

**MOTIVATING YOUNG GENERATION EMPLOYEES IN  
STARTUP BUSINESS**



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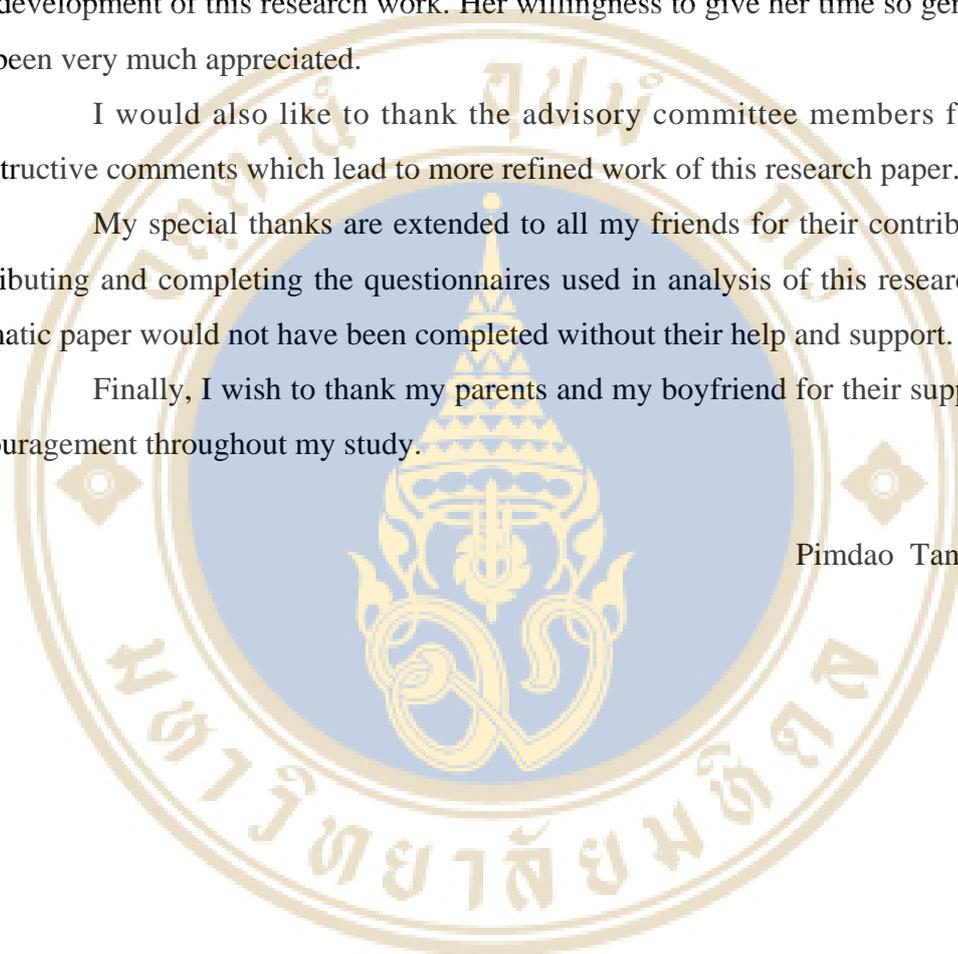
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**MOTIVATING YOUNG GENERATION EMPLOYEES IN STARTUP BUSINESS**

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M.M. (ENTREPRENEURSHIP MANAGEMENT)

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**ABSTRACT**

This research aims to uncover some of the most significant factors that motivate young generation employees to work for a startup business which is mostly beneficial to entrepreneurs to be able provide work environment that best suit the requirements of young generation employees and able to attract talented and skilled labors to work for their startup business sustainably. The data were collected via survey method from 57 employees in startup companies across all industries in Thailand who were born during the years 1980-2000. Factor analysis and cross-tabulation analysis were the methods opted for identifying potential factors that contribute to motivation of young generation in working for startup businesses in Thailand. The findings revealed that the respondents were mostly motivated by two main factors, which are good relationship in workplace and self-development. The implication and limitations are also discussed in the paper.

**KEY WORDS:** Young Generation / Startup / Employee Motivation

27 pages

## CONTENTS

	<b>Page</b>
<b>ACKNOWLEDGEMENTS</b>	<b>ii</b>
<b>ABSTRACT</b>	<b>iii</b>
<b>LIST OF TABLES</b>	<b>vi</b>
<b>LIST OF FIGURES</b>	<b>vii</b>
<b>CHAPTER I INTRODUCTION</b>	<b>1</b>
1.1 Background and Problem Statement	1
1.2 Objectives	2
<b>CHAPTER II LITERATURE REVIEW</b>	<b>3</b>
2.1 Startup Company	3
2.1.1 Stages of a Company	3
2.1.2 Impact of Startups in Socio-Economic Contributions	4
2.1.3 Comparison between Startup Company and Corporate Business	5
2.2 Young Generation	7
2.2.1 Definition and General Characteristics	7
2.2.2 Young Generation in Workplace and Their Impacts	8
2.3 Motivation	9
2.3.1 Definition	9
2.3.2 Theories of Motivation	10
<b>CHAPTER III RESEARCH METHODOLOGY</b>	<b>13</b>
3.1 Conceptual Framework	13
3.2 Measures	14
3.3 Samples	15
<b>CHAPTER IV FINDINGS</b>	<b>16</b>
4.1 Respondents	16
4.2 Factor Analysis	17
4.3 Cross Tabulation Analysis	19

## CONTENTS (cont.)

	<b>Page</b>
4.3.1 Gender	20
4.3.2 Age	21
4.3.3 Education	21
4.3.4 Duration of Employment	22
4.3.5 Salary	23
4.4 Conclusion	24
<b>CHAPTER V DISCUSSION AND RECOMMENDATIONS</b>	<b>26</b>
5.1 Discussion	26
5.2 Study Limitations and Future Research Suggestions	27
<b>REFERENCES</b>	<b>28</b>
<b>APPENDICES</b>	<b>30</b>
Appendix A: Questionnaire	31
<b>BIOGRAPHY</b>	<b>34</b>

## LIST OF TABLES

Table		Page
2.1	Comparison between Startup Company and Corporate Business	5
4.1	Components	18
4.2	Grouping Variables into Three Factors	18
4.3	Variance	18
4.4	Results from Cross Tabulation Analysis	19



