

The Employee Benefits Pay Mix Of Elderly Workers In The Hotel Business In Pattaya, Thailand

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Abstract—This research aimed at proposing the employee's benefits pay mix for elderly employees in the hotel business. The purposes of this study are to survey the needs for employee benefits of elderly workers in the hotel business, and to suggest the mix of benefit pay plans regarding the needs from an empirical survey. In collecting data, the study used a set of structured closed-ended questionnaire developed from related academic works to collect data. The questionnaires were distributed to 380 elderly workers in the hotel business in Pattaya and 299 sets were received (or 78.68%) that 87 respondents (or 29.1%) were male, 212 respondents (or 70.9%) were female. While, 198 respondents (or 66.2%) were 50-55 years old, 80 respondents (or 26.8%) were 56-60 years old, and only 21 respondents (or 7.0%) were above 60 years old. As the result of analysis, the respondents preferred to receive income protection in the highest level (36%), followed by work/life balance (33%), and allowances (31%), sequentially. According to sub-benefits, the medical insurance was the first main concern. In addition, the results of this survey illustrated the anxiety experienced by elderly workers about their income when they retire or if they become unemployed in the future. In addition, the elderly people are concerned about health and healthcare cost then they need the highest medical insurance and health promotion.

Keywords—*Elderly employee; Employee benefits; Hotel business*

I. INTRODUCTION

Thailand has been becoming an elderly society since 2016. The rapid aging of the Thai population came from the population growing and dying shortly after the end of World War II. In 2017, the Department of the Elderly Affairs has predicted that Thailand was entering the complete elderly society (Complete aged society). In addition, in the year 2021, the number of elderly people will reach 1 in 5 of the total population in Thailand. Furthermore, an increasing of the elderly population is a challenge for Thailand's economic and social development particularly the issues of well-being or benefits for the elderly until the end of their life. The changing population structure of the country will force many stakeholders principally employees, and the government agencies to design benefits properly for this large group of people. Meanwhile, the service industry is a labor-intensive industry, mostly in the hospitality and tourism businesses. When workers are entering old age, it is also a management challenge for providing benefits to meet the needs of elderly workers and to reduce the burden on society.

II. LITERATURE REVIEW

A. Benefit components

The employee benefits have been a significant issue for many organizations since the 1940s as a result of wage and price control, unions, employer impetus, and government actions. Another important and widespread growth of employee benefits is the cost effectiveness of two aspects. The first is that most employee benefits are not taxable then providing benefits is an advantage for persons' income tax payment rather than a comparable increase in wages. Next is many groups of benefits can be received at a lower rate than could be received by employees acting on their own (e.g. health, and life insurance) (Milkovich and Newman :2008).

Most benefits in many countries are based on widespread concepts which came from Western countries such as the United States and industrial countries in Europe. However, each country will develop benefits for people depending on the availability of their economic and social development. In many countries, the type of benefits can be divided according to state law such as the legal benefits

and non-legal benefits. The legal benefits were set up to be an affordable way to prevent or resolve the countries' legal issues. While the non-legal benefits are provided by the willingness of the employers in order to give the employees a better quality of life. In Thailand, the country has been developing the promotion of benefits to staff as required by law since the importance of the labor relations after the enactment of the Labor Relations Act in 1975. The view on benefits within the organization, it is a part of the total compensation that employees receive since they began working for the organization. In addition, employees are also entitled to benefits from their employers as a member of the organization (Milkovich at all: 2004). However, whether benefits are governed by the law or not, it is usually accepted that categories of benefits comprise of three main parts namely income protection, work/life balance, and allowances (Milkovich at all: 2014).

Income protection is a form of benefit that helps employees survive the financial risks of daily life (Bhattachary and Sengupta: 2009). Many academics have mentioned that income protection is a financial plan or insurance preventing workers from unemployment (Clasen and Koslowski: 2013). Some income protection programs are legally required in many countries. It compels employers having to pay into a fund that provides income replacement for workers who become disabled or unemployed such as the workmen's compensation fund that helps workers when they have work-related accidents or are faced with occupational and work-related diseases. Income protection is also commonly found in terms of medical insurance, retirement programs, life insurance, and saving plans (Singh: 2007).

