

**A QUANTITATIVE STUDY OF MOTIVATIONAL FACTORS IN
AN INDUSTRIAL SME IN THAILAND**

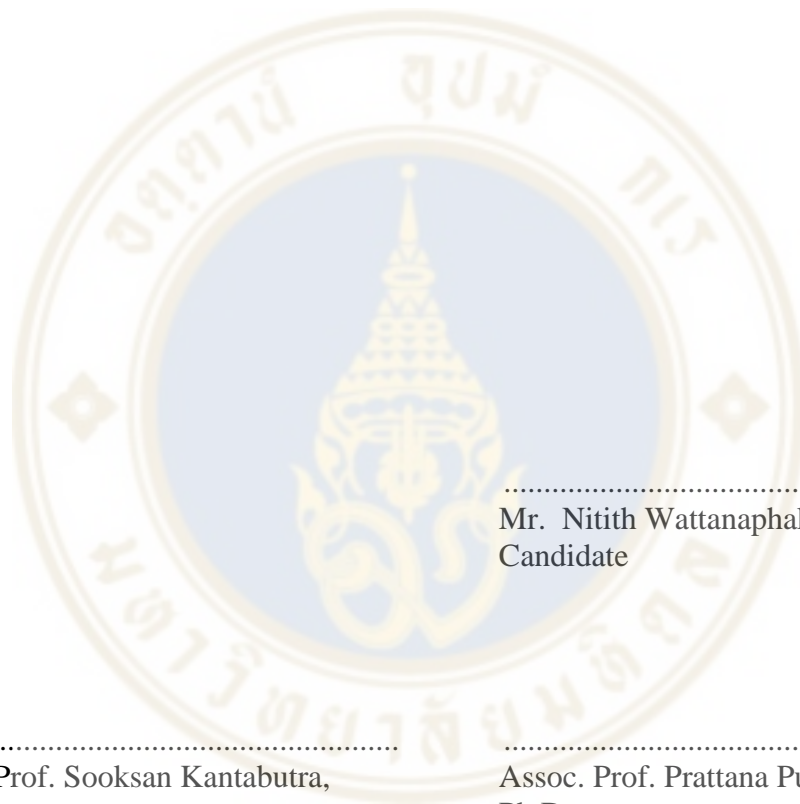


**A THEMATIC PAPER SUBMITTED IN PARTIAL
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entitled
**A QUANTITATIVE STUDY OF MOTIVATIONAL FACTORS IN
AN INDUSTRIAL SME IN THAILAND**

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A QUANTITATIVE STUDY OF MOTIVATIONAL FACTORS IN AN INDUSTRIAL SME IN THAILAND

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ABSTRACT

This research will find out about the motivational factors in a labor intensive industrialize SME in Thailand. The subject for this research is located in Chonburi, Thailand. The research was done through quantitative analysis with the extension of the scope of study to employee satisfaction in relation to motivation. The research shows an interesting aspect regarding intellectual stimulation factor under Transformational leadership framework, where negative effect towards motivation was found, and Physiological needs is the key motivational factor is found in the research.

KEY WORDS: Maslow's Hierarchy of Needs/ Transformational leadership/ Employee motivation/ Employee satisfaction

31 pages

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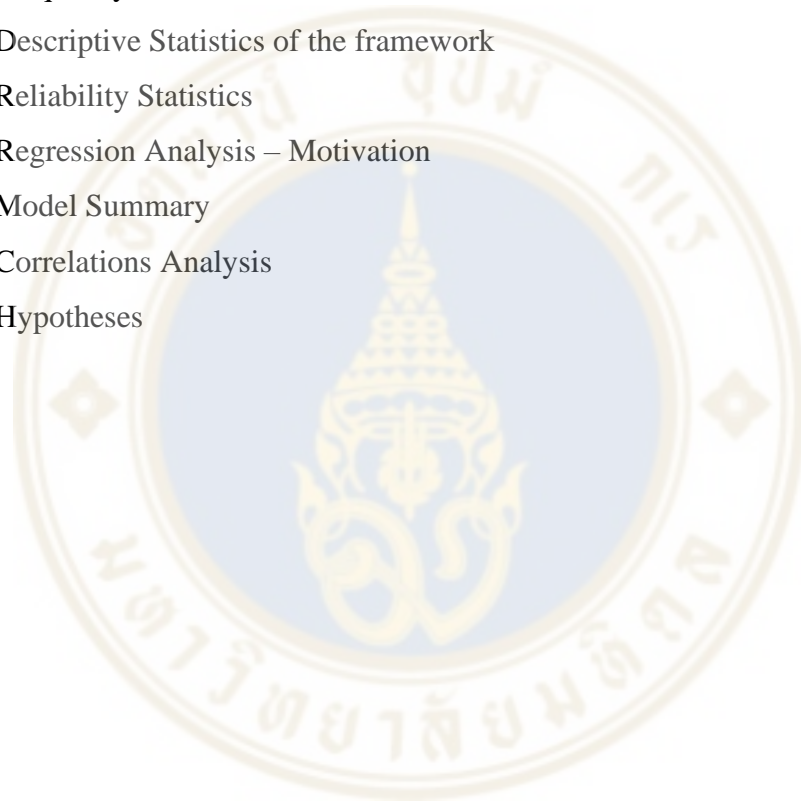
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CHAPTER I