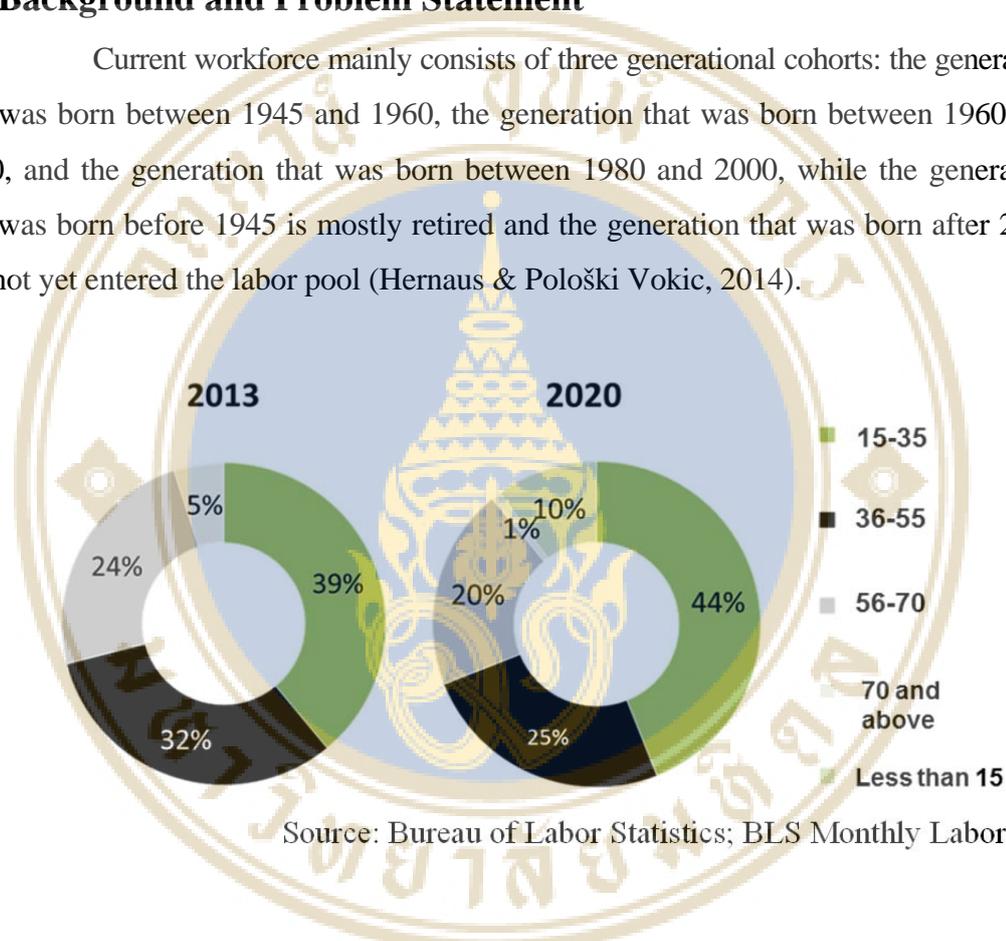
## LIST OF FIGURES

Figure	Page
1.1 Percentage of Workforce by Age in 2013 and 2020	1
2.1 Company Life Cycle	4
2.2 Maslow's Hierarchy of Needs	10
2.3 Herzberg's Two-Factor Theory	11
3.1 Conceptual Framework	13
4.1 Gender	16
4.2 Age	16
4.3 Education	16
4.4 Duration of Employment	17
4.5 Salary	17

## CHAPTER I INTRODUCTION

### 1.1 Background and Problem Statement

Current workforce mainly consists of three generational cohorts: the generation that was born between 1945 and 1960, the generation that was born between 1960 and 1980, and the generation that was born between 1980 and 2000, while the generation that was born before 1945 is mostly retired and the generation that was born after 2000 has not yet entered the labor pool (Hernaus & Pološki Vokic, 2014).



**Figure 1.1 Percentage of Workforce by Age in 2013 and 2020**

It is believed that people in the same generation would have the same upbringing, environment, social and cultural context, and therefore share certain generational characteristics (Hernaus & Pološki Vokic, 2014). Their characteristics affect their perception of the world, relationships, work ethic and behavior, motivation, inclination towards teamwork and communication preference, etc. Therefore, by understanding the nature

of each generation of employees, a company can adjust their human resource management to better accommodate their needs and requirements (Domeyer, 2006).

In the labor pool aspect, by the year 2020, the generation that was born between 1980 and 2000 who are currently under 35 years of age will become as much as 44% of the total workforce in the United States. This is also in consistent with most countries around the world, including Thailand. This generational cohort is currently the main workforce in many companies, some companies comprise of only this group of employees and some have been continuously increasing with the number of this group of employees in the past few years. Eventually, they will take the place of medium and top management positions from previous generations. Therefore, they will become the people who shape the future of organizational culture and its direction (Finn & Donovan, 2013).

It is important that a startup business understands the characteristics of the labor pool they are recruiting into the company. A company, especially a startup needs human resources that especially align with their ideas, goals, passion and values to create the best possible team in order to gain market acceptance, reputation and successfully make it in the business world.

The purpose of this research is to uncover the factors that motivate young generation to work for a startup business in order to use those motivations in encouraging them to bring out their full potentials which will contribute to the startup's performance as well as to attract and retain the talents to work with the company in the most efficient way.

## **1.2 Objectives**

1. To identify the most significant factors that motivate young generation employees to work for a startup business.
2. To provide suggestions for entrepreneurs to provide work environment that best suit the requirements of young generation employees and able to attract talented and skilled labors to work for their startup business sustainably.

## **CHAPTER II**

### **LITERATURE REVIEW**

#### **2.1 Startup Company**

##### **2.1.1 Stages of a Company**

There are five stages in a business life cycle. Each stage is categorized by different challenges, priorities and financing sources.

###### **2.1.1.1 Seed Stage Startup**

The business is merely an idea, concept or prototype with the main challenge of gaining market acceptance and pursuing one niche target segmentation.

###### **2.1.1.2 Early Stage Startup**

The business is now existing legally with the products or services in production process and the company starts to have its first customers. Probably financed by venture capital, which is a capital given to early stage or growth stage companies with high potential while holding the equity in the company.

###### **2.1.1.3 Growth Stage Startup**

At this stage, revenues and customers are increasing, creating strong profits and further business opportunities for the company. At the same time, competition and problems is also arising as a challenge to the company. Therefore, effective accounting and management systems are highly required, as well as recruiting new employees to serve the growing business activities. The growth stage startup normally has more than \$10million in funding.

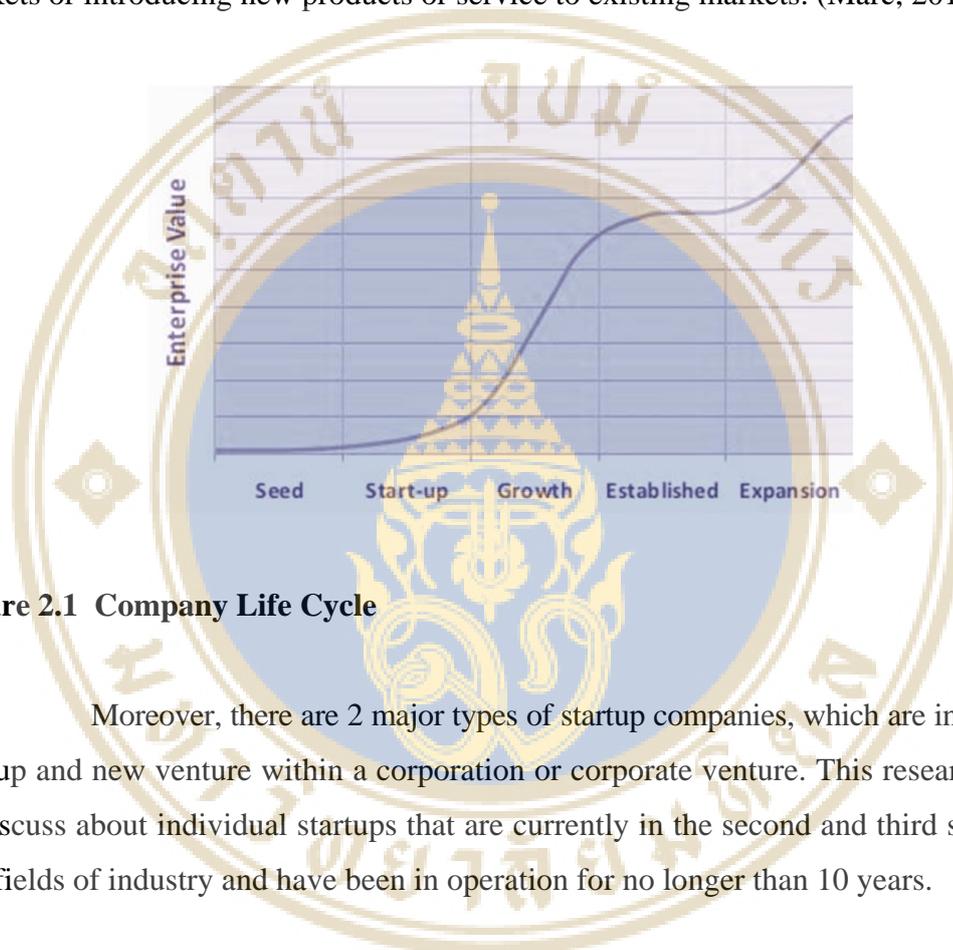
###### **2.1.1.4 Established Stage (SME)**

The business has now matured and flourishing. It has secured a position in the market and gained some number of loyal customers. The challenges are now on the bigger perspective such as economy, direct and indirect competitors and changing of customer tastes. In order to be competitive at this stage with other established

companies, it requires better business practices, outsourcing and automation systems to increase productivity.