Work/Life balance is a benefit program that supports employees enhancing incorporation of their work and life responsibilities (Hall and Richer: 1988). It is also defined as an agreeable level of involvement or appropriate balance between the multiple roles in a person's life. Although definitions and explanations of work/life balance have varied, it however is generally associated with stability, or sustaining an overall sense of harmony in life. In addition, the study of work/life balance comprises the analysis of people's ability to manage concurrently the multi-faceted demands of their life (Hill at all: 2001). A recent study explored and measured three aspects of work/life balance including (1) Time balance, which concerns the amount of time given to work and non-work parts (e.g. vacation, flexible working time, and time away from work), (2) Involvement balance, meaning the level of psychological involvement in, or commitment to, work and non-work roles (e.g. personal counseling, religious activities), and (3) Satisfaction balance, or the level of satisfaction with work and non-work roles (e.g. family help, financial consultancy, and health promotion).

Benefit in the form of Allowances is money that an organization or government agency provides to employees for a specific purpose. It usually may be an extra short term helping payment for employees such as healthcare costs, transportation costs, food cost, or flexible spending account. The Government of Canada stated the allowances for their people as an example items such as clothing allowance, travel allowance, housing assistance, and allowance for child (Government of Canada: 2017).

B. The aging workforce in Thailand

In the next few decades, Thailand will be facing an aging society. Thai people are now entering the elderly phase very rapidly. The rapid aging of the Thai population comes from the population growing and dying later shortly after the end of World War II. Particularly, the population born in the year 1963-1983 have been moving to the elderly phase in 2014. The population aged between 31-51 years old are also increasing [10]. In 2016, the number of elderly people in Thailand was 39.4% and is likely to rise (Rupapol Uumuk and Pattathorn Sukothaman: 2016). According to the Thai Elderly Situation Report prepared in 2014 by The National Elderly Committee and the Thai Elderly Research and Development Foundation, it has been found that the total population of Thailand has become quite stable in the past 10 years (Department of Elderly Affairs: 2014). While the population of Thailand is nearing its saturation, the Thai population, from a young age in the past, has become increasingly elderly. According to the report, in 2014, the population aged 60 and older had reached 10 million, or 15 percent of the total population (Department of Elderly Affairs: 2014). In the past year, the Department of the Elderly Affairs has predicted that Thailand was entering the complete elderly society (Complete aged society). In addition, in the next 4 years or in the year 2021 the number of elderly people will reach 1 in 5 of the total population. The rapid increase of the elderly population is a challenge for Thailand's economic and social development especially the issues of well-being or taking a good care of the elderly until the end of their life. In the view of many scholars, the key issues

that need to be addressed by stakeholders and government agencies are the urgent need to accelerate the implementation of the elderly benefit (pension) and health care policies due to the preparation for the implementation of provision for various aspects for the elderly.

Considering the definitions of the elderly, the word "elderly" or "older persons" refers to men and women over 65 years old and retired from their work. In Thailand, the age of 60 years is considered as retirement from the government and is the beginning of old age (Wandee: 1999). The Department of Public Welfare (1987: 9) has defined the definition of the elderly as the development of continuous change in the last phase of human life. This change occurs in adult life depending on the situation and will change with age. The age of an older person may start earlier than 60 years, for example a research project was carried out by Thane (Thane, 1968) on the study of the retirement age of people in history. The findings showed that the basic changes in family life and the age of the elderly are changing according to the social structure. People may get into the elderly range when aged from 45-55 years for females and 55-75 years for males (Thane: 1978). In 1979, Roebuck conducted a study of when does old age begin and found that people who start to get older are 50 years old (Roebuck: 1979). In reviewing the concept of the elderly, the research found that elderly people do not need to be over 60 years old, but they may be only 50 years old or older depending on practical acceptance. In addition, the age of the elderly is determined by the deterioration of the physical condition. Based on this possibility, this research therefore used the criteria for the elderly to be 50 years old.

