Retention of old-aged human capital in the Thai automotive industry

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Abstract: With increasing life expectancy and ageing societies, the employment of the elderly and the human capital that they represent increases in relevance. This research will address this issue by studying the value of old-aged human capital and the possibility of old-age employment in the Thai automotive industry. A mixed-methods research methodology was utilised by employing sequential exploratory strategies. Starting from a qualitative approach, 32 key informants were interviewed in-depth and it was found that old-aged employees, with a high level of experiences, high competency and tacit knowledge, are valued human capital in organisations, and employing these old-aged is possible on the basis of job matching between old-aged employees and employers. The reason for encouraging this employment is mainly the potential of the old-aged workforce itself. In the quantitative part of this paper, these findings are confirmed by the opinions of a total of 308 old-aged employees and human resource managers. Therefore, retention of old-aged human capital is suggested.

Keywords: automotive industry; human capital; mixed-methods research; old-age employment; old-aged employees; retention.


Biographical notes: Dr Pornrat Sadangharn is an Assistant Professor at the Faculty of Management and Tourism, Burapha University. Her expertise lies in human resource management, performance management, organisational behaviour and many others related fields. Her research interests include in elderly employment, diversity management and cross-cultural management.

Dr Jamnean Joungtrakul is currently a Distinguished professor at Far East University, South Korea and Chairman of Business law Centre International, Thailand. He is also Chairman of Thailand Human Resource Certification Institute.
1 Introduction

It is commonly recognised that a firm’s effectiveness depends primarily upon its nontangible assets (Ranzijn, 2004). Knowledge, intellectual capital and time are core factors of success in modern business. In this sense, human capital is conceptualised as knowledge, competency, attitude and behaviour embedded in an individual (Rastogi, 2002; Beach, 2009; Unegbu, 2016) and seen as “the sustained competitive advantage which is achieved when the company has the human resources that cannot be imitated or substituted by its rivals in the market” (Buta, 2015, p.156). Managing and leveraging human capital are then crucial for the success of organisations (Grant, 1996; Becker and Huselid, 2006; Bassi and McMurrer, 2007).

With increasing age, individuals are more likely to accumulate these attributes of human capital leading to a trend to preserve old-aged employees in employment. Jackson (2014) sees old-aged employees who have high knowledge and experience at work as a highly valuable asset in organisations. The embedded knowledge and expertise in these old-aged employees provide cognitive skills, potential to integrate and reconfigure organisational resources, and accumulate dynamic capability thereby enhancing organisational performance (Collins and Clark, 2003, Hsu and Sabherwal, 2012; Hsu and Wang, 2012). As a result, the old-aged human capital is considered as a critical factor for organisational success (Gimeno et at., 1997; Colombo and Grilli, 2005). Therefore, many countries in the European Union, Australia, USA, Japan and Korea have promoted the maintaining of old-aged employees in employment (Rix, 2005; European Commission, 2006; Sopchoekchai and Sriket, 2013; Department of Employment, Australian Government, 2016). vonBonsdorff et al. (2009) claimed that the percentage of employees willing to extend their working careers is increasing and the United Nations (2013) reported, “Many older persons still need to work, especially in developing countries” (p. xiii).

In Thailand, like in most other countries, the number of old-aged employees is experiencing an upwards trend. Old aged employees are defined to be 60 years or older. From 2012 to 2016, the employment of this group of employees rose from 3.27 million to 4.02 million (National Statistical Office, 2016). This represents an increase of 22.9%. This trend is going to continue in the future.

This study is focused on old-age employment in the Thai automotive companies. The Thai economy has mainly relied on the manufacturing sector with a strategy in place to use Thailand as a business base for foreign investors in the Asian region (Office of the National Economic and Social Development Broad, 2012). In this perspective, the automotive sector is the largest automotive producer among Southeast Asian countries, one of the top automotive producers in the world. This industry has a highly efficient, skilled, and affordable labour pool. In 2014, more than 550,000 employees were employed in the automotive industry. Among ASEAN countries, this workforce is one of the most skilled and well trained (Thailand Broad of Investment, 2016). The retirement age in most automotive companies is 55 years, thus some of these employees are becoming old-aged employees in the near future. Their tacit knowledge, including their skills and experience, is valuable for the companies and for the country. Therefore, the maintaining of an ageing workforce to work in the industry is a possible choice.
There is a lack of research into old-age employment in Thailand, especially in the automotive sector. A literature review by Phijaisanit (2016) found that some research has been conducted to examine sustainability and management of the pension funds, the old-age funds, and the other forms of old-aged benefits. In regard to working tenure, studies have focused on the government sector. Moreover, it was found that the Thailand still lacks policy infrastructure to create an old-age employment option to support a desirable life after retirement, which encourages elderly to remain in the workforce.

