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# CAUSAL FACTORS OF COMPETENCY AN INFLUENCING THE STRATEGY FOR THE POTENTIALITY DEVELOPMENT OF LABOR ON THE AUTOMOTIVE INDUSTRY IN THAILAND

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## **Abstract**

The objective of research are 1) to study the causal factors affecting the competency and potentiality development of labor on the automotive industry. 2) to study the influencing of competency that affected to the potentiality development of labor on the automotive industry. 3) to create a model of causal factors of competency an influencing the strategy for the potentiality development of labor on the automotive industry. This article is to present knowledge derived from a literature review on Causal Factors of Competency an Influencing the Strategy for the Potentiality Development of Labor on the Automotive Industry in Thailand. The article aims to explain the meaning, background, components, and relationships of variables related to Competency and Strategy for the Potentiality Development of Labor on the Automotive Industry

in Thailand. Based on the literature review, the variables commonly used to study Innovative Leadership, Organization Management, Human Resources Management, Competency, Strategy for the Potentiality Development of Labor on the Automotive Industry.

## **Keywords:**

Literature Review, Innovative Leadership, Organization Management, Human Resources Management, Competency, Strategy for the Potentiality Development of Labor, The Automotive Industry

# 1. Introduction

# 1.1 Background and Significance

The automotive industry significantly contributes to Thailand's economy, functioning as a key sector for exports and employment generation (Automotive Institute, 2012; Krishda & Wanwichanee, 2021). With over 2,300 auto parts manufacturers and a production capacity catering to domestic and international markets, the industry remains a priority for national industrial policy. However, the transition to electric vehicles (EVs) introduces challenges, including reduced demand for internal combustion engine components, necessitating workforce adaptation (KKP Research, 2022).

## 1.2 Research Questions

The study is guided by the following questions:

- 1.2.1 What are the causal factors influencing potentiality development of labor in the automotive and auto parts industries in Thailand?
- 1.2.2 How does competency affect potentiality development of labor?
- 1.2.3 What structural model best explains these relationships?

## 1.3 Objectives

This research aims to:

- 1.3.1 To study the causal factors affecting the competency and potentiality development of labor on the automotive industry.
- 1.3.2 To study the influencing of competency that affected to the potentiality development of labor on the automotive industry.

1.3.3 To create a model of causal factors of competency an influencing the strategy for the potentiality development of labor on the automotive industry.

# 2. Literature Review

## 2.1 Theoretical Framework: System Theory

System Theory emphasizes interconnected components-inputs, processes, outputs, and feedback-that facilitate an organization's functioning (Von Bertalanffy, 1950). This framework is applied to examine how organizational and external factors influence workforce development.

# 2.2 Variables and Their Relationships

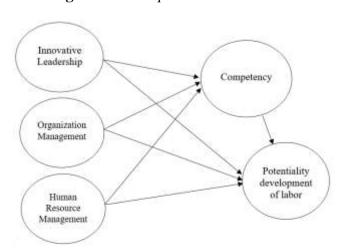
Innovative Leadership: Leaders drive innovation by leveraging intellectual and emotional intelligence to inspire creativity among employees (Porter & Malloch, 2010; Weiss & Legand, 2011).

Organizational Management: Effective management involves planning, organizing, leading, and controlling operations to achieve organizational goals (Fayol, 1949; Robbins & Coulter, 2016). Human Resource Management (HRM): HRM focuses on recruitment, training, and retention strategies that enhance workforce adaptability (Drucker, 1974; Robbins & DeCenzo, 2005). Competency: Efficiency and adaptability are critical in transitioning to EV production (Krishda &

# 2.3 Conceptual Framework

Wanwichanee, 2021).

The relationships among variables are modeled to understand their collective influence on potentiality development of labor. (Creswell, 2008).



**Figure 1:** *Conceptual Framework* 

# 3. Methodology

# 3.1 Research Design

This study employs a mixed-method approach:

Qualitative Analysis: In-depth interviews with 21 experts provided insights into workforce challenges and strategies.

Quantitative Analysis: Surveys distributed to 400 employees were analyzed using SEM to examine causal relationships (Anderson & Gerbing, 1988).

## 3.2 Sampling

Participants included executives, academics, and HR managers from Thailand's automotive and auto parts industries.

## 3.3 Data Collection and Tools

Qualitative Data: Open-ended questions elicited expert opinions on organizational practices and workforce strategies.

Quantitative Data: Likert-scale questionnaires captured perceptions of key variables.

## 4. Results and Discussion

# 4.1 Key Findings

Innovative Leadership, organizational management, and HRM significantly influence competency. (Automotive Institute, 2012).

Enhanced workforce performance directly correlates with innovative strategies for potentiality development of labor. (Krishda & Wanwichanee, 2021).

The proposed structural model was validated through SEM analysis.

## **4.2 Industry Implications**

The findings underscore the necessity for workforce reskilling and upskilling to meet the demands of EV production. Collaborative efforts among stakeholders are crucial for fostering sustainability and competitiveness.

## 5. Conclusion

This study presents a comprehensive framework for potentiality development of labor in Thailand's automotive industry amid technological transitions. Future research could extend these findings to other industrial contexts, addressing emerging global challenges.

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