INTRODUCTION

Thailand SMEs is defined into two main categories, manufacturer, and service provider or trader. Manufacturers who classified into SMEs are those that has no more than 200 employees or earn less than 500 million Baht per year (Waranyuwattana, 2021). A lot of Thai business are classified under SMEs category and common problems are shown throughout the society. In any business, the owners are always striving for success. While there are many factors that contributes into the success of the company, the employees are one of the key items which felicitates into the success, it is crucial that managements should be able to convey and convince the employees to work towards the company's ultimate goal or vision, since no individual can achieve a great task from working alone.

Various researches shows that employee motivation displayed positive relationship with job performance in many aspects including task readiness, productivity, and innovativeness (Erez et al., 2001; Swierczek & Thanh Ha, 2003). In order to strive forward in the competitive market, the business needs strong foundation, and with the business type of the company that required heavy labor work, it is fair to say that one of the pillars of success in this company is the employees. Motivated employees are valuable asset of the organization and is important towards strengthening the business and revenue growth (Kaur, 2013). It is important to understand their motives in order to successfully influence them towards company's goal and vision.

A study from Tsai (2010) displayed a negative correlated relationship between job satisfaction and employee turnover intention, therefore maintaining high satisfaction will help reduce the turnover rate in the company. While the company studied for this research paper is located in Chonburi province, the company is surrounded by large industrial estates, and their challenge in recruiting and retaining

their employees comes with the benefits of being close to the potential customers. Job task for the manufacturing staffs in the studied company required a lot of labor use, heavy lifting, standing for long hours, sound and air pollution, these are the common working condition in most part of the manufacturing process. With harsh working conditions, motivation and satisfaction level of the employees are questionable.

1.1 Problem statement

Labor workers salary is extremely low in Thailand, and the growth rate of their wages also very slow, in contrast with the cost-of-living increases year by year and seems to outgrow the basic salary growth. For a glance, this may seem somehow demoralizing, but what is the actual says in the company. As mentioned previously that motivated employees provide significant effects towards the company,

1.2 Research questions

- 1) What are the significant motivation factors amongst employees inside the industrial sector SME in Thailand?
- 2) What is the current motivation and satisfaction level amongst the staffs in the company with industrial background and how would the result from motivation affect the satisfaction level?

1.3 Research objective

To better understand the motivation factors in the labor-intensive industry for the purpose of improving employee motivation and satisfaction to benefits the organization as a whole. This study will benefit the company with labor intensive background through truly understand the motivational factors of their employees, and knowing which areas to improve in order to increase their motivation, satisfaction which could lead to better performance (Kaur, 2013)

CHAPTER II

LITERATURE REVIEW

The development of employee in the organization is critical for the success of the organization, it is essential to continual training and developing capacity to grow of the employees (Wilson & Madsen, 2008). Abraham Maslow has developed motivational theory and classify into different stages of human needs. Despite the external benefits received from the company, the factors of trust, admiration, loyalty, and respect are also essential for employee's motivation (Barbuto Jr, 2005). Transformational leaders increase followers' trusts, satisfaction, and citizenship (Podsakoff et al., 1990), hence employees' motivation.

Therefore, according to problem statement mentioned in the previous chapter, the key measured items for motivation and satisfaction are advised through Maslow's hierarchy of needs theory and transformational leadership theory.

2.1 Maslow's hierarchy of needs theory

Maslow's hierarchy of need is one of the most commonly used motivational theory, and is a foundation of many other motivational theories. Maslow (1943) proposed a theory which outline five tier model of human needs. The needs of lower level in the hierarchy must be fulfilled before individuals can satisfied higher level. The five basic needs comprise of physiological, safety, love, esteem, and self-actualization (Figure 2.1)

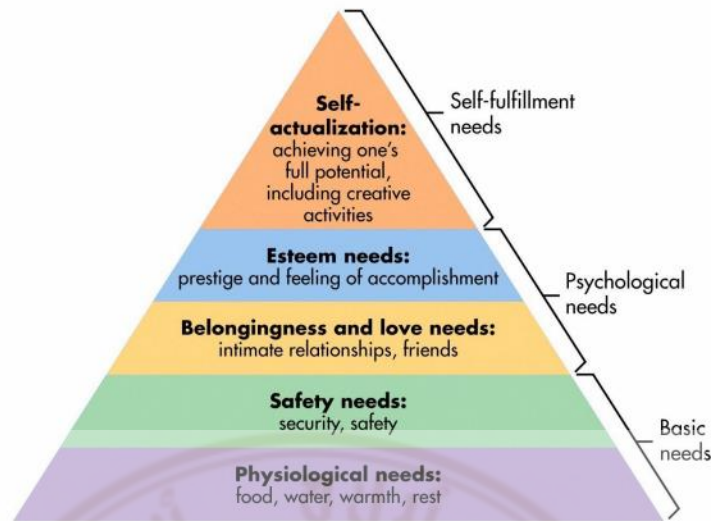


Figure 2.1 Maslow's Hierarchy of Needs

2.1.1 Physiological Needs

Maslow considered physiological needs are the most important, they are basic requirements but is crucial for human survival, e.g., air, food, water, shelter, clothes. In relation to the staffs in the company, these basic needs can be acquired through salary, welfare and benefits received from the company. Monetary benefits are crucial in order to satisfied employee physiological needs (Sadri & Bowen, 2011).