Therefore, empirical evidence for the Thai context is required for both academic and practical purposes. This study will contribute to filling the gap of knowledge about old-age employment. Research findings can also serve as basis for decision making of whether to employ old-aged employees in Thai automobile companies. In addition, the government sector is considering drafting an Old-age Employment Act; so this research finding can also be used to support the legislative process.

2 Research objectives

While employing old-aged employees has been applied in many ageing societies, in Thailand’s automotive industry, it is still in its infancy. The research objectives of this study were to explore and confirm the opinions of key actors of employability, such as employers, old-aged employees, as well as the governmental and academic sector, in the following aspects:

1. The value of old-aged employees in the view of key actors.
2. The possibility of old-age employment in the Thai automotive industry.

3 Literature review

3.1 Theories and concepts concerning employment of old-aged employees

Human capital is a well-developed concept in the study of organisations. It has been defined as tacit knowledge of individuals owned by organisational members (Nelson and Winter, 1982), which derives from education, experience and training (Coleman, 1988). Lynn (1998) and Armstrong (2001) also support that human capital is the stock of knowledge, skills, and ability possessed by employees in an organisation. Beattie and Smith (2010, p. 262) concur that human capital is “the knowledge that employees take with them when they leave the organisation”. This knowledge gives greater cognitive skills to individuals, thus, improving their productivity and efficiency potential to develop activities (Becker, 1964; Mincer, 1974; Davidsson and Honig, 2003), which has a significant impact on the organisational performance (Vihari et al., 2016), and gives competitive advantage and sustainable economic success of an organisation (Campisi and Costa, 2008; Choudhury, 2010; Mondal and Ghosh, 2012; Joshi et al., 2013; Hsu and Wang, 2012; Tripathy et al., 2015).
Given this significant impact of human capital on organisations, the prolonged employment of old-aged employees should be seen as a valuable alternative to retirement. Old-aged employees with knowledge and work experience can be perceived as the human capital in organisations. Becker (2002) argues that investment in knowledge and skills development is a long-term process and must be carried out over an individual’s lifetime. Bowlus et al. (2016) also argue that old-aged employees adjust their skills maintenance and development to uphold a sufficient level of productivity as they age. Similarly, Philipov et al. (2014) claim that human capital of the elderly population is shaped by their earlier education and work experience. Thus, instead of retirement, extending the working life of old-aged human capital is recommendable (Elliott, 1995).

However, prolonged employment has not only a positive impact on the organisations that employ them but also on the economy and society in general. Prolonged employment of the elderly can boost labour-force growth, productivity and tax revenue while helping to offset the negative impact of old-aged people on economic growth (Organisation for Economic Cooperation and Development, 2006; Skirbekk, 2008; Lu et al., 2011). It will stimulate long-term economic growth and thus also facilitate the allocation of resources to the retired population (Kemnitz and Wigger, 2000). From a demographic viewpoint, the increase in old-aged human capital will reduce the impact of working-age population shortage because most educated tend to work longer and retire at a later age (Lutz et al., 2008; Lutz and KC, 2011; Striessnig and Lutz, 2014). Apart from the economy, the society at large also benefits from the employment of the elderly. Sociologists have emphasised “the need to keep old people active in order to integrate them in the society so that society can continue to function” (Bond et al., 1993, p. 32). Ginn and Fast (2006) also reported that old-age employment supports social integration.

To benefit from the employment of the elderly, companies have to appropriate employment opportunities for old-aged employees. Fric (2014) suggested that sustainable work over the life course need to have three main characteristics namely

1. the work should be suitable with human’s bodily calibre and adjust with life’s timeline
2. the work should encourage development of efficiency that determines working strategy
3. the work should strengthen balance between working, personal and familial life.

