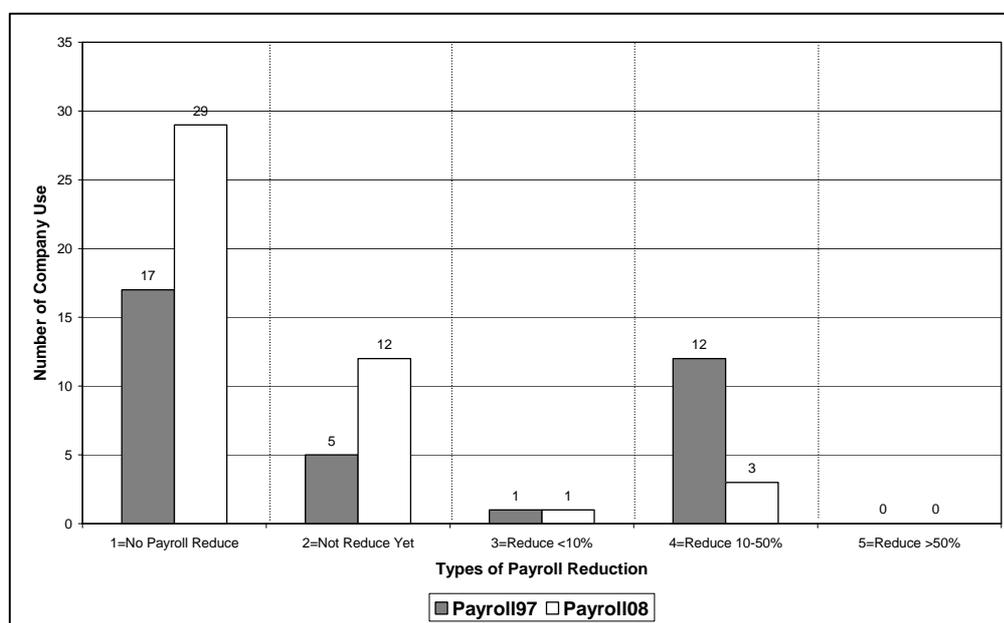
Figure 1: Comparison of Types of Layoff Approach during the 1997-2000 and 2008-2009 Economic Crises in Thailand



Payroll Cut

As depicted in Figure 2, it also appears that the payroll reduction approach situations for the property developer respondents during 1997-2000 are more severe than those during 2008-2009. During the 1997-2000 economic crisis, 25% of the respondents had no plan for layoff staffs, while the number is about 42% for the 2008-2009. During the 2008-2009 crisis, there are more respondents that have not layoff staff yet than those during 1997-2000. These numbers are in the similar proportion to the first choice of the layoff above. The situation of the worsen sides of payroll reduction of 10-50%, the 1997-2000 crisis also shows more deteriorate than the 2008-2009 crisis. As seen, for the 1997-2000 peaks up to 17%, while it is only 4.35% for the 2008-2009 crisis. However both crises, no respondents choose to cut paychecks more than 50%.