In the private sectors in Thailand, they have a normal retirement age 55 years. But for the government sectors, the retirement age has been extended to 60 years. However, employees have the right to early retirement at age 50 years. This study therefore, divided the age range of the elderly according to the retirement range, including 3 period that were 1) during the pre-retirement age (50-55 years), the retirement age (56-60 years), and the after retirement (above 60 years).

III. METHODS

The purpose of this research is to study the needs of employee benefits for elderly workers in the hotel business. Here, a survey research design was used to measure variables. A random sampling technique was used for selecting sampling. The Yamane formulation was used to determine a sample size as 380 persons. The data was collected through structured questionnaire. For the analysis, 299 returned questionnaires (or 78.68%) were analyzed by using descriptive statistics with the help of SPSS software. The studied variables are shown in Figure 1.

Employees' benefits/pay forms
Income protection
Medical insurance
Retirement programs
Life insurance
Saving plans
Work/Life balance
Time away from work
Flexible working time
Personal counseling
Religious activities
Family help
Financial consultancy
Health promotion
Allowances
Travel expenses
Housing assistance
Food cost
Healthcare costs
Allowance for child
Clothing allowance

Source: [3], [9], [16], [17]

FIG I. THE STUDY'S VARIABLE: EMPLOYEES' BENEFITS/PAY FORMS

IV. RESULT AND DISCUSSION

A. Result

The result of the analysis is presented in the following tables:

TABLE I. DEMOGRAPHIC CHARACTERISTICS

<i>Demographic characteristics</i>		Frequency	Percent
Gender	Male	87	29.1
	Female	212	70.9
Income (Baht)	Below 10,000	24	8.0
	10,000 to 25,000	72	24.1
	25,000 to 35,000	85	28.4
	35,000 to 45,000	77	25.8
	Above 45,000	41	13.7
Age (years)	50-55	198	66.2
	56-60	80	26.8
	Above 60	21	7.0

The above table presents that 299 respondents taken for the study 87 (or 29.1%) of the respondents were male, 212 (or 70.9%) of the respondents were female. While, 85 (28.4%) of respondents had income between 25,000 and 35,000 baht, 77 (25.8%) had income between 35,000 and 45,000 baht, 72 (24.1%) have 10,000 to 25,000 baht, 41 (13.7%) had income above 45,000 baht, and 24 (8.0%) had income below 10,000 baht, respectively. The study also found that 198 respondents (66.2%) were 50-55 years old, 80 respondents (26.8%) were 56-60 years old, and 21 respondents (7.0%) were above 60 years old.

TABLE II. ELDERLY WORKERS NEEDS FOR THEIR BENEFITS

<i>Benefits Needs of Elderly workers</i>		SD	Mean	Level of needs
Income protection	Medical insurance	0.26	3.93	High
	Retirement programs	0.45	3.73	High
	Life insurance	0.69	3.20	Moderate
	Saving plans	0.79	2.86	Moderate
	Total	0.58	3.43	Moderate
Work/Life balance	Time away from work	0.49	3.58	High
	Flexible working time	0.50	3.53	High
	Personal counseling	1.07	2.44	Low
	Religious activities	0.57	3.39	Moderate
	Family help	0.72	2.46	Low
	Financial consultancy	0.76	2.59	Moderate
	Health promotion	0.56	4.31	High
	Total	0.67	3.19	Moderate
Allowances	Travel expenses	0.82	3.00	Moderate
	Housing assistance	1.02	2.32	Low
	Food cost	0.68	3.30	Moderate
	Healthcare costs	1.38	4.47	High
	Allowance for child	0.78	2.94	Moderate
	Clothing allowance	0.87	1.82	Low
	Total	0.93	2.98	Moderate

