

Preuksa Real Estate Company catches up with growth leveraging a new human resources strategy.

Overview

Business challenge

After growing from 50 to almost 1200 employees over 15 years, Preuksa needed to update its HR policies and processes to reflect the realities of its expanding business. Its ongoing struggle to match its workforce needs with its workload was beginning to impact revenues and profits. It also needed to improve the long-term training and career management of its employees, and to improve its employee selection process.

Solution

Preuksa engaged IBM Global Business Services to help it solve its human resource issues with a transformed HR strategy. IBM helped the company update its core values and define a core competency model on which to base a new HR organization. It then helped Preuksa implement new HR processes and redesign its staffing policies and selection process for new-hires. IBM also implemented a workforce management (WFM) program to help Preuksa optimize its resource headcount with its workload.

Benefits

- Better fit between workforce resources and workload, and improved anticipation of workforce demands through improved project structuring
- Improved HR processes and personnel fit, with career management for employees.

Industry

- Construction/Architecture/Engineering

Preuksa, a major real-estate company in Thailand, had grown with its market for more than 15 years, without a corresponding change in human resource (HR) policy or employee management programs. IBM helped Preuksa establish core values and competencies, and structure a new HR organization, policy and processes around them. Preuksa can now better target its hiring, and help manage the career paths of its employees. In addition, with a new IBM-implemented workforce management program, Preuksa can better match its workforce needs with its workload, saving money in a tight real-estate market.

Challenge

Preuksa Real Estate deals in mid-market properties in Thailand. This is a growing sector, representing about 14% of the housing market. Despite this growth, the real-estate market in Thailand is facing a challenging time with pressure on profits from both the supply and demand sides including rising construction costs due to the hike in oil prices, eroding consumer confidence due to fears of rising interest rates, and heightened competition amongst players in the industry.

Preuksa had grown from a staff of 50 in 1992 to almost 1200 by 2007, without a corresponding change in human resource management (HRM). The company realized that its employee cost structure had risen to the point that, coupled with changes in the market as described above, it was impacting revenues and profits. Preuksa sought assistance in implementing a new HR infrastructure, which would include workforce management to ensure the best use of employee resources. It also sought to improve the long-term training and career management of its employees, and to improve its employee selection process.

Solution

Preuksa engaged IBM Global Business Services to help it solve its human resource issues with a transformed HR infrastructure. First, IBM implemented a workforce management (WFM) program using two methodologies: "Full-Time Equivalent Analysis" and "Project-Based Analysis" to help Preuksa optimize its resource headcount with its workload. The methodologies also provided a baseline that the company's executives could use to plan for construction projects, estimating headcounts for each project, based on the nature of the project (e.g. single-detached house, double-detached house or townhouse).





IBM also worked with Preuksa to implement a new HR infrastructure to support business growth and to promote staff development. IBM helped the company define its core values and core competency model on which the new HR program would be based. It then helped Preuksa implement new HR processes and redesign its staffing policies and selection process for new hires. A new performance management system supports the new core values and core competencies, resulting in better staff development, improved expected performance outcome, and better quality of workforce development. With the help of IBM and its strengths in human capital management, Preuksa's entire workforce strategy has been redesigned. The company now has a structured plan in place to help set career path goals for employees that reinforces the company's core values.

Benefits

IBM worked with Preuksa to transform its HR strategy. The new strategy, based on newly defined core values and core competencies, not only helps Preuksa better manage its workforce and hire the right people for the right jobs, but it also helps employees build career paths with the company over the long term.

Implementation of the new WFM program has helped Preuksa:

- Better fit its workforce resources with its workload
- Better anticipate workforce demands through improved project structuring
- Minimize the impact of the employee cost structure on profits and revenues.

The newly designed HR infrastructure and core values implementation have helped Preuksa:

- Improve HR processes and personnel "fit" – the right resources with the right jobs
- Map and manage the career paths of its employees.

“Preuksa’s entire workforce strategy has been redesigned. The company now has a structured plan in place to help set career path goals for employees that reinforce the company’s core values.”

—Mr. Thongma Vijitpongpan

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