#### 2.1.15 Expansion Stage (Corporate)

The business is now expanding by growth into new market or new distribution channel. The goal is to gain larger market shares with its current experience and abilities by either introducing its existing products or service to new markets or introducing new products or service to existing markets. (Marc, 2014)



**Figure 2.1 Company Life Cycle**

Moreover, there are 2 major types of startup companies, which are individual startup and new venture within a corporation or corporate venture. This research aims to discuss about individual startups that are currently in the second and third stages in any fields of industry and have been in operation for no longer than 10 years.

#### **2.1.2 Impact of Startups in Socio-Economic Contributions**

Globally, it is well known that startup businesses in general and technologically innovative startups in particular play significant roles in the advancement of social and economic spheres (Audretsch, 1995). Startups or new ventures offer innovativeness that creates value to society and contributes to economic growth. In defining innovativeness, it can be categorized in many ways. New ventures can be innovative in terms of introducing new products, targeting new markets, defining new business models, establishing new

distribution channels, introducing new organizational forms, or launching innovative technologies (Shane & Venkataraman, 2000).

According to the information from the Bureau of Labor Statistics, United States Department of Labor, Entrepreneurship plays an important role in the growth of the U.S. economy. The study reveals that the number of startups or new business establishments has direct correlation to the economic upturn or downturn of U.S. overall economy (Business Employment Dynamics). This is in consistence with a study of entrepreneurship in Thailand. Prior to 1990s, there are approximately 10,000 newly established businesses registered annually with the Ministry of Commerce. It increased to over 20,000 in early 1990s before peaking at 37,988 in 1995. The number of startups declined to 20,371 at the height of Asian economic crisis. It picked up again with the economic recovery in 2001. It can be concluded that economic growth has a direct correlation with the number of startups in Thailand (Phagaphasvivat, 2003).

Moreover, these startups are one of the key factors in a country's employment rate as a social impact. From past statistics, during economic recessions, job creation at startups remains stable, while job losses at existing firms are highly sensitive to the business cycle. Small startups of one to four employees create an average of 20 percent of new jobs annually (Kane, 2010).

### 2.1.3 Comparison between Startup Company and Corporate Business

There are both advantages and disadvantages in working for startup business and large corporate business.

**Table 2.1 Comparison between Startup Company and Corporate Business**

<b>Advantages of working for a large corporate business</b>	<b>Disadvantages of working for a large corporate business</b>
<ul style="list-style-type: none"> <li>• Access to a lot of resources (specialist training courses, corporate trips, etc.)</li> <li>• Help and support from experts in each area of business function from different departments</li> </ul>	<ul style="list-style-type: none"> <li>• Large bureaucracy, resulting in slow process and dullness</li> <li>• Job specification that allows employees to operate only on small part of the business</li> <li>• Office diplomacy and politics</li> </ul>

**Table 2.1 Comparison between Startup Company and Corporate Business (cont.)**

<b>Advantages of working for a large corporate business</b>	<b>Disadvantages of working for a large corporate business</b>
<ul style="list-style-type: none"> <li>• Impressive CV with well-known company when applying for new jobs within the same industry</li> <li>• Observe supporting roles and departments within the corporation to explore other areas of business (human resources, finance, operations or sales)</li> <li>• Offer greater security</li> <li>• Steady work pace due to being already established business</li> </ul>	<ul style="list-style-type: none"> <li>• Long period of time to climb up the ladder of organizational structure to sit in management positions</li> <li>• Decision making by the managements to please shareholders/stakeholders rather than the company's benefits which demotivate employees involved</li> </ul>
<b>Advantages of working at a startup</b>	<b>Disadvantages of working at a startup</b>
<ul style="list-style-type: none"> <li>• Personal fulfillment of being a part of the company's success through your actions or belief that your job makes difference to people's lives and society</li> <li>• Operated by small team, therefore, the employee will get opportunity to multitask and gain knowledge about other aspects of business besides his own expertise</li> <li>• Due to large responsibility on your shoulders, your skills will develop faster than in a corporate environment</li> <li>• Enhance problem solving skill or adaptation to the situations you are facing quickly, which helps sharpen entrepreneurial skills</li> <li>• Motivation from innovative approaches from entrepreneurs or founders</li> <li>• Sudden recognition of success from your performance due to small team member</li> <li>• More transparency in business operation</li> <li>• Casual and open communication work atmosphere</li> </ul>	<ul style="list-style-type: none"> <li>• Lower job security due to uncertainty of the future of the business</li> <li>• No help or support from other departments that you lack knowledge of</li> <li>• Lower compensation</li> <li>• Long hours of working</li> <li>• Work under pressure or tight deadlines</li> </ul>

Source: (Litchfield, 2012)

## 2.2 Young Generation

### 2.2.1 Definition and General Characteristics

Young generation in this topic of research referred to those who were born during the years 1980 to 2000. They sometimes also referred to as Millennials (Meier & Crocker, 2010). They are the children of the generation aged 55-70 years old and are currently in their twenties. They are the largest generational group (75 million) after the those that were born during the years 1945-1960 (80 million), compared to prior generation of those who were born during the years 1960-1980 (40 million) (Puybaraud, 2010). In Thailand, the young generation is accounted for almost one-thirds of the total population (19 million). It is considered the largest cohort of generational group in the country (National Statistical Office). Moreover, young generation is also becoming a large percentage of today's global workforce as they are in the age of entering workforce and establishing their careers and therefore, a generation that will play a great role in propelling global economy.

In order to understand young generation's characteristics, it could be explained by how this generation was raised and the global situations as they grew up. The young generation, as children of those who were born during the years 1945-1960, has never faced serious hardships from great economic recessions like their parents had. They were pampered with money and objects as compensation from their parents' lack of time as they both needed to work hard to feed the family. When they grow up, they tend to be supported either directly or indirectly by their parents' safety net which makes them confident and fearless of the future and therefore, they are more likely to become less risk-averse.

Young generation is usually an only child of the family, being raised in prosperous time of economic and social climates. Therefore, they do not understand the concepts of submission to authority, hierarchy nor waiting for your turn, unlike the prior generations that were normally from family of four or six children. This results in young generation's concept of wanting it now and also the negotiation skill as they are used to dealing one-on-one with authority figures (their parents) from a young age (Salt, 2007).

Young generation tends to have high self-esteem as they are the generation that grew up by letting every child gets a medal or praise in a contest. Also, they work well in a team as they are team-oriented, resulting from teaching methods used in schools through group projects and pairing in classes. (Meier & Crocker, 2010)

In terms of technology, the young generation was born into technology boom era and therefore has more skills and knowledge about the digital world than their parents and people from previous generations. The technological knowledge they possess makes them technological savvy and being able to make new ways of communication, working and exchanging information. Therefore, they usually rely on technology to help make things in their lives more convenient.

### **2.2.2 Young Generation in Workplace and Their Impacts**

As mentioned earlier that the young generation is becoming the main workforce of global business, it is important that employers understand their traits and uniqueness in order to be able to identify what drives them towards the company's goals and put it to use as practical and efficient personnel management or integrating this group of employees into the organization culture of the prior generations. Young generation, like any other generations, have their own unique set of values and attitudes that might be in contrast or affect the existing processes and practices operated by current employees in the company.

As people from the same generation share certain generational characteristics, it affects their outlooks on life and work (Hernaus & Pološki Vokic, 2014). Young generation's general characteristics in workplace are usually described as self-confident and believe that they are valuable to the organization, always setting new challenges to achieve, focused on career development, work-life balanced and like combining their work with social activities, value flexibility in their daily lives, family-oriented, technologically savvy, appreciate timely and regular feedback on their performance and team-oriented (Gibson, Greenwood, & Murphy, 2009).