The result of the analysis presented in the table 2 shows that respondents preferred to receive income protection ($M = 3.43$, $SD = 0.58$), work/life balance ($M = 3.19$, $SD = 0.67$), and allowances ($M = 2.98$, $SD = 0.93$) at moderate level, respectively. While considering each type of need, it was found that income protection, which consists of 4 sub-items had the mean (M) ranking from the highest to the lowest as following: (1) medical insurance ($M = 3.93$, $SD = 0.26$), (2) retirement programs ($M =$

3.93, $SD = 0.45$), (3) life insurance ($M = 3.20$, $SD = 0.69$), and (4) saving plans ($M = 2.86$, $SD = 0.79$), sequentially.

The study also found that work/life balance consisting of 7 sub-items had the mean (M) ranking from the highest to the lowest as (1) health promotion ($M = 4.31$, $SD = 0.56$), (2) time away from work ($M = 3.58$, $SD = 0.49$), (3) Flexible working time ($M = 3.53$, $SD = 0.50$), (4) Religious activities ($M = 3.39$, $SD = 0.57$), (5) Financial consultancy ($M = 2.59$, $SD = 0.76$), (6) Family help ($M = 2.46$, $SD = 0.72$), and (7) Personal counseling ($M = 2.44$, $SD = 1.07$), sequentially.

For the allowances, there were 6 sub-items which had the mean (M) ranking from the highest to the lowest as (1) Healthcare costs ($M = 4.47$, $SD = 1.38$), (2) Food cost ($M = 3.30$, $SD = 0.68$), (3) Travel expenses ($M = 3.00$, $SD = 0.82$), (4) Allowance for child ($M = 2.94$, $SD = 0.78$), (5) Housing assistance ($M = 2.32$, $SD = 1.02$), and (6) Clothing allowance ($M = 1.82$, $SD = 0.87$).

B. Discussion

Based on the empirical data obtained from the survey, this study proposes the pay mix of benefits for elderly workers as shown in Figure 2 to 5.

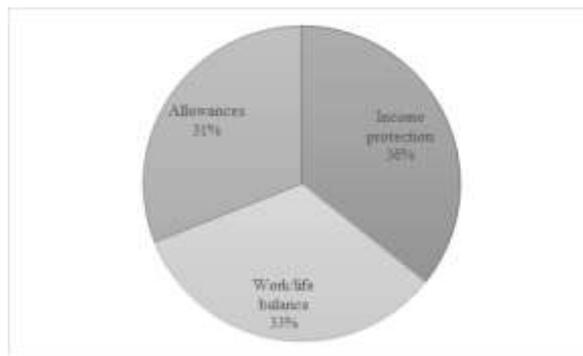


FIG II. A TOTAL BENEFITS PAY MIX FOR ELDERLY WORKERS

Figure 2 presents a total benefits pay mix for elderly workers. The figure indicates the proportion of different benefits required by the employees. As income protection has the highest proportion of demand, employers should focus on providing adequate money in order to protect and help employees from financial risks in their daily life especially unemployment protection. Meanwhile, work/life balance should be included in the pay plan as a priority. It is strongly believed that this benefit supports employees to balance their work and life responsibilities eventually making them happy with their workplace. Finally, allowances should be taken into consideration in planning of payments. It is an additional payment in place of cash. Based on evidence from this study, the need of allowances has been linked to age-appropriate needs and are essential for the workers particularly the cost of medical treatment.