Figure 2: Comparison of Types of Payroll Reduction Approach

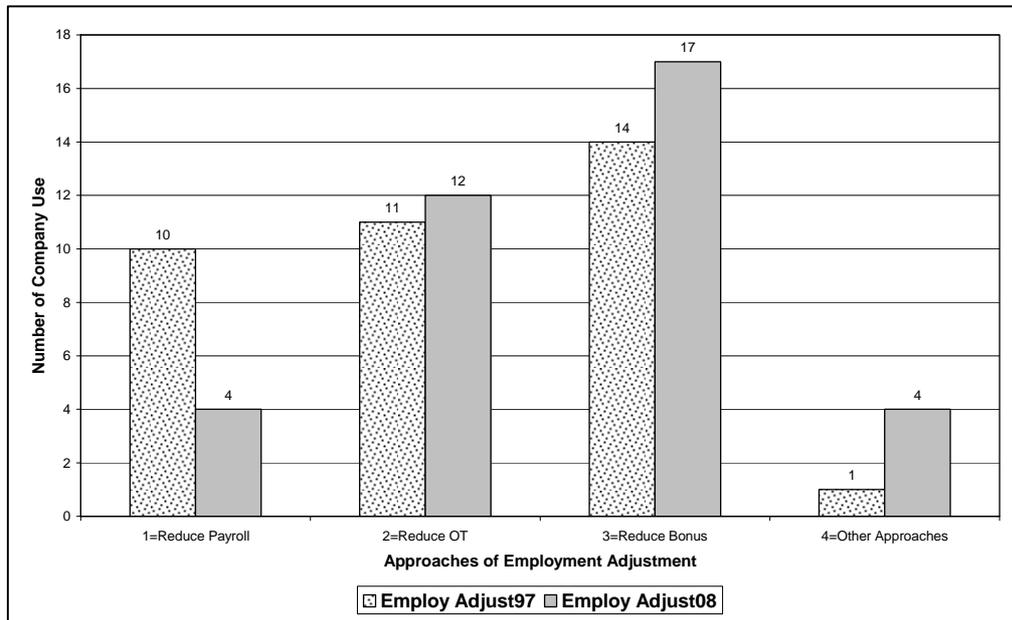


during the 1997-2000 and 2008-2009 Economic Crises in Thailand

Employment Adjustment Approaches

As shown in Figure 3, this analysis shows that during the 1997-2000 crisis, the respondents imposed the more severe approach of 'Layoff' than during the 2008-2009 crisis. In the other hand, the more compromise approaches of 'Reduction of Overtime' and 'Reduction of Bonus' are applied during the 2008-2009 more than during the 1997-2000.

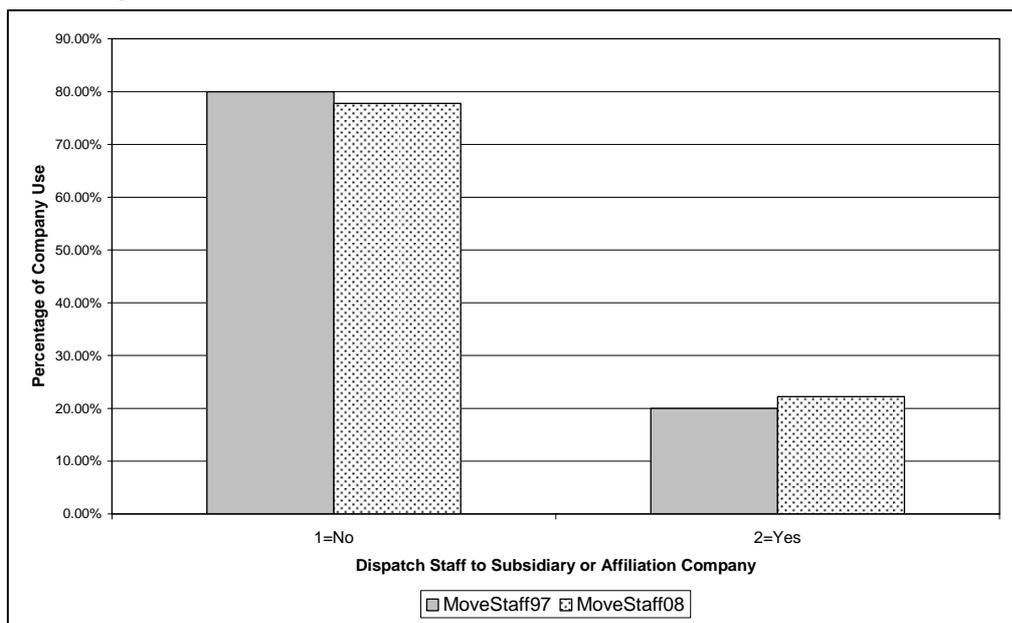
Figure 3: Comparison of Types of Employment Adjustment Approach during the 1997-2000 and 2008-2009 Economic Crises in Thailand



Move Staff

As seen in Figure 4, during both economic crises, some respondents impose the approach to keep employees by dispatched them to subsidiary or affiliation during the hard time. So that when the economic situation takes its turn, companies can reassign this dispatched staffs. Although the proportion of the imposing is not high, the ratio of the uses is similar in both crises.