In conclusion, according to a research of employment expectation of different generations, these are examples of what the young generation values.

2.2.2.1 Career advancement and self-development

2.2.2.2 Social interaction in workplace

2.2.2.3 Assign to some level of responsibility

2.2.2.4 Acceptance of their opinions and inputs in the work

2.2.2.5 Recognition of their contribution and reward through  
income growth

2.2.2.6 Integrating their various interests through work-life  
balance

2.2.2.7 Variety and challenging in daily work (Treuren &  
Anderson, 2010)

The characteristics of young generation seem to align with the natures and objectives of startup businesses and their values tend to complement the work process of startups as they always accept new challenges and work well as a team. Startups which always have new, different projects most of the time and are required to work in a small team will benefit from their characteristics in workplace as mentioned above. However, in managing young generation employees, there might be some problems as they value work-life balance, result-oriented and tend to require recognition or career advancement, therefore, some measures in management should be implemented to accommodate those requirements in order to bring out the best work performance from this group of employees.

## **2.3 Motivation**

### **2.3.1 Definition**

Motivation is defined as the processes that involve an individual's intensity, direction, and persistence of effort towards attaining a goal. While general motivation is concerned with effort toward any goal, this research is going to narrow down the focus to organizational goals in order to reflect only work-related behavior (Robbins & Judge, 2013).

The three factors in motivation are intensity, direction and persistence. Intensity describes how hard a person tries. It is the most common factor that motivation is described as. However, only intensity alone does not lead to satisfied job-performance results, it also needs direction, which is the performance that is in consistent with the organizational goals. The quality of the effort is also in concerned as the intensity. Lastly,

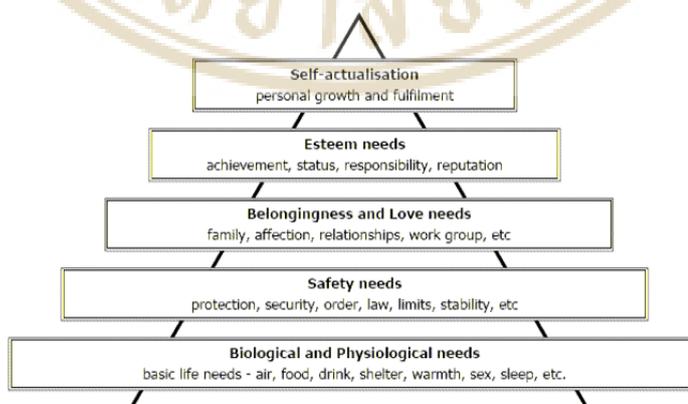
persistence, measures how long a person can maintain effort. Therefore, a motivated person would stay with a task long enough to achieve his goal (Robbins & Judge, 2013).

## 2.3.2 Theories of Motivation

### 2.3.2.1 Hierarchy of Needs Theory

The well-known theory of motivation is Abraham Maslow's hierarchy of needs which explains that in order for people to achieve higher rank needs such as esteem and self-actualization, the basic needs at the bottom of the pyramid have to be met first.

1. **Physiological:** Basic human needs such as hunger, thirst, shelter, sex, and other bodily needs.
2. **Safety:** Need of security and protection from physical and emotional harm.
3. **Social:** Need of affection, belongingness, acceptance, and friendship.
4. **Esteem:** Need of internal factors such as self-respect, independence, and achievement and external factors such as status, recognition, and attention.
5. **Self-actualization:** Drive to become what one is capable of becoming such as growth, achieving potential, and self-fulfillment. (Robbins & Judge, 2013)

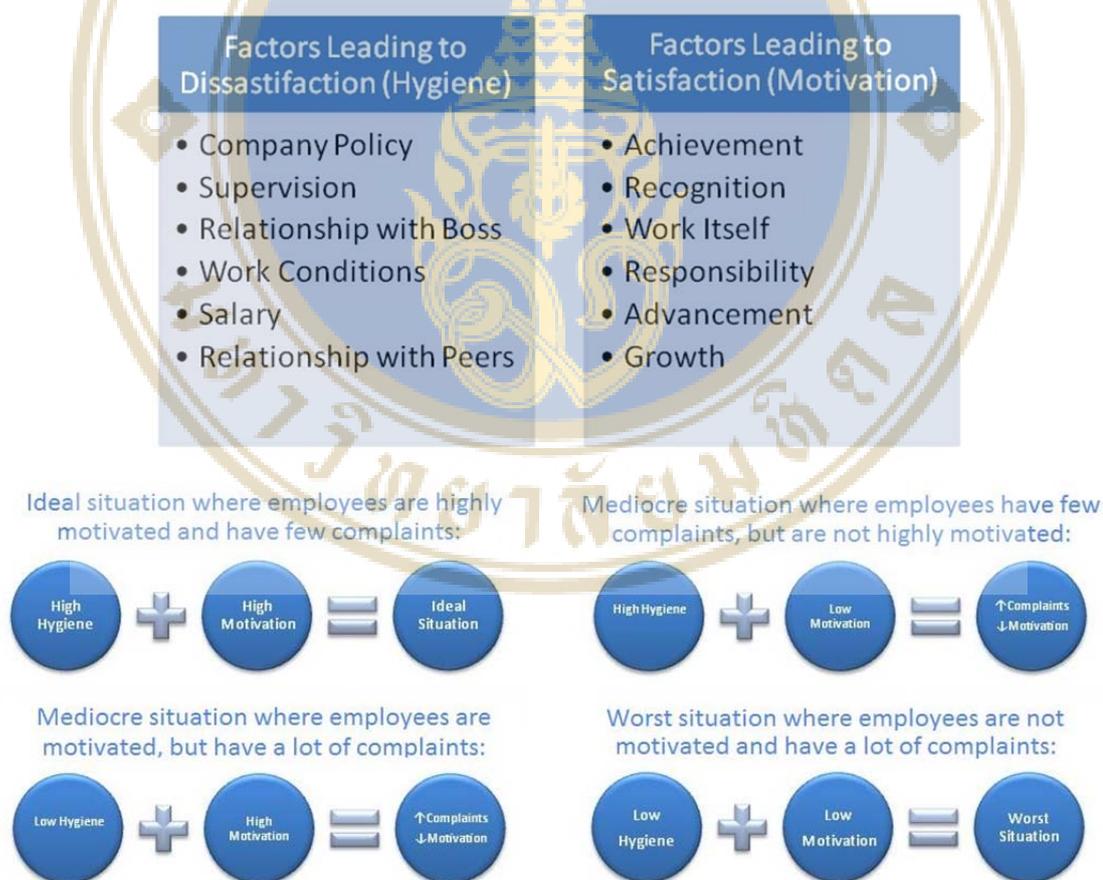


**Figure 2.2 Maslow's Hierarchy of Needs**

### 2.3.2.2 Two- Factor Theory

A psychologist, Frederick Herzberg studied about what people want from their jobs and discovered two-factor theory (also known as motivation-hygiene theory). After asking the question to the sample of employees, the research revealed that respondents who felt good about their work tend to answer this question with intrinsic factors such as career advancement, recognition, responsibility and achievement which seem related to job satisfaction. While respondents who are dissatisfied with their job tend to answer this question with extrinsic factors such as supervision, pay, company policies, and working conditions. (Robbins & Judge, 2013)

In conclusion, Herzberg's findings revealed that certain characteristics in a job are typically related to job satisfaction, while another set of factors are related to job dissatisfaction.