This is particularly apparent in the context of old-aged employees who have a different perception of their relationship to their employer. Old-aged employees intend to work on their own terms and conditions, not the employers’. A preferable work context for old-aged employees includes respect, dignity and appreciation for a lifetime of work (Choo, 1999). This means that old-aged employees are differently motivated from when they were young. Therefore, the jobs and the career path for old-aged employees need to be modified. In accordance with that, HR functions must be changed by developing a new set of competencies in order to run HRM efficiently for the old-aged employees (Calo, 2008).

Furthermore, different sectors of society should work together to increase the employability of the elderly. According to the concept of employability, key players in old-age employment are
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1 government and education sector
2 organisations
3 individuals.

Government and education policies in employability vary from country to country. In Thailand, Sadangharn (2016) reported that elderly employment requires the coordination between the government sector and the companies. Government sector should protect the old-aged employees, provide appropriate training programs, establish an information center for employing the elderly workers, support and motivate companies to employ the old-aged employees, and allocate a budget to drive this system. Companies must promote their employees’ employability by balancing between a competency requirement and available skills of the employees. Thai companies should support and provide collaboration in employing the elderly workers and in changing their attitude toward old-aged employees. In addition, old-aged employees should try to optimise their careers or their career management (Guilbert et al., 2016).

3.2 Pros and Cons of employing old-aged employees

There are a number of advantages in employing old-aged employees for both the companies and the elderly. The old-aged human capital is considered as a critical factor for organisational performance (Colombo and Grilli, 2005; Gimeno et al., 1997). Some of the benefits for companies include reliability, conscientiousness, punctuality, politeness and an accumulated wealth of experience and skill found in old-aged employees (Ranzijn, 2004). In terms of work efficiency, old-aged employees can perform tasks more efficiently than younger employees (Wofford, 1994; Park and Kim, 2015). That is because they possess abundant knowledge and bring the benefits of having many experiences related to their jobs and the organisation. In terms of innovation, Park and Kim (2015) discover that an ageing workforce had a positive influence on exploitative innovation performance. Moreover, old-aged employees also tend to have various social networks within and outside the organisation (Ng and Feldman, 2010). Thus, when employing the old-aged employees, their tacit knowledge can further augment or complement with others (Nonaga, 1994). Not only the organisations, but old-aged employees themselves also benefit. Apart from the income, working at an old aged is beneficial for mental health (Christ et al., 2007) and facilitates the brain’s cognitive functions (Fratiglioni et al., 2004).

In contrast to the benefits, research has shown that both employers and employees perceive old-age employment as negative. The Stanford Centre on Longevity (2013) has pointed out that, although old-aged employees can be valuable sources of knowledge and experience, they can also be very expensive; they generally have higher wages than their younger counterparts and their health insurance costs more. In the view of the employer, old-aged employees lack the ability to adapt to technological and organisational change, have a high cost of employment and lower productivity, and are less interested in training in comparison to younger employees. On the other hand, old-aged employees may experience depreciation in their human capital and may not have opportunities to upgrade their skills. Moreover, health age-inappropriate work conditions are obstacles of old-age working life (Morrow-Howell and Greenfield, 2010; Ng and Feldman, 2010; OECD,
This lead many scholars to argue that the value of employees decrease when they are getting older (Kim and Feldman, 2000; Yeatts et al., 1999). However, it has been shown that deteriorating health of physical conditions of old-aged employees does not significantly decrease their productivity. The study of Kanchanachitra et al. (2012) indicated that the health factor did not affect the work opportunity of old male employees but it did for old female employees. That supports the study of Padula et al. (2013), which indicated that the ability to work and physical functioning did not significantly differ between older and younger employees. They also concluded that “the physical functional capacity of younger and older employees was similar with regard to gait speed, muscle strength, and the physical functioning of their legs” (Padula et al., 2013, p.385). These findings point out that ageism or the negative perception of old-aged employees still exists despite the fact that they are able to work effectively.

Between the pros and cons of employing old-aged employees, many scholars agree that old-aged employees can work longer than the current retirement age (Kluge and Krings, 2008; McKinnon, 2010; Morrow-Howell and Wang, 2013; OECD, 2006; Roberts, 2006). This is because old-aged employees are “capable of learning new skills, can adapt to rapidly changing environments, and can remain physically and mentally healthy and capable of productive work for many years past the current normative retirement age” (Ranzijn, 2004, p.300).

