

Utilization of Elderly Workers in Manufacturing

Khuntarose Sanwong¹

Sageemas Na Wichian²

Salinee Acharry³

Youdhagarn Acharry⁴

ABSTRACT

This study aims to: 1) study employment data, capacity, problems and obstacles to work of elderly workers; and 2) analyze roles of elderly workers when they were out of the employment system. This qualitative research studied employees working in furniture manufacturing in the following groups : 1) wood manufacturing; 2) plywood manufacturing; 3) plywood and veneer board manufacturing; 4) plywood piece manufacturing; 5) wood base fiber; and 6) furniture and household furnishings. The research was divided into four steps: 1) primary data survey; 2) study on employment from executives; 3) study on employment status from elderly workers; and 4) analysis to provide recommendations.

Interview sessions were conducted with 29 people (23 workers and six executives). It was found that employment status was in accordance with agreements between employees and companies that did not have retirement policies. Work skills and physical fitness of employees were emphasized. Most executives stated that elderly workers were patient, determined and highly engaged in their work. Problems found were their incompletion with rules and that they were slow in learning new technologies or were not willing to learn at all. Capacity of elderly workers who were no longer hired was at the point where they assisted with work or applied their experience to develop work. However, they were not able to initiate work: they had to be told what to do or follow well-instructed procedure.

¹⁻⁴ Assistant Professor College of Industrial Technology King Mongkut's University of Technology North Bangkok, Bangkok: Thailand.

*Email: krw@kmutnb.ac.th

Findings of this study shall be primary data used to manage elderly workers who do not have a retirement plan. In addition, recommendations will be given on utilization of elderly workers who can work in furniture manufacturing until they turn 75 years old in order to increase the country's competitiveness in the future.

Keywords: Elderly workers, Utilization

INTRODUCTION

A survey regarding labor demand and labor shortage in 2006 by the Department of Employment on labor demand classified by industry and age at the national level showed that most industries wanted 25-34 years-old laborers at the percentage of 51.57, followed by laborers aged less than 25 years, laborers aged over 45 years and laborers aged 35-44 years at the percentage of 38.14, 8.54 and 1.75, respectively. It can be seen from the above figures that laborers aged 35 years were in demand at 11% (Department of Employment 2012) whilst data from the National Statistical Office stated that the number of older people increased while that of young working people slightly increased. (National Statistical office, 1997) Thus, there were not enough working people to meet industrial demands. The overall number

of elderly workers should increase. This is consistent with a research by DELSA studying labor markets in OECD (Organization for Economic Co-operation and Development) nations in 2005. The sample group's age was between 50-64 years and less than 60% of the participants were employed. Most working people were aged between 25-49 years. It was predicted that without drastic changes in 2050 only one elderly worker in Europe approaching retirement will be hired. This will result in an almost 15% decrease in the number of workers in the European market in the next 50 years and an over 30% decrease in Japan. This study outcome showed that there were three factors not supporting employment of elderly workers: 1) employers' negative attitudes towards elderly workers, high wages and improper labor protection laws; 2) no additional financial support; and 3) elderly workers' capacity to work with outdated knowledge and skills. (The Directorate for Employment, Labor and Social Affairs, 2010)

Elderly workers' situation and their departure from the Thai labor market can be predicted from the above research results. The following question is "what are the government's policies to support elderly workers gradually departing the

labor market and becoming consumers that are beneficial to Thai society and economics?” As a result of a stagnant economy and impacts from globalization making the market more competitive, industries must create additional value to their products and add quality to their products by applying skills and more advanced technology. More laborers especially elderly workers are at more risk of losing their jobs. Thus, this article studied potential and roles of elderly workers in manufacturers to obtain primary data and prepare for elderly labor management. Additionally, the article gave suggestions on utilization of elderly workers to increase competitiveness of the country.

OBJECTIVE

1. To study and analyze data on employment and productivity of elderly workers in the manufacturing industry
2. To study problems and obstacles of elderly workers in the manufacturing industry
3. To analyze roles of elderly workers in the manufacturing industry when they are no longer employed