**Figure 2.3 Herzberg's Two-Factor Theory**

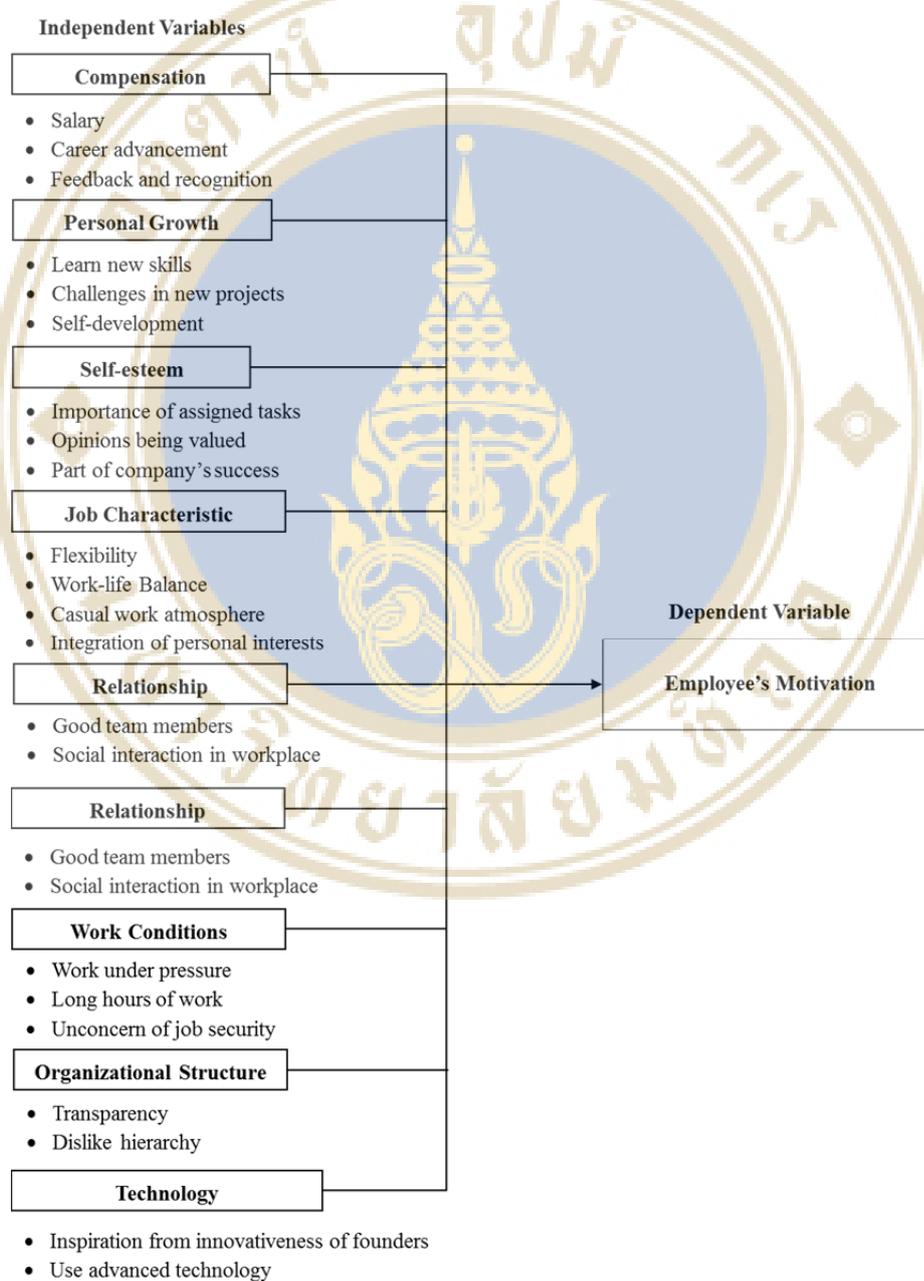
Herzberg suggests that management needs to focus on reestablishing work so the motivators are able to work. This can be done through assigning more responsibilities, job rotation, and job advancement, etc. (Herzberg, 1974)



## CHAPTER III

### RESEARCH METHODOLOGY

#### 3.1 Conceptual Framework



**Figure 3.1 Conceptual Framework**

### 3.2 Measures

This research opted for quantitative method in data collection. The purpose is to identify the most significant factors that motivate young generation employees to work for a startup company. Online survey questionnaire is selected as the measure to collect the data from the target respondents as this demographic is most comfortable using technology to make their lives most convenient.

Questionnaire in this research is divided into three parts which respondents will take 5 minutes to complete. The first part is screening questions to screen for only valid samples for this research, which are young generation (born during the years 1980-2000) who work in a company that has been in operation for no longer than 10 years. The main part of the questionnaire consists of multiple choices in a four-point Likert scale, where 1 represents strongly disagree and 4 represents strongly agree.

The questions are based on the literature of characteristics of the young generation and their roles and expectations in workplace. The characteristics of startup business are also included as well. The final 22 questions are outcomes in various dimensions of motivation of young generation towards startup's employment.

The final part is demographic questions which include gender, age range, salary range, degrees of education and the duration of working in the company. After collected data from target samples, the data is analyzed to identify the most significant factors by using SPSS software.

To reach the target respondents, social network platform (Facebook) is incorporated in data collection process. Social network platform serves as a medium tool to attract and encourage the users to participate in the research. It is considered the most efficient way to reach the target demographic of young generation as most friends of young generation are likely be in the same age group as well. Moreover, the share function on social network platform which users can share the online link of the questionnaire to their circle of friends, which encourage more participants to the survey. As a result, the questionnaire gets as much exposure as possible to reach target respondents of people in young generation.

### 3.3 Samples

The respondents of which the data will be used in analysis are the young generation (individuals who were born between the years 1980-2000) who is currently working in a startup company (a newly established company, not exceeding 10 years) as the research is aimed to uncover their motivation in working in those startup businesses as an employee. For this research, the data is collected from 57 respondents of young generation employees in startup business for further analysis. The samples are from any industry of startups in Thailand.



## CHAPTER IV

### FINDINGS

#### 4.1 Respondents

According to demographic data from the total of 57 respondents, they are mostly in the age range of 25-29 years old which is accounted for 74% of total respondents and 75% are female. 63% of the respondents graduated in Bachelor's degree and 47% have been working in the startup company for 1-3 years. Their salary is mostly between 25,001-40,000 Baht which is accounted for 32% of total respondents.



Figure 4.1 Gender



Figure 4.2 Age

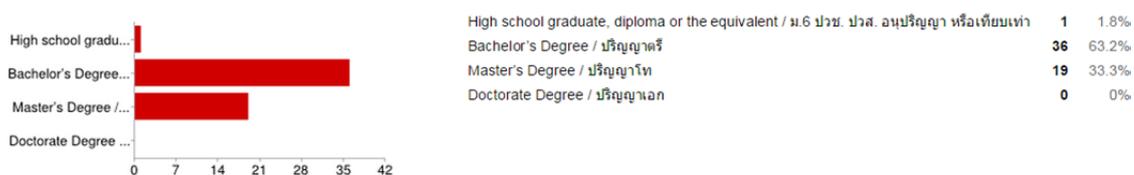
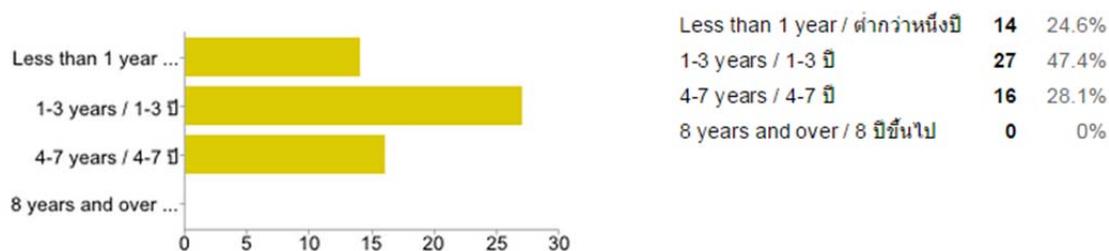
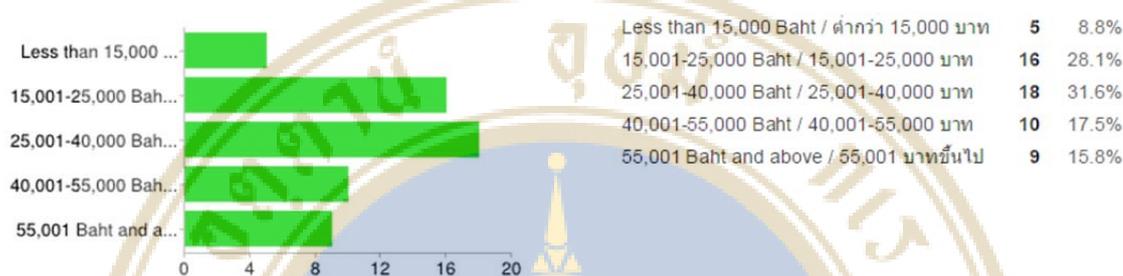