This review of employing old-aged employees shows that the majority of research did not take place in the Asian context. Therefore, this study will use the opportunity to explore and survey whether these theoretical concepts can be applied in the Thai context. It will be shown that old-aged employees are recognised as human capital and extension of their working life is warranted.

4 Research design and method

A mixed-methods research methodology was utilised by employing a sequential exploratory strategy. The research was carried out in two stages. In the first stage, qualitative data were collected and analysis. Using themes and specific statements from the initial finding from the qualitative approach, the survey instrument was develop in accordance with Creswell (2003). This was followed by the collection and analysis of quantitative data in the second phase, in which the developed instrument was utilised. This was done by as the specific items for the scale in the survey questionnaire, followed by validating the instrument with a large sample representative of a population. The findings of these two phases were then integrated during the interpretation phase.

Figure 1 presents the mixed-methods design for this study. Details are presented step by step as follows.
4.1 Qualitative research method

In the qualitative part of the present study, constructivist ontology and interpretive epistemology were utilised. Because old-age employment in the Thai industrial sector is not widespread, there has been little research into the issue. Thus, grounded theory was used. This strategy is suitable for “discovering theories, concepts, hypotheses, and propositions directly from data” (Taylor and Bogdan, 1984, p.126) that are “grounded in the view of participants in a study” (Creswell, 2003). The theory or general pattern of understanding, in this study that of old-age employment, emerged as it began with initial codes, theme development, and finally coalesced into a grounded theory or broad interpretation of old-age employment in the Thai automotive industry.

In order to increase the explanatory power of grounded theory, as Glaser and Strauss (cited in Urquhart, 2013) suggested, maximised group differences for similar concepts in the data can be used for developing fundamental uniformities in the research findings. Thus, in accordance with the employability concept, four groups of stakeholders who were involved in old-age employment participated. They were government officers whose work involved the employment of old-aged people, academics who had conducted research on old-age employment in other Thai industries, employers or HR managers, and old-aged employees.

The key informants were selected by using the theoretical sampling method by choosing only those directly involved or who are responsible for issues relevant to old-age employment. Purposive sampling was then used to select the first key informant to be interviewed who was a representative of the Department of Employment at the Ministry of Labour. After that, snowballing was used in order to gain a pool of key informants. By snowballing, the first key informant suggested the next key informant who has potential
to provide data for theory development. Finally, a total of 32 key informants were interviewed in-depth during the data collection and analysis.

A guide for semi-structured interview was designed by using Patton (1990) and Joungtrakul (2010) approaches. The questions were related to the experience, opinions, feelings, knowledge and background of the key informants. Initially, 18 questions were compiled; then, the instrument was reviewed and approved by 5 experts. Only 10 questions were finalised to be used as the interview guide in this study. Key informants were asked a series of questions, only some of which will be reported in this paper. Moreover, the researchers as the instrument of data collection also enhanced their interviewing skills by practicing interviewing with 4 people before collecting the data.

Data collection and data analysis were simultaneously carried out, and the data were managed using the Atlas-ti software. After the interviewing session, transcripts was made and analysed by using the Glaserian approach of

1. open coding
2. selective coding
3. theoretical coding (Glaser, 1978).

Open coding is about attaching initial labels to the data; in this study, there were 583 initial codes. Selective coding was used to develop core categories until theoretical saturation, the point at which no additional data could be found, was reached (Urquhart, 2013). In this study, saturation occurred after 32 interviews. Finally, an old-age employment grounded theory for the Thai automotive industry was constructed. It showed that old-age employment is recognised in the Thai context and is perceived as valuable human capital.

Several activities ensured the rigor of this study. First, an audit trail was established at the early stages of this research. Procedures, decisions, judgments and researcher experiences were detailed not only for replicability but also for transparency. Researcher activities and information were detailed from the research proposal to the completion of the study. Second, the kind of data source triangulations used resonated with Carter and Bryant-Lukosius (2014), in-depth interviews (IDI) across four groups of stakeholders: old-aged employees, employers or human resource managers, government officers and academics. Comparing and cross checking for consistency of the information from the various perspectives of people from different points of view were carried out. Third, member checking was conducted by taking the research result back to some key informants in order to test the accuracy of their answers. In addition, the research ethics of this study were approved by the Research Ethical Committee of Burapha University.