Related Documents and Studies

The United Nation announced that elderly workers would become one of the three main challenges in the twenty-first century apart from global warming and terrorism. (United Nations Population Fund, 2006) A study on elderly workers in the Asia Pacific Region by Watson Wyatt Wine revealed 64% of employers in Asia Pacific believed that elderly workers would cause a labor shortage, higher social security costs and employee benefits greatly affecting the global economy. These employees found that elderly workers were the most challenging of all the key issues of this century and finding skilled workers were becoming more and more difficult. (Muslim Thai Post, *ibid.*) Therefore, most employees in developed countries in Asia Pacific need to make arrangements for “elderly workers” by increasing training and developing retirement programs. Developed countries in Asia (Japan, South Korea, Australia, Hong Kong and Singapore) will be confronted with a labor shortage if they cannot retain these “elderly workers.” China, being a country where the number of elderly workers increased rapidly and there are

a lot of large-scale industries, solved the labor shortage problem by focusing on effectiveness of technology. (ILO, 2007) Watson Wyatt's conclusion on elderly workers was that retirement programs and health care would become more and more compulsory. Most people in Asia Pacific do not save enough for their retirement and want the best health care (Muslim Thai Post, 2012). This was consistent with a report by the TDRI indicating impacts of elderly workers on manufacturing industries. Inconsistency between labor shortage and quality of education and demands in the market was an obvious problem leading to education reform at present. In addition, population structure, age, education, gender, hometown and changes affected policy-making or appropriate and effective personnel management. Moreover, labor structure greatly affected productivity. (Thailand Development Research Institute, 2012) Likewise, study results of The Research of Protection for Elderly Workers stated that the number of old people increased while birth rate decreased because working people got married later and had children at later age. Furthermore, medical advancement increased human lifespan. (Attaporn-Buaporn 2009)

In Thailand, the elderly as well as children and the disabled are considered deserving compensations and assistance from society. Many activities are initiated to protect the elderly according to the Act on Older Persons B.E. 2546 (2003 A.D.). Nevertheless, elderly workers received less government care than other groups of employees because employers had negative attitudes towards elderly workers and regarded them as liabilities rather than assets. As a result of the above attitudes, elderly workers were discriminated against. Four issues were identified in this study.

Firstly, it was argued that 60 years stipulated in the Act on Older Persons as the age of elderly workers should not be the age applied to elderly workers under the labor protection law in Thailand because people 60 years of age are mostly retired. It was suggested that the maximum age of elderly workers should be 45 years because it was the age physical deterioration occurred.

Secondly, employers discriminated against elderly workers. They thought that elderly workers did not have knowledge of modern technologies so when the employers hired them, they had to provide them with training while it was not certain how long they would work for their

employers. Their job opportunities were low because the labor law did not protect old people applying for jobs. There should be laws dealing directly with discrimination against elderly workers.

The third issue is about protection of elderly workers in workplaces, who are treated badly. Work hours are not flexible for elderly workers. They are forced to work full time and part time or limited hours, etc. For equal work opportunities, there should be a regulation on elderly worker protection. Employers should be prohibited from discriminating against elderly workers whereas the policy of flexible work hours suitable for physical conditions senior employees is recommended.

The last issue is protection against employment termination. Employers may use an employee's old age as an excuse to terminate their employment or they may stop hiring them due to retirement age of employees of Thai private companies. Employers and employees might have a conflict they cannot solve and there is no law on the precise retirement age. (ibid.) Thus, employees do not have job security because they can stop hiring them any time. It is suggested that before employment termination, employers must have

good reasons for doing that. Retirement age should be clearly announced. When an employee wishes to continue working for an employer, he/she should be given a chance even after his/her retirement.

Research Methodology

Qualitative data were gathered from two sample groups. The first group included 23 sample units. Salaried employees 45 years of age who worked in 4 types of furniture factories: 1) solid woods; 2) solid laminated wood panels; 3) plywoods and veneers; 4) particle boards; 5) fiber boards; and 6) furniture and households (including building decorative items and door frames and window frames), were purposively selected. They willingly participated in the research. The second group included executives working in manufacturing industries and six salaried employees 45 years of age. There were four steps in the research: 1) exploration of primary data; 2) study of employment of executives; 3) study of employment of elderly workers; and 4) analysis for recommendations.

Research results

Results of interviews with 23 employees over 45 years of age showed that they were 45-57 years and their average age was

49 years (standard deviation of 3.5). The majority of them or 73.9% of them had primary education, vocational certificates and vocational diplomas as well as high school education (Grade 9-Grade 10). They had worked in their current companies for an average of 10 years (standard deviation of 5.3).

They worked nine hours, 8.00-18.00 hrs. with one-hour lunch break totaling 10 hours and the first Saturday of the month during 7.45-17.45 hrs. They had five days for business leave, 30 days for sick leave, 90 days for maternity leave, six days for vacation leave, 1-4 days for special vacation leave (apart from 6 days) depending on tenure. Half the employees stated that when they were retired, they would stay home and the other half said that they would open a store, cultivate vegetables and continue working at this factory. Around 95% of them stated that they were highly satisfied with their current workplaces.