Figure 4.3 Education



**Figure 4.4 Duration of Employment**



**Figure 4.5 Salary**

## 4.2 Factor Analysis

This research examines the potential factors that contribute to motivation of young generation in working for startup businesses in Thailand. There are altogether 22 attributes derived from previous chapters. These attributes are put into each question for the samples to rate their levels of agreement.

After analysis of the data collected from questionnaire on SPSS software by data reduction and extraction, the final result is 8 crucial attributes that can be categorized into 3 major components or factors with 76% as cumulative variance and eigenvalues more than 1.0. These factors identify the dimensions that most motivate young generation in working for startups.

The 8 variables are as followed;

1. Good team members
2. Good social interaction in workplace
3. Casual work atmosphere
4. Self-development
5. Learn new skills other than own expertise

6. Pride in contribution to company's success

7. Work-life balance

8. Work well under pressure

These attributes are categorized into 3 major components.

**Table 4.1 Components**

	Component		
	1	2	3
Teamwork	.939		
Social	.824		
Casual	.812		
Development		.841	
Skills		.825	
Success		.769	
Balance			.735
Pressure			.668

**Table 4.2 Grouping Variables into Three Factors**

Factor 1	Factor 2	Factor 3
<b>Good Relationship in Workplace</b>	<b>Self-esteem and Development</b>	<b>Efficient Time Management</b>
1) Good team members	1) Self-development	1) Work-life balance
2) Good social interaction in workplace	2) Learn new skills other than own expertise	2) Work well under pressure
3) Casual work atmosphere	3) Pride in contribution to company's success	

**Table 4.3 Variance**

Component	Description	Variance
Factor 1	Good relationship in workplace	49%
Factor 2	Self-esteem and development	14%
Factor 3	Efficient time management	13%



**Table 4.4 Results from Cross Tabulation Analysis (cont.)**

	Self-development	Casual work atmosphere	Importance of assigned tasks	Good team members	Good social interaction	Contribution to the success	Opinions being valued	Learn new skills
≤ 15,000		●		★	●			
15,001-25,000 (Starters)			●		★		●	
25,001-40,000 (project leaders)	★				●			●
40,001-55,000 (middle management)	★		●				●	
≥ 55,001 (high level management)	★	●	●					
<b>Total</b>	<b>9</b>	<b>6</b>	<b>7</b>	<b>4</b>	<b>9</b>	<b>2</b>	<b>7</b>	<b>1</b>

From the table above, the variables that most young generation respondents agree on are self-development and good social interaction in workplace. Therefore, disregard of the demographic criteria, entrepreneurs can focus to deliver to these two major factors in order to motivate their young generation employees and bring out their most potential at work. However, in demographic perspective, analyzed by cross tabulation method, each demographic has different preference in motivation for working in a startup company.

#### 4.3.1 Gender

To motivate young generation female employees, the main focus should be on providing an opportunity for them to develop themselves in their fields of work, also create decent work environment which enhance good social interaction among employees which are crucial motivation for female employees in startup companies. For male employees, they mostly value the casualness at work, therefore, the work atmosphere should not be too formal (rules and regulations, communication, etc.). Their next preference is good team members. The colleagues are crucial to their decision to work for the company. The last factor is their opinions being valued when working in a project, which is created by giving the project leaders some training courses in leadership and communication in working as a team.

### **4.3.2 Age**

The first group of respondents of age range 20-24 years old, which are first-jobbers, prefers to have casual and friendly work environment as their most significant motivation, then followed by self-development. The entrepreneurs should encourage this group of employees to work as a team and let them participate in team-building activities in order for them to recreate a good co-worker relationship in the office as well. The second group of age range between 25-29 years old, who already have some experience in office works, have changed for several jobs, mostly value self-development and want to be assigned of the jobs that they considered significant in contribution to the company, followed by desire of good social interaction in the office. This is in contrast with the previous group. Therefore, they need training courses or supervisions by highly skilled and knowledgeable supervisors in order to be able to develop themselves, also they needed to be assigned of challenging tasks that matters in order for them to feel important instead of routine, mundane tasks that are not challenging to them and finally resulted in losing their motivations to work. The last age group of 30-35 years old, who are in stable stage of work, have higher experience and knowledge in their fields of work and are in higher levels of management than the two previous groups, tend to mostly value good interactions in the workplace as their number one motivation. The second most important factor as their motivation is their opinions being valued. The entrepreneurs need to accommodate their requirements by organizing team-building activities, having an open communication environment in the workplace and listen to their opinions and having them involved in decision making.

### **4.3.3 Education**

Young generation respondents with Bachelor's degrees are mostly motivated by good social interaction with their supervisors and co-workers. This can be created by applying team-building activities as well as encouraging good communication within the office. The next factors that they value are self-development and taking pride as a part of the success of the company. The entrepreneurs should encourage them to develop their skills in their fields of work and other related skills by providing training courses or supervisions and inspirations. Also, clearly give recognition or customer's feedbacks on their performance that

contributes to the success of the job to motivate them to perform even better. Next, the respondents with Master's degrees agree that the factor that most motivate them to work for a startup is good team members which requires an efficient recruitment of staffs who share both similar personal and company's values in order to get along well in the workplace. The second most important factors are importance of assigned tasks and self-development. Entrepreneurs are required by this group to give them responsibilities that they perceived as important to the company's productivity instead of ordinary day-to-day tasks while enhancing their capabilities to develop their skills and knowledge at the same time.

#### **4.3.4 Duration of Employment**

Young generation respondents with less than 1 year of employment at a startup company are mostly motivated to work there because of they get to develop themselves while working at a startup. Therefore, entrepreneurs should create a work environment where they can always learn new things to enhance their capabilities and knowledge in their fields of work as well as other related fields by a good guidance and inspiration from knowledgeable and skilled supervisors. The next factors that motivate them are pride in being a part of company's success and that their opinions are being valued by others. This shows their desires in self-esteem, which could be fulfilled by selecting the right people to work in a team while encouraging efficient teamwork as well as competent team leaders who have great communication skills and listen to others' opinions. Next group of respondents with 1-3 years of employment values good social interaction as their number one motivation to work for a startup company. As they already have some experience and skills in working for a few more years than the previous group, they tend to less focus on self-development as the second most important motivation and having their opinions valued as the third motivation. Entrepreneurs can enhance their motivations by recruiting the employees that share similar personal and company's values who also have great interpersonal skills. The last group of employees who have been working in a startup company for 4-7 years who have the highest work experience and probably older than the two previous groups mostly motivated by casual work atmosphere where they can fully focus on their works without restrictions from formal office rules, regulations, procedures and communication methods or channels

with their co-workers and supervisors. The next factors of their motivation are good co-workers and to be assigned with important responsibilities.