4.2 Quantitative research method

Using the instrument development approach as mentioned earlier, the quantitative research method was employed. The population in this phase was categorised into two groups; first, 582 HR managers that had worked for companies that were members of the Thailand Automotive Institute and, second, all old-aged employees in those companies that will retire within the next 5 years of the study, or during 2016–2020. This 5-year range came from the findings in the qualitative part of the study, as it was claimed that if only 5 years were left, the employees tended to work until retirement. The total number of this group was unknown because there were no data recorded. Thus, it was designed to
study the whole population within the Thai Automotive Industry Association by sending the questionnaire to all 582 companies. In this part, government officials and academics were not included; because most of them had already been interviewed, the research was design to focus on demand and supply side of employment.

The questionnaire was designed using a 4-point scale for avoiding central tendency of answering (Bendig, 1954; Cronbach, 1950), where 1 = strongly disagree to 4 = strongly agree. Content validity was approved by 5 experts, both academic and HR professionals. The Index of item objective congruence scores ranged from 0.60–1.00. In the pilot test, 30 HR managers and 30 old-aged employees in a similar industry were asked for the reliability of the questionnaire. Cronbach’s alpha was 0.89 and 0.90 in the group of HR manager and old-aged employees, respectively. Questionnaires were distributed via post-mail to all 582 companies. A total of 308 were returned. Descriptive statistical, frequency (n), percentage (%), mean (\(\bar{X}\)) and standard deviation (SD) were used to analysed the opinions on old-age employment. The class interval used in this study was 0.75. The interpretations of mean score were as follow;

<table>
<thead>
<tr>
<th>Score Range</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.00 – 1.75</td>
<td>Strongly disagree</td>
</tr>
<tr>
<td>1.76 – 2.50</td>
<td>Disagree</td>
</tr>
<tr>
<td>2.51 – 3.25</td>
<td>Agree</td>
</tr>
<tr>
<td>3.26 – 4.00</td>
<td>Strongly agree</td>
</tr>
</tbody>
</table>

Independent sample t-test was employed to test the following hypothesis

\(H1: \text{There is no significant difference in the opinion on value of old-aged employees in the automotive industry between HR managers and old-aged employees}\)

\(H2: \text{There is no significant difference in the opinion on old-age employment in the automotive industry between HR managers and old-aged employees}\)

5 Research findings

Regarding the mixed-methods research methods, the results of this study were then presented in two parts. Details are as follows.

5.1 Exploration by qualitative research method

The qualitative research method in the first stage of research became apparent that the key actors in the different group had similar opinions regarding the value of old-aged employees and old-age employment. The findings from each group support each others. Informants did not focus on expanding the retirement age but on a basic foundation of job matching. This is because some old-aged employees may not want to work longer, and some companies may not want to be burdened with the high cost of hiring this group of people. Consequently, the findings revealed that employment will occur when both parties are willing to do so. Therefore, career opportunities were provided only when there was job matching between the old-aged employees and the employers.
According to Glaserian approach, 26 selective codes were used to develop 3 core categories. Theoretical saturation was then reached and 2 main themes emerged according to the research objectives, namely the value of old-aged employees and old-age employment. Table 1 details that the majority of key informants value old-aged employees as human capital and do not see them as liabilities to the organisation. A high experience level with tacit knowledge was the source of a competitive advantage to the organisation. Their competence leads them to have a vision at work. Therefore, most of the key informants agreed with the idea of employing old-aged employees. Reasons for this were mainly the experience of old-aged employees. Others were environmental factors such as economic reasons, ageing society, labour shortages and so on.