Figure 4: Comparison of Dispatch Staffs to Subsidiary or Affiliation during the 1997-2000 and 2008-2009 Economic Crises in Thailand



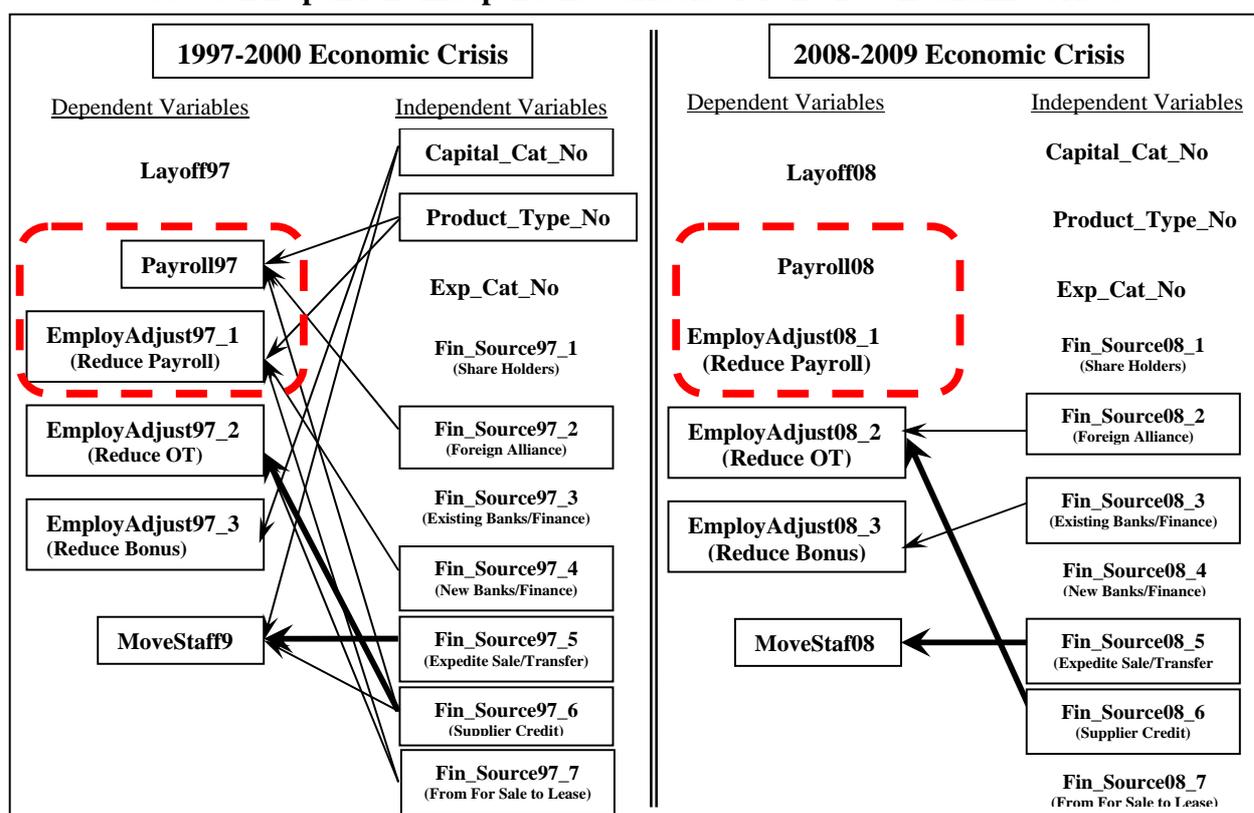
Relationship between Employment Adjustment Approaches and Real Estate Developers' Attributes

This step used Pearson Chi-square test to explore any relationship between the defined independent variables and dependent variables which are nominal variables.

Table 5: The Results from Pearson Chi-Square Tests

Dependent Variables	Independent Variables	Contingency of Coefficient	Degree of Association	Sig. (p-value)
Payroll97	Fin_Source97_2	0.517	Moderately high association	0.005
Payroll97	Product_Type_No	0.499	Moderately high association	0.071
Payroll97	Fin_Source97_6	0.390	Moderate association	0.098
EmployAdjust97_1	Product_Type_No	0.506	Moderately high association	0.005
EmployAdjust97_1	Fin_Source97_4	0.414	Moderately high association	0.014
EmployAdjust97_1	Fin_Source97_7	0.323	Moderate association	0.066
EmployAdjust97_2	Fin_Source97_6	0.399	Moderate association	0.019
EmployAdjust97_2	Fin_Source97_7	0.456	Moderately high association	0.006
EmployAdjust97_3	Capital_Cat_No	0.499	Moderately high association	0.011
MoveStaff97	Capital_Cat_No	0.399	Moderate association	0.036
MoveStaff97	Fin_Source97_6	0.336	Moderate association	0.035
MoveStaff97	Fin_Source97_5	0.301	Moderate association	0.062
EmployAdjust08_2	Fin_Source08_2	0.396	Moderate association	0.023
EmployAdjust08_2	Fin_Source08_6	0.326	Moderate association	0.068
EmployAdjust08_3	Fin_Source08_3	0.397	Moderate association	0.055
MoveStaff08	Fin_Source08_5	0.243	Moderate association	0.094