#### **4.3.5 Salary**

The respondents with lowest salary of less than 15,000 Baht per month are mostly motivated solely on relationships in the workplace. Their number one motivation is from good co-workers in their team. Entrepreneurs should motivate this group by enhancing good and casual work atmosphere where they are allowed to work as a team and open communication among their co-workers. The next group of salary range between 15,001-25,000 Baht per month, which are job starters, tends to be most motivated by good social interaction among their co-workers and supervisors, accompanied by boosting of their self-esteem by being assigned of important tasks and being able to develop themselves through their daily works. Next group of respondents with salary range of 25,001-40,000 Baht per month, who are the employees with some years of work experience and in middle managements or team leader positions who have more responsibilities on their shoulders, is mostly motivated by self-development. The entrepreneurs should enhance their motivation by regularly organize or send them to training courses in related to their fields of work or perhaps in other areas that they are interested in and beneficial to the company as they are willing to learn new thing as to constantly develop themselves intellectually. The next groups of respondents with salary ranges of 40,001-55,000 Baht and above 55,001 Baht per month, who mostly have high experience and skilled at their fields of work and are usually in the higher level of management in the company, are both commonly motivated by self-development. At this stage of salary, they are required to enhance their knowledge and competency in management field as they are now the ones who set the strategies and goals to their subordinates in order to achieve the success of the project or task that they are in charge of. Entrepreneurs may encourage them by letting them attend seminars or taking short courses on management or advanced courses related to their fields of work or in the fields that they have interests in or lack of which will help in improving the productivity of the company.

#### 4.4 Conclusion

According to factor analysis, the 3 major factors motivating young generation employees to work for startup companies are uncovered. The first factor, good relationship in workplace, is the most important factor that motivates them to work at the company. It clearly exhibits the true characteristics and values of the young generation as they are likely to work and retain at the workplace where they feel comfortable with. Moreover, this also shows another characteristic of the young generation as team-oriented. They believe that working as a team will bring better results and performance outcomes than on their own, therefore, the relationships with their supervisors and colleagues in the workplace is highly important to them. The casual work atmosphere allows them to feel comfortable with open communication with their supervisors and colleagues which they also value in order to give their best performance on their jobs.

The second factor, self-esteem and self-development, is also the factor that shows the young generation's values as they are always eager to learn new things and they take pride of being a part of the success of the company as their own accomplishments. They thrive to become success in their careers and they perceive their works as not only routine tasks that pay them with salary, but what identifies them as a person. They tend to seek fulfillment in terms of self-development, either in their careers or personal interests. Moreover, the young generation is in the age of exploring options for other career paths as to open up for more opportunities, therefore, learning new skills and being versatile in other areas out of their own expertise as they work for resource-limited startup company is their way of exploring.

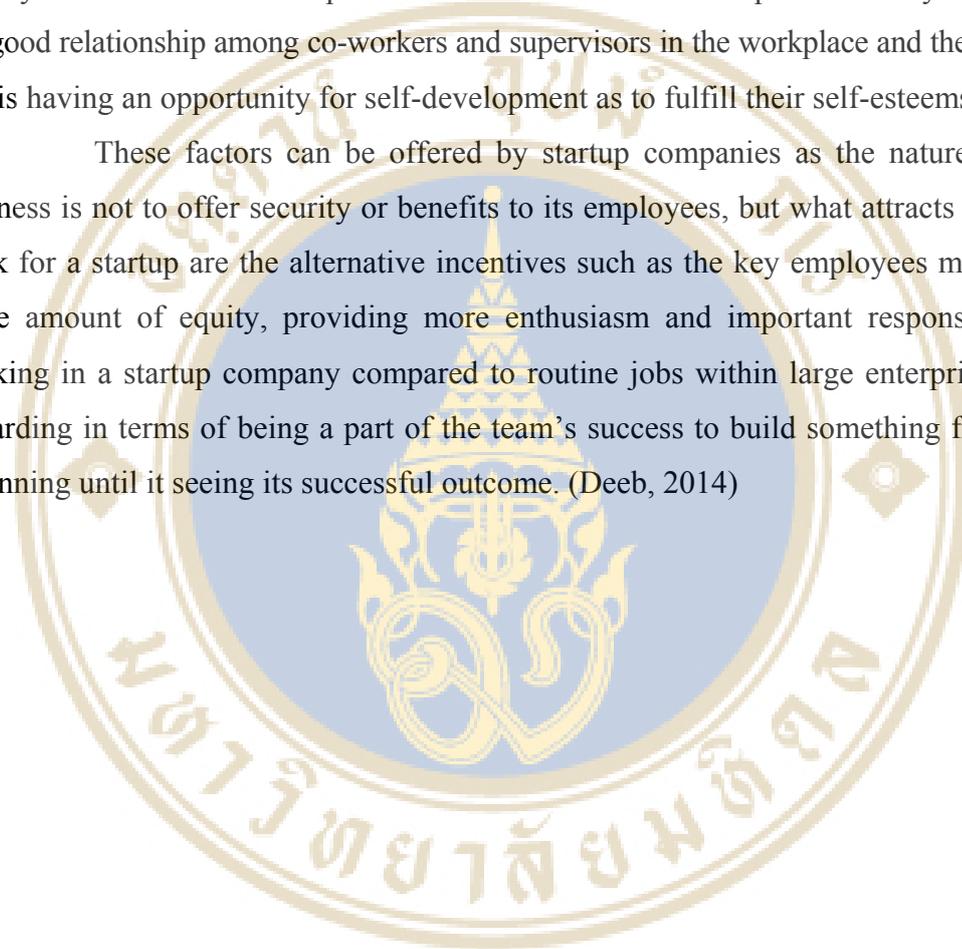
The final factor, efficient time management, represents the young generation's characteristics of desire to maintain work-life balance and not wanting to compromise either their work or their personal lives as they want the best of both worlds. It might be the reason that they are able to work well under pressure or tight deadlines as they possess the skill to manage their time efficiently in order to allocate the time for personal lives and interests aside from their daily works at the office.

The results from factor analysis is also consistent with the results from cross tabulation analysis which suggests that self-development and good social interaction in workplace are equally the top most important variables that the employees agree on as their motivations to work for startup companies.

Good relationship in workplace as factor number one is in accordance with good social interaction from cross tabulation analysis, while the second factor, self-esteem and self-development, is also in consistent with self-development as the variable that is significant to young generation employees and their decisions to work at the company.

Therefore, the two most significant factors that motivate young generation employees to work for a startup business are identified from the previous analysis, which are good relationship among co-workers and supervisors in the workplace and the second one is having an opportunity for self-development as to fulfill their self-esteems.

These factors can be offered by startup companies as the nature of the business is not to offer security or benefits to its employees, but what attracts them to work for a startup are the alternative incentives such as the key employees might get some amount of equity, providing more enthusiasm and important responsibilities working in a startup company compared to routine jobs within large enterprises and rewarding in terms of being a part of the team's success to build something from the beginning until it seeing its successful outcome. (Deeb, 2014)



## **CHAPTER V**

### **DISCUSSION AND RECOMMENDATIONS**

#### **5.1 Discussion**

All the aforementioned factors are categorized in higher levels of need in Maslow's Hierarchy of Needs. The first and most important factor, good relationship in workplace, is considered in the third level of needs, which is social need or belongingness. The second factor, self-esteem and self-development are in the fourth and fifth levels of needs, which is the highest level in Maslow's Hierarchy of Needs. The last factor, efficient time management, is considered in the fourth level of need, which is self-esteem as they need achievement both in work and fulfill their personal lives at the same time with efficient allocation of time for work and leisure.

Therefore, the entrepreneurs need to create the work environment to first, fulfill the basic, lower levels of needs, which are physiological and safety needs. For example, clean and decent work space, pantry, toilet, rules and regulations that protects employees from being harassed by either co-workers or customers, workplace with safety standards, good maintenance of work equipment, regular fire drills, etc. After employees are fulfilled of their basic needs, the entrepreneurs also need to accommodate their higher levels of needs as mentioned above, which is more challenging to create, but significant for employees' motivation.