Table 1 Theme, core category and example of initial codes in old-age employment

<table>
<thead>
<tr>
<th>Theme</th>
<th>Core category</th>
<th>Example of codes and quotations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old-aged employees</td>
<td>Human capital</td>
<td>highly experienced, recognition deserved, high organisational loyalty, competent at work, tacit knowledge, value to organisation, willingness to work, visionary at work, healthy enough for work</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Quotation: “Getting older, getting more experience”, “The strength of old-aged workers stem from their experience, so they hold the problem solving skills and analytical skills, in this manner they can do better than the youngsters.”, “Older workforces have something that the younger do not have...that is experience. It was built over a long time no technology can do that. Skills and knowledge are draw from their experience.”, “They have greater loyalty than the youngsters”, “People at age 60 up are still healthy. It is better to work than stay at home”</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td>cannot work in new environment, decrease in productivity, risk taking at work, burn out, far behind technology, exhausted, require more relaxation during work</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Quotation: “As we know, when people are getting older, they cannot work at the same level as young people. Their productivity is decreasing...”, “but the weak point of the elderly workers is obviously their physical ability”, “They exhaust easily and need more time to take rest.”, “It is a risk...taking risk if hiring older people. They cannot work hard and easily have accidents. This is very dangerous.”</td>
</tr>
<tr>
<td>Old-age employment</td>
<td>Support competency</td>
<td>competency of old-aged employees, recognition, income/daily expenditure, reduces public spending on old-age benefits, decrease young labour dependency, ageing society, corporate social responsibility (CSR), labour shortage</td>
</tr>
<tr>
<td></td>
<td></td>
<td>“Their knowledge and their competency are valuable for the organisation”, “Since there are more and more old-aged people they are a valuable source of labour market... Because they live longer, they need income for their daily life. Working longer is then a solution.”, “We face the labour shortage problem and old-aged workers are a choice”, “It is a social support without any business benefit concerned”</td>
</tr>
</tbody>
</table>
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5.2 Confirmation by quantitative research method

By instrument development, findings from the qualitative approach were transformed to specific items for the scale in the survey questionnaire for validating the findings with a research population. For example, in the human capital category, questions asking opinion of agreement were old-aged employees have high experiences, old-aged employees deserve to get recognition, and so on.

Three hundred and eight questionnaires were returned, 147 respondents were HR managers, and 161 were old-aged employees. The results of the questionnaire are shown in Table 2. Old-aged employees are valued as human capital of organisations. When observing the mean score, respondents agree and strongly agree (\( \bar{x} \) range from 2.98 to 3.60) that old-aged employees were human capital. The most important characteristic in this human capital stems from their high work experience (\( \bar{x} = 3.53, SD = 0.55 \)). Apart from that, recognition deserved (\( \bar{x} = 3.45, SD = 0.52 \)) accompanied with high organisational loyalty (\( \bar{x} = 3.44, SD = 0.62 \)) and competence at work (\( \bar{x} = 3.41, SD = 0.54 \)) make them valuable to organisation. In contrast, respondents disagree (\( \bar{x} \) range from 1.98 to 2.52) that old-aged employees were a liabilities of organisation. In the opinion of respondents, it was revealed that old-aged employees did not require more relaxation during work (\( \bar{x} = 2.02, SD = 0.66 \)), did not exhaust easily (\( \bar{x} = 2.03, SD = 0.66 \)) and did not far behind technology (\( \bar{x} = 2.19, SD = 0.74 \)). In sum, respondents value old-aged employees as human capital rather than seeing them as a liability of the organisation.

Table 2  Opinions on old-aged employees in the Thai automotive industry

<table>
<thead>
<tr>
<th>The opinions on old-aged employees</th>
<th>HR managers (n = 147)</th>
<th>Old-aged employees (n = 161)</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>( \bar{x} )</td>
<td>SD</td>
<td>( \bar{x} )</td>
</tr>
<tr>
<td><strong>Human capital</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High work experiences</td>
<td>3.60</td>
<td>0.55</td>
<td>3.47</td>
</tr>
<tr>
<td>Recognition deserved</td>
<td>3.52</td>
<td>0.52</td>
<td>3.38</td>
</tr>
<tr>
<td>High organisational loyalty</td>
<td>3.44</td>
<td>0.64</td>
<td>3.44</td>
</tr>
<tr>
<td>Competent at work</td>
<td>3.46</td>
<td>0.52</td>
<td>3.37</td>
</tr>
<tr>
<td>Tacit knowledge</td>
<td>3.37</td>
<td>0.64</td>
<td>3.34</td>
</tr>
<tr>
<td>Value to organisation</td>
<td>3.31</td>
<td>0.57</td>
<td>3.30</td>
</tr>
<tr>
<td>Happy to work</td>
<td>3.33</td>
<td>0.58</td>
<td>3.24</td>
</tr>
<tr>
<td>Visionary at work</td>
<td>3.16</td>
<td>0.65</td>
<td>3.21</td>
</tr>
<tr>
<td>Healthy for work</td>
<td>2.98</td>
<td>0.62</td>
<td>3.16</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cannot work in new environment</td>
<td>2.52</td>
<td>0.83</td>
<td>2.55</td>
</tr>
<tr>
<td>Decrease in productivity</td>
<td>2.32</td>
<td>0.67</td>
<td>2.34</td>
</tr>
<tr>
<td>Risk taking at work</td>
<td>2.23</td>
<td>0.74</td>
<td>2.34</td>
</tr>
<tr>
<td>Burnout</td>
<td>2.16</td>
<td>0.77</td>
<td>2.32</td>
</tr>
</tbody>
</table>
Table 2  Opinions on old-aged employees in the Thai automotive industry (continued)

