Cooperation between public and private sectors in providing workforces and development of labor efficiency in the motorcycle industry

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ABSTRACT

The main goals of this research were to analyze the situation and problems of public-private cooperation in providing workforces and the development of labor efficiency in the Thai motorcycle manufacturing industry and to provide suggestions for a new model of Public-Private Partnership (PPP) in line with workforce demand and national development. Primary and secondary data were collected from in-depth interviews with 26 key informants, and three focus group discussions with 24 selected experts from concerned public and private sector stakeholders. The questionnaires were used to collect quantitative data from 400 human resources of workers and the management level of production and quality of eight motorcycle manufacturers in Thailand. The results revealed that developments in providing workforce and labor efficiency development were linked to the National Development Plan and operated under the National Education Plan. The private sector has provided education for the workforce since the launching of education reform in 1999. Currently, diverse types of cooperation operate under several committees. Operational problems and continuity reflect the low level of labor efficiency. Quantitative analysis found that job performances of people with vocational education were at the least and moderate levels while those with Bachelor degrees were also at the low and moderate levels. A future, appropriate model regarding cooperation between public and private policy and management as a PPP should be utilized to set up a new model of the agency or institute aimed at creating a roadmap and national plans for developing workforces in the motorcycle manufacturing industry.

Introduction

Development in upgrading labor efficiency to increase national competitiveness is important (National Reform Council [NRC], 2015), particularly in industry sectors that generate important revenue for Thailand. Thailand also has high potential in the motorcycle manufacturing industry for both export worldwide and the domestic market which the government initiated as part of its vision of being the Detroit of Asia since 2002 and defined the vision in the 2021 as being the automotive manufacturing base of the world. The industry lead manufacturing of other supportive industries (Thai Auto Institute, 2012) and positively contributes to the labor market by employing large workforces. During 2004–2014, the trend in Thailand’s labor market increased; however, from 2014 onward, the unemployment rate increased by 28.17 percent compared to 2013.
Nevertheless, Thailand’s economy has been expanding with demand for an increasing workforce (Ministry of Industry, 2015). This reflected the fact that while, in general, Thailand lacked a sufficient workforce in the sector, there was a greater number of unemployed people. In other words, this indicated that the structure providing the workforces was not consistent with labor demand in the industrial sector; in particular, skilled labor was neither compatible with the education system nor labor skills (Nguyen, 2015). Hence, the current research aimed to study the progress of the educational policies and education curricula, to understand workforce development as well as to understand the cooperation among the main responsible public agencies, the private agencies, and the public and the private sector agencies by focusing on the motorcycle manufacturing industry to fill gaps in consistency and to lead to improved cooperation as well as mutually strengthening. Based on the discussion, four research questions were proposed: (1) Are the education curricula consistent with the demand for workforces? (2) Do the concerned public agencies and the private agencies cooperate with each other in providing workforces and what are the types, problems, and causes of the problems of the cooperation? (3) What cooperation is there on labor efficiency development that affects labor capabilities? (4) What are the appropriate policies and management and the appropriate model of cooperation in providing workforces and development of labor efficiency for the industry in the future? The results of this research can benefit the public and private sectors in their cooperation regarding workforce provision and labor efficiency development in line with the demand of the industry and national development in the future.

Literature Review

PPP was introduced in the new era of public management in 1980 (Pattberg, Biermann, Chan, & Mert, 2012). The main principle of PPP is the distribution of risks between the partners based on strong partnership, knowledge, and expertise. Initially, PPP was used in important mega-infrastructure projects (Osei-Kyei & Chan, 2015; Pattberg et al., 2012) which require high investment and quick implementation. Later on, PPP was applied to other public service schemes such as public health, education, and labor development and to enhance efficiency in response to rapid economic growth in Russia (Vertakova & Plotnikov, 2014) and subsequently, it became more prevalent today as a new paradigm for cooperation.

Schaeffer and Loveridge (2001) classified PPP into four types: (1) leader-follower relationships, in the widely used form of a contract or agreement between the stakeholders; (2) exchange relationships based on business interactions between the partners; while both sides may benefit from the cooperation, there are still issues of competition among the parties; (3) joint venture, where there are more than two independent parties that expect benefits from a joint venture in a specific project; and (4) partnership, where the partners will identify the general objectives of the cooperation and investigate new opportunities and developments where each party will jointly receive the benefits, make decisions, and share risks without ending cooperation. Dunbar (2013) also identified five types of cooperation which were involved cooperation by the private sector: (1) global inter-sectoral partnering in skills development, involving cooperation among multinational companies, international institutes, public agencies, and civil societies to provide skilled labor or as a part of social responsibility; (2) partnering on national strategies in skills development by participating in the public sector developing strategies, skills development plans, and management and sharing the resources (Soares, 2010; Tansen, 2012) to create alternative education curricula that are connected to the labor needs; (3) partnering for implementation of skills development; for example, in human resources, finance, facilities, leaderships, materials, and equipment (Soares, 2010) or to contribute to the joint management of organizations, training and skills development provision, curricula development, on-the-job training, and vocational education provision and skills evaluation; (4) informal apprenticeships; and (5) involving private sector training providers. PPP can take place in many forms (Dunbar, 2013; Patrinos, Barrera-Osorio, & Guáqueta, 2009; Tansen, 2012); therefore, in the context of skills development, PPP is the public policy, budgeting systems, and curricula frameworks of education where providers and the employers share a mutual goal to reduce inconsistency between the labor market (demand) and educational curricula (provider of workforces).

Methods

A mixed research methodology was used. Under a qualitative research method, data were collected from in-depth interviews, focus group discussions, and document reviews. Quantitative research was also conducted to collect statistics in parallel to the qualitative research in accordance with the concurrent transformative strategy (Terrell, 2012). Quantitative statistical data were analyzed as a supportive method to the qualitative findings, followed by another round of qualitative findings from focus group discussions to leverage the explanation on the phenomena, leading to synchronizing the findings on public and private cooperation in regard to provide the workforces and development of labor efficiency in the motorcycle manufacturing industry.

Participants and Data Collection

The qualitative research consisted of: (1) in-depth interviews on six issues with the 26 key informants who were policy makers from the Ministry of Education, Ministry of Labour, and Ministry of Industry while key informants from the private sector were the high level management from eight motorcycle manufacturing companies in Thailand, the Federation of Thai Industries (FTI), the Thailand Automotive Industry Association, and the labor unions; (2) focus group discussions, where samples were selected from participants who were human resource managers from various companies, government officials, and committee members of organizations related to labor unions; and (3) a review of both primary and secondary
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