For cross tabulation analysis, the variables that most young generation respondents agree on are self-development and good social interaction in workplace. Therefore, disregard of the detailed demographic information, their genders, ages, educations, duration of employment and salary, entrepreneurs can directly emphasize on these two factors as to motivate their young generation employees to bring out their most potential at work by providing the training courses or supports needed in each employee's field of work or related skills that would enhance their performance on the job while fulfilling their self-esteems. Also, in order to create good social interaction in workplace, the recruit staffs need to truly understand the values and goals of the

company and recruit the employees that hold similar values and have the same goal to achieve. Moreover, good social interaction can be created by good communication system and occasionally team-building activities. Good social interaction in workplace is highly beneficial to the company as it can help things run smoothly and eventually result in achieving organizational success.

## **5.2 Study Limitations and Future Research Suggestions**

The survey is conducted on Thai young generation respondents, therefore it might not be able to represent the entire young generation's motivation across all countries as they have different cultural contexts, hold different values and working in different work environments of each country's socio-economic system.

The respondents are from every industry of startup in Thailand where the different requirements of each industry are not applied. Different industry requires different skill sets and evaluation criteria, which varies with each field and characteristic of each industry.

Most of the respondents are in their early stage of their careers where 47% of the total respondents have been working at startup companies for only 1-3 years. Therefore, their opinions and perspectives of their motivation could be changed as they become older and hence, have more experience and further advance in their career paths.

Also, the motivations uncovered in this research is not a guarantee to retain them in the company as most of the respondents that contributed to the survey are not in their jobs long enough to reflect their motivation to stay longer in the company.

For future research, it is recommended to conduct a research on a larger sample pool size in a particular industry (Tech Startups, Marketing, Logistics, Consultant, Manufacturing, etc.) in order to reflect the motivations of the employees in those particular industries which vary through different contexts and environments of each business in their business models and operational process.

Moreover, it should be further conducted with samples who had been working in the company for long period of time as to uncover their motivation in working at those companies, which will be advantageous to entrepreneurs in retaining the skilled and talents in their companies, which is considered the most valuable resource in a startup business.



## Appendix A: Questionnaire

### Young Generation's Motivation to Work for Startups

This questionnaire is a part of research for Independent Study in the topic of "Factors Motivating Generation Y to Work in a Startup Business", require for Master Degree in the major of Entrepreneurship Management from College of Management Mahidol University.

This questionnaire is divided into 3 parts and would take 5 minutes of your time. Please be assured that all your given information is true, all the data collected from this questionnaire will be confidential and will be used for academic purpose only.

**Were you born between the years 1980-2000?**

Yes       No\*

**Have the company you are currently working at been in operation for 1-10 years?**

Yes       No\*

*\* If your answers are NO on both questions, I thank you for your time and consideration and invite you not to continue answering this questionnaire*

**To what extent would you agree with the following statements?**

No.		Strongly disagree	Disagree	Agree	Strongly agree
1.	I prefer to work for this company because I got inspired from innovativeness of the founders.				
2.	I prefer to work for this company because I like to learn new skills other than my own expertise.				
3.	I prefer to work for this company compensation is not the main factor in job selection.				
4.	I prefer to work for this company because I work well under pressure and tight deadlines.				

No.		Strongly disagree	Disagree	Agree	Strongly agree
5.	I prefer to work for this company because I like to get sudden feedback/recognition from my performance on the job.				
6.	I prefer to work for this company because I do not mind long hours of working.				
7.	I prefer to work for this company because of the transparency in the business operation.				
8.	I prefer to work for this company because of the casual work atmosphere.				
9.	I prefer to work for this company because I do not like hierarchy in large enterprises.				
10.	I prefer to work for this company because of good team members.				
11.	I prefer to work for this company because I like challenges in working in new, different projects.				
12.	I prefer to work for this company because of fast career advancement.				
13.	I prefer to work for this company because of flexibility in working style.				
14.	I prefer to work for this company because of the technological advance used in the working process.				
15.	I prefer to work for this company because I feel important from the responsibilities assigned to me.				
16.	I prefer to work for this company because of good social interaction in the office.				
17.	I prefer to work for this company because my opinions is valued in the project I work in.				
18.	I prefer to work for this company because of fulfillment in terms of self-development.				
19.	I prefer to work for this company because of work-life balance.				
20.	I prefer to work for this company because I can integrate personal interests with the job.				
21.	I prefer to work for this company because I do not consider security as a factor of job selection.				
22.	I prefer to work for this company because of personal fulfillment of being a part of the company's success.				

**What is your gender?**

- Male  Female

**How old are you?**

- 20-24 years old  25-29 years old  30-35 years old

**What is the highest degree or level of school you have completed? *If currently enrolled, highest degree received.***

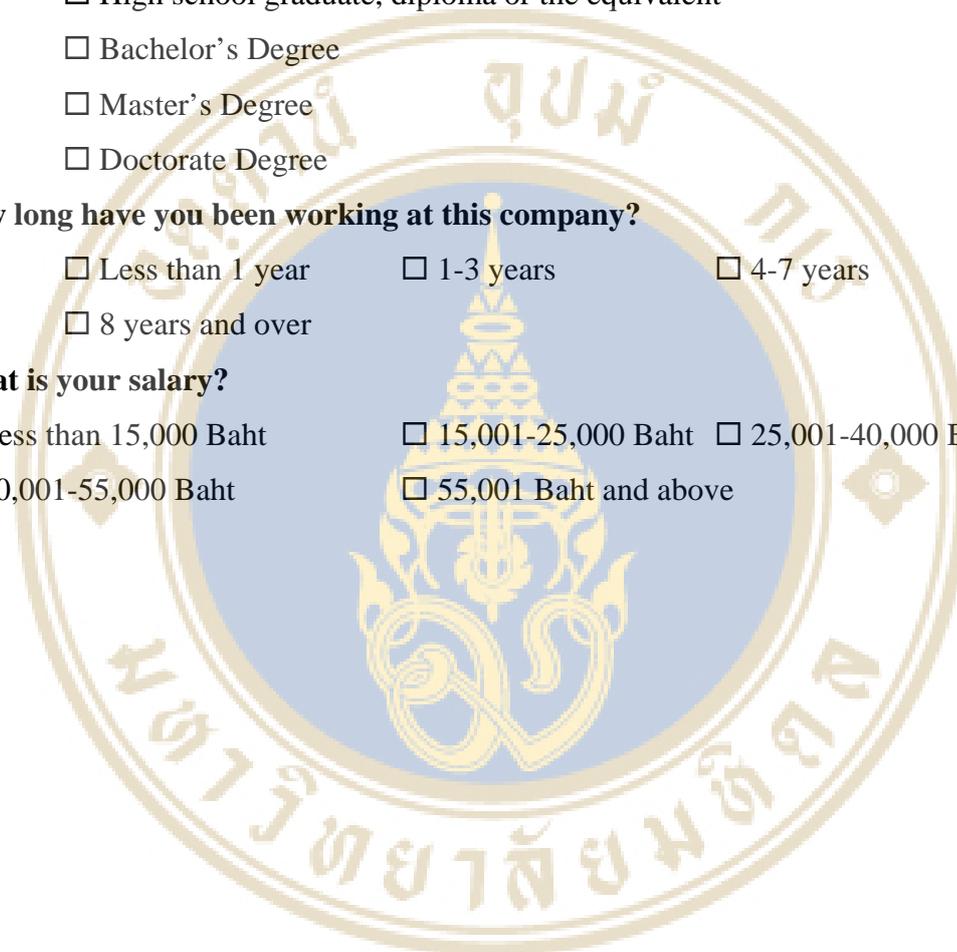
- High school graduate, diploma or the equivalent  
 Bachelor's Degree  
 Master's Degree  
 Doctorate Degree

**How long have you been working at this company?**

- Less than 1 year  1-3 years  4-7 years  
 8 years and over

**What is your salary?**

- Less than 15,000 Baht  15,001-25,000 Baht  25,001-40,000 Baht  
 40,001-55,000 Baht  55,001 Baht and above



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