<table>
<thead>
<tr>
<th>The opinions on old-aged employees</th>
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<th>Old-aged employees (n = 161)</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>( \overline{x} )</td>
<td>SD</td>
<td>( \overline{x} )</td>
</tr>
<tr>
<td>Far behind technology</td>
<td>2.10</td>
<td>0.75</td>
<td>2.28</td>
</tr>
<tr>
<td>Exhausted</td>
<td>1.98</td>
<td>0.67</td>
<td>2.07</td>
</tr>
<tr>
<td>Require more relaxation during work</td>
<td>1.98</td>
<td>0.66</td>
<td>2.06</td>
</tr>
</tbody>
</table>

When asking the opinion concerning old-age employment, 90.3% of the total respondents agreed with that whereas only 9.7% of those disagreed. Table 3 also confirmed that the main reason of employing old-aged employees was their competencies (\( \overline{x} = 3.30, SD = 0.54 \)). The respondents also strongly agreed with the rest of the reasons such as income (\( \overline{x} = 2.94, SD = 0.70 \)), required sense of dignity (\( \overline{x} = 2.91, SD = 0.70 \)) and so on. It is noteworthy that the individual characteristic of old-aged employees, in particular competency at work, was more significant than external factors such as labour shortage (\( \overline{x} = 2.39, SD = 0.84 \)) and ageing society (\( \overline{x} = 2.59, SD = 0.77 \)).

Table 3  Opinion on old-age employment in the Thai automotive industry

<table>
<thead>
<tr>
<th>Reason for old-age employment</th>
<th>HR managers (n = 147)</th>
<th>Old-aged employees (n = 161)</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>( \overline{x} )</td>
<td>S.D.</td>
<td>( \overline{x} )</td>
</tr>
<tr>
<td>Competency of old-aged employees</td>
<td>3.37</td>
<td>0.57</td>
<td>3.23</td>
</tr>
<tr>
<td>Income</td>
<td>2.83</td>
<td>0.66</td>
<td>3.05</td>
</tr>
<tr>
<td>Required sense of dignity</td>
<td>2.94</td>
<td>0.71</td>
<td>2.88</td>
</tr>
<tr>
<td>Reduces public spending on old-age benefits</td>
<td>2.73</td>
<td>0.78</td>
<td>2.90</td>
</tr>
<tr>
<td>Decrease young labour dependency</td>
<td>2.71</td>
<td>0.76</td>
<td>2.85</td>
</tr>
<tr>
<td>Ageing society</td>
<td>2.59</td>
<td>0.80</td>
<td>2.59</td>
</tr>
<tr>
<td>Corporate social responsibility (CSR)</td>
<td>2.50</td>
<td>0.79</td>
<td>2.73</td>
</tr>
<tr>
<td>Labour shortage</td>
<td>2.46</td>
<td>0.89</td>
<td>2.32</td>
</tr>
</tbody>
</table>

When comparing the opinion of HR managers and old-aged employees on the value of old-aged employees and old-aged employment in the Thai automotive industry, the research hypotheses were verified. That means there were no significant differences in the opinion on the value of old-aged employees and old-aged employment in the automotive industry between HR managers and old-aged employees. Details present in Table 4.
Retention of old-aged human capital in the Thai automotive industry

Table 4  Comparison of opinions on old-aged employees and old-age employment in the Thai automotive industry between HR mangers and old-aged employees

<table>
<thead>
<tr>
<th>Theme</th>
<th>HR mangers (n = 147)</th>
<th>Old-aged employees (n = 161)</th>
<th>t-test</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old-aged employees</td>
<td>2.93, 0.28</td>
<td>2.94, 0.31</td>
<td>-0.20</td>
<td>0.84</td>
</tr>
<tr>
<td>Old-age employment</td>
<td>2.77, 0.46</td>
<td>2.82, 0.43</td>
<td>-1.15</td>
<td>0.24</td>
</tr>
</tbody>
</table>