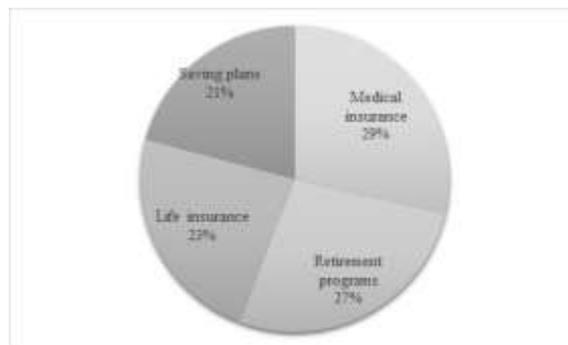


FIG III. A MIX OF INCOME PROTECTION PAY FORMS

Figure 3 presents a mix of income protection payment forms. Regarding this proposition, employers should carefully consider about medical insurance as the first main concern. It is reasonable to mention that the needs of elderly workers are correlated with their physical condition by age. In addition, employers have to provide suitable retirement programs for elderly workers. Although, it was the second ranked, but very significant being almost inseparable in its closeness to the first. Because

usually elderly workers are entering a period of closeness to leaving the organization. They therefore need stability and survival facilities with the help of employers. These include other benefits such as life insurance and saving plans. It can be found that workers need life insurance rather than savings at the end of their working life. It is envisaged that life insurance is more important than saving plans because the first one will give benefits not only to workers but also provide money for their children to pay funeral costs.

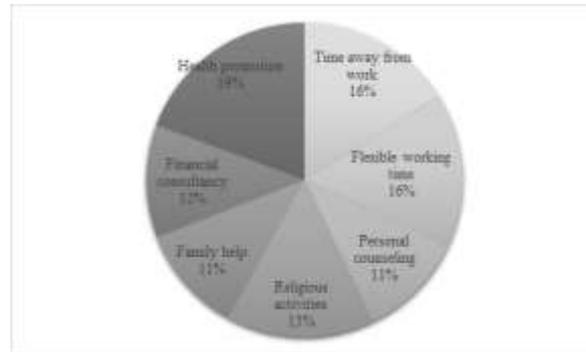


FIG IV. A MIX OF WORK/LIFE BALANCE PAY FORMS

Figure 4 presents a mix of work/life balance payment forms. Regarding this pay mix, there has been the highest significant demand for health promotion benefits. It is predictable and corresponds to the situation of the workers nearing retirement. While, they need to have time away from work and flexible working hours, it is understandable that they also need time to do personal and life-like things. Consequently the organization should provide for them on this issue. In addition, nearing the end of life period, they may rely on peace and religion that most people practice. Religious activities therefore should be provided for them. Lastly, although the financial consultancy, the family help and personal counselling are the lowest demand, however, there may be some workers who need it.

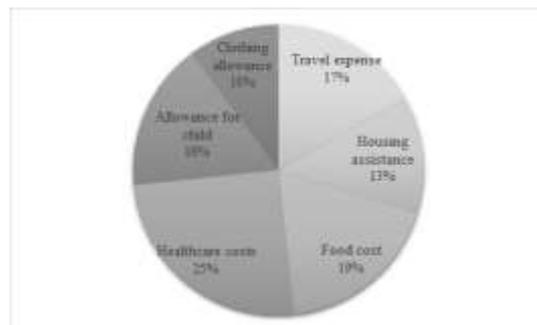


FIG V. A MIX OF ALLOWANCES PAY FORM

Figure 5 presents a mix of allowances payment form. Concerning this pay mix, there has been the highest significant demand for the healthcare costs. This shows the relationship to Figure 3. Based on the evidence, it can be deduced that elderly people are concerned about health and healthcare cost. Employers therefore should provide assistance through giving sufficient healthcare benefits. For other type of benefits in this group such as food cost, travel expenses, and clothing allowance, this study considered that employees can receive this as it is a part of the cost of living that employers help them to reduce. However, employers have the option of paying by a situation (e.g. inflation, increasing cost of living). For child allowance, it is an individual need. Employers should consider them when applicable.

V. CONCLUSION

The results of this survey illustrate the anxiety experienced by elderly workers about their income when they retire or become unemployed in the future. In addition, there has been a relationship between each item of benefits emerging in the survey, the elderly people are concerned about health

and healthcare costs then they need the highest level medical insurance and health promotion, for example. Future studies should use advanced statistics to develop a model and measure the relative weight of variables for predictive accuracy.

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