When elderly workers quitted working, it was found that most of them (17) planned that if they could no longer work at the same factory, they would stay home, raise their grandchildren, do meditation, do social work (become volunteers) and open a shop. They all knew that they

had benefits (retirement mutual funds) after retirement but did not know about promotion of long-term employment of the organization such as being hired to do some chores, taking jobs to do at home or promotion of other careers after retirement.

Discussions and Recommendations

In-depth interviews with employees and executives resulted in the following discussions.

1) Employees' potential from the viewpoints of executives in manufacturing industries: it was found that elderly workers were capable and had expertise and skills accumulated from their experience. They were also more precautious, responsible, attentive and patient than younger employees. They are also determined to develop themselves. For example, they try to learn new technologies such as computer programs. Above all, they were more engaged in their work and loyal to their organization than other groups of employees. Despite their lower capacity, they could still manage their work.

2) Problems and obstacles to work were analyzed from the points of view of employees and executives. Problems and obstacles of employees were that they

had to remember types of woods. Overall work-related problems were returning broken products for correction, products, receiving products that were not ordered, machinery breakdown, inability to catch up with work due to a small number of employees and problems with supervisors. Executives or employees found that obstacles for elderly workers were their working behaviors such as not listening to supervisors' orders, not observing safety regulations of the company and learning at a slow pace or not learning new technologies. Problems or obstacles that were difficult to solve were that seniors seem unwilling to pass their knowledge on to young employees because they wanted to remain secure, respected/recognized by young employees possibly to make up for their inability to catch up with new technologies.

3) Quality of Life: from the viewpoints of employees and executives, it can be concluded that their quality of life was at a high level in accordance with agreements between employees and the company. Nonetheless, employees had suggestions on salary raises and bonuses. From primary data, it was found that most elderly employees had primary education and had low income not enough for them

to save for their retirement. If they did not continue to work, they would become burdens to their families and society. Hence, the government should consider adjusting employment policies so they align with Thai society and circumstances of elderly workers.

4) Company's administration: companies developed elderly employees' productivity, knowledge on computer technologies and modern management. As for employment policies, companies did not have retirement plans for employees. Employees worked until they could not work anymore. This put employees close to retirement at a disadvantage. When an employee works beyond their retirement age, he/she is no longer an insured person according to laws on social security insurance. Therefore, he/she is deprived of benefits according to the laws. Companies did not have mutual funds taking care of the group of employees. The government should solve this problem in order to add value to elderly workers and improve the nation's economy. Another problem found was communication. The researchers noticed that when elderly workers quitted working, they did not have the same information as the management did on long-term employment promotion plans

such work at home or promotion of other careers after retirement. This was considered inefficiency of the management's communication. For moral support of elderly workers, executives should communicate policies of the organizations so they all are on the same page, especially elderly workers.

5) Utilization of retired elderly workers: it was found that retired employees went back to their hometown, raise their grandchildren, do meditation, do social work (become volunteers) and open a store without knowing that they could contribute to the country's economic growth. Executives should issue policies of utilization of retired elderly workers. Organizations should give jobs that elderly employees can do at home and send them back to the companies when they are finished. They can also teach employees new skills and promote them to do social work such as passing their knowledge about woods to the community. Importantly, there must be people in charge of planning and marketing.

Regarding roles and guidelines of utilization of retired elderly workers, executives found that employees in the wood industry could contribute to the country's economy in many ways such

as becoming experts training younger generations coming into the wood industry. The government must help them to continue working in the field of expertise by issuing an employment policy allowing employees to work until they are 75 years old, establishing a community for elderly workers to exchange ideas and creating products for elderly workers. The public sector must coordinate with enterprises to ask for jobs for elderly workers and find markets for them. The public sector might also train elderly workers to be more skilled so they can help themselves and their families so they are not the burdens of the government and society.

Roles and guidelines of utilization of elderly workers in order to create job opportunities for them when they are no longer employed are an urgent issue for the public and private sectors. Demands for elderly workers over 60 years of age are increasing by 2.5% per year while the number of old people are increasing at the rate of 5.38% annually. The government should consider improving tax regulations to motivate enterprises to hire elderly employees, which will help the employees save for their retirement. As a result, burdens of the government will be reduced and national productivity will be increased.

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