6 Discussion

Both qualitative and quantitative findings confirmed that old-aged employees are valuable resources in organisation. Qualification such as tacit knowledge, experiences accompanied with the competency obviously illustrated that they were human capital as many scholars have stated (Becker, 1964; Mincer, 1974; Nelson and Winter, 1982; Coleman, 1988; Lynn, 1998; Armstrong, 2001; Beattie and Smith, 2010). Thus, far the theoretical concepts from other countries can be applied in Thailand too. The seniority culture in the Thai context also supports the belief that old-aged employees deserve respect and recognition from the younger generation. These lead to a path for old-aged employees to work longer.

However, negative stereotype which this study called ‘liabilities’ in qualitative findings was not different from what were found in the study of Yeatts et al. (1999), Kim and Feldman (2000); OECD (2006), Morrow-Howell and Greenfield (2010); Ng and Feldman (2010). However, the findings from the survey pointed out that the perceived liabilities of old-aged employees were less pronounced than their perceived value as human capital.

Old-age employment is a trend in this decade for any ageing country. It is difficult to avoid this situation because a large part of the world’s population belongs to this group. Findings show that the informants agree with old-age employment in the Thai automotive industry. Similarly, the finding of Lu et al. (2011) stated that the employers wanted to hire the old-aged employees and old-aged employees also wanted to work. Reasons supporting the employment were in accordance with the concept of human capital which values the experiences and knowledge transfer from old-aged employees to new generations (Beattie and Smith, 2010; Becker, 1964; Mincer, 1974; Stanford Centre on Longevity, 2013). Employing for economic reason was confirmed by a study of Soonthornudhada (2011) as well as the work of Soonthornchawagan and Cintakulchai (2009) whereas reason of good health was also found in the study of Kim and Feldman (2000), Rix (2005), and Wang et al. (2008).

However, as the IDIs have shown, not every old-aged employee viewed as human capital. Only those who hold qualifications, such as high experience with tacit knowledge and high competence are regarded as genuine human capital of the organisation. Thus, it is no wonder when Sadangharn (2016) discover the solution that old age employment in the Thai automotive industry was not focused on expanding the retirement age, but is a basic foundation of job matching between old-age employees and employers.
7 Limitation of the study

This study uncovered the reasons behind old-age employment in the Thai automotive industry; however, the same reason may not apply to other industries because the nature of work is different. Also, some automotive companies have been recently established, and their employees had not yet aged; the available number of respondent was limited. Finally, respect for seniority is a dominant part of Thai culture. The findings of this study reflect this cultural aspect and may not apply to different cultural contexts.

8 Conclusion and suggestions

It can be concluded that competent old-aged employees are a human capital of organisations, and old-age employment is inevitable. The reason for encouraging this employment is not because of the pressure from the ageing society but due to the potential of the old-aged workforce itself. Their experiences and skills are a crucial source of tacit knowledge that can be utilised in organisations. Appropriate work should be assigned to them, and that work should not require physical ability but should be focused on the wisdom side of the elderly. The details of employment should be considered on a case-by-case basis with the agreement of the old-age employees and the employers.

This research points that HR practices should be modified. Employment contracts must be revised in accordance with the old-aged employees’ physical condition. Emphasising on their knowledge and experience, work assignment should relate to what they have done before. However, the work should be suitable for their health. Teaching, supervising or coaching is suggested.

Economic factors involved in both employer and employees side. The high salary which old-aged employees earn before retirement may affect the decision of hiring an old aged. Simultaneously, old-aged employees prefer to maintain their work because of income requirement. Thus, the term of employment should be revised and negotiated, case by case.

However, in some circumstance, old-aged employees seek to perceived sense of dignity. Thus, seniority respective activities should be provided to maintain the old-aged human capital active in the organisations. Therefore, it is time to think about this aspect and prepare for it in advance.

On the academic side, research on the demand and supply of the ageing workforce is required. Action research by using pilot study will benefit the old-age employment.

9 Acknowledgements

This research was funded by the Thailand Research Fund, the Office of Higher Education Commission, and the Faculty of Management and Tourism, Burapha University. We would like to express our great appreciation for their valuable sponsorship.
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