Figure 5: Comparison of Chi-Square Tests for Significant Relationship between Dependent-Independent Variables for the Two Economic Crises



The test results show sixteen pairs of dependent-independent variables with significance level of 10% and contingency of coefficient, twelve pairs are of the 1997-2000 economic crisis and the other four pairs are for the 2008-2009 economic crisis, as shown in Table 5. Results in this table show that all pairs of dependent-independent variables have moderate association to moderately high association between one another. All pairs of data are then mapped into graphic, as shown in Figure 5. It is also clear that there are three similarities and two differences in significant pairs of dependent-independent variables between the two economic crises as follows:

Similarity: (i) 'Layoff' variable has no significant relationship with any independent variables during both economic crises. Can this result be interpret that layoff is randomly used? (ii) There are two similar pairs of dependent-independent variables in both crises: 'EmployAdjust_2' versus 'Fin_Source_2' and 'MoveStaff' versus 'Fin_Source_5'. Or, in other words, 'Reducing overtime' has significant relationship with using 'Supplier credit' as a source of finance during economic crisis. Also, 'Move staff to subsidiary or affiliation company' variable has significant relationship with using 'Expedite sale and transfer of finished units in the stocks' as a source of finance during economic crisis. The later pair of these findings confirms the research results in the topic of capital strategies during an economic crisis (Vanichvatana and Peungchuer, 2009:2). This research shows that high capital-category company tends to favor for the strategy of expedite sale and transfer of finished units in the stocks as a source of finance. As such, big company is normally has many subsidiary or affiliation companies for relocate qualified staffs during the bad time so that they can rehire or move back that staffs when the economic situation is upturn. (iii) The last similarity is that both independent variables of 'Exp_Cat_No' and 'EmployAdjust_1' (or payroll cut approach) have no significant relationship with any dependent variable.

Difference: (i) It is noticeable that during the 1997-2000 economic crisis, the two dependent variables related to payroll cut, 'Payroll97' and 'EmployAdjust97_1', have significant relationship with independent variables. However, for the 2008-2009 economic crisis, the two similar variables do not have any significant relationship. The questions with similar objective relating to payroll cut in both variables can be used to double check the consistency of the respondents. That is when a respondent do not choose any type of payroll method for 'Payroll' variables, the respondent also do not choose 'EmployAdjust' option 1 which is payroll cut approach. (ii) The other difference is that both independent variables of 'Capital_Cat_No' and 'Product_Type_No' have no significant relationship with any dependent variable.

CONCLUSION

The analysis results can be concluded as follow:

- Real estate developers applied many types of measures for employment adjustment including layoff, payroll cut (some respondent apply only on high salary staffs), reduce overtime, reduce bonus, dispatch staff to subsidiary or affiliation and freeze new hiring.
- Respondents imposed more disturbing approach to reduce employment costs during the 1997-2000 economic crisis than during the 2008-2009 crisis.

- For layoff and payroll reduction approaches during the 2008-2009 crisis, respondents use less disrupt options for approaches than during 1997-2000. In other words, for layoff during 2008-2009, there is more proportion that chosen no layoff plan and no layoff yet plan than high percentage of layoff proportion. It is also similar for types of payroll cut plan.
- For dispatching staff to subsidiary or affiliation, respondents apply this approach with similar proportion during both crises.

This research should be considered as one of the primary research in this topic for real estate development area. There are still many queries in many concerns: the logic behind each employment adjustment approaches, the benefits and disadvantages to apply each approaches, the relationship between each approach of employment cost cut and the characteristics of real estate development business, etc. The benefits learned from this research will support directly to property developers with more confidences to impose less disturbed employment cost cut approaches to keep their human capital as the knowledge-base firm.

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