2.1.2 Safety Needs

As defined by Maslow, safety needs comprise with two elements, physical safety and psychological safety. Having satisfied all the physiological needs, another important aspect is a sense of security. It is common in human, since childhood and adult, everyone feels safer in the situations which is certain and predictable, and it is common preference for certainty rather than uncertainty (Maslow, 1943). Companies may provide health care benefits and provision of retirement plans to help employees derive the sense of long-term security (Sadri & Bowen, 2011).

2.1.3 Love and Belonging Needs

The love and affection and belonging needs will emerge after both physiological and safety needs are well gratified (Maslow, 1943). Love is not limited to sexual activity, the context of love is about the desire to love and to be loved, to feel the sense of belonging. Love and belonging consisted of more than one parties, and two important sources of relationship in the company are co-workers and bosses. Activities such as company luncheons, retreats, clubs, and mentoring program allows employees to connect with each other and help satisfy the love and belonging needs (Sadri & Bowen, 2011).

2.1.4 Esteem Needs

Maslow indicates esteem needs as the need for dignity, achievement, recognition, reputation and respect from others. The need for respect or reputation from others is more significant towards the real self-esteem (McLeod, 2007). Satisfaction of self-esteem need leads to higher degree of self-confidence and increase in self-worth (Maslow, 1981). Strategies which help satisfy self-esteem needs and increase employee motivation could be deliver in the form of prizes for best performance, or recognition programs within the company and/or throughout the community (Sadri & Bowen, 2011).

2.1.5 Self – Actualization

The final tier of Maslow's hierarchy of needs is only activated after the previous four needs are satisfied. Sometimes when all the four previous needs are satisfied, individuals may still feel dissatisfied unless they are doing what they were born to do. "A musician must make music, an artist must paint, a poet must write, if he is to be ultimately happy" (Maslow, 1943). Employees who find themselves within this tier usually seeks for humanitarian activity opportunities, to do well to the community, to seeks happiness beyond job satisfaction. Company which contributes and supports such behavior will help develop employee's loyalty towards company (Sadri & Bowen, 2011).

2.2 Transformational leadership framework

Transformational culture can be created through leader, once the organization developed such culture it will provide a deeper bond between staffs and the organization (Bass & Avolio, 1993). Transformational leaders are more interested and more concerned about the development of their subordinates, and the characteristics of transformational leader can be described in the Four I's (Avolio et al., 1991).

2.2.1 Inspirational Motivation

Creating an attractive vision and able to transfer the message to the subordinates is the key concept behind inspirational motivation. Through the process, the leader does not only convey the ideal goal but also values and beliefs to inspire the subordinates (Carless et al., 2000).

2.2.2 Intellectual stimulation

Intellectually stimulating leaders helps develop their followers' capabilities to grow and intellectual level through problem-based learning, by encourage them to proposed and solve existing problems with new methods. The followers will become more innovative, thus more effective problem solvers (Bass & Avolio, 1990).

2.2.3 Individualize consideration

Understanding that individuals are different, they have different wants and needs, and certain things are needed to be fulfilled in order to perform. Supportive leadership is the key concept for individualize consideration (Rafferty & Griffin, 2004), where leaders shown supports for the efforts of the followers. Supportive behavior includes treating followers with respects and concerned about their feelings and needs, and provide appropriate responses respectively.

2.2.4 Idealized Influence

Leaders with charismatic personality are the ones who influence others through their actions, leading by example, showing the followers that the tasks are

possible, building confidence, and gain trust from the followers. Charismatic personality does not only limit to leading by example, but rather the combination of all the I's in order to create such persona (Avolio et al., 1991).

2.3 Staff motivation

Motivation is a force which enables an individual to act towards particular objective, it could be received through either intrinsic or extrinsic means. According to Grant (2008), the study shown that employee motivation has direct and positive effect towards productivity, performance and persistence. The positive relation between employee motivation and their productivity has also shown in the research from Asim (2013) which also emphasize that employees are one of the key success factors in the organization.

2.4 Staff satisfaction

According to Yeung & Berman (1997) staff satisfaction is a performance indicator in the balance scorecard used in various organizations, where balance scorecard framework is used in measuring the business performance. According to Kantabutra (2013), employee satisfaction can be measured through 11 elements of staff satisfaction as follow;

- Dollar remuneration
- Fringe benefits
- Autonomy
- Task requirements
- Organizational policies
- Interaction (Both formal and informal)
- Professional status
- Quality of supervision

- Colleagues
- Recognition of success
- Career advancement

2.5 Research framework & Hypotheses

The research framework was developed from the theoretical foundation of Maslow's hierarchy of needs framework and Transformational leadership framework in relation to Job's motivation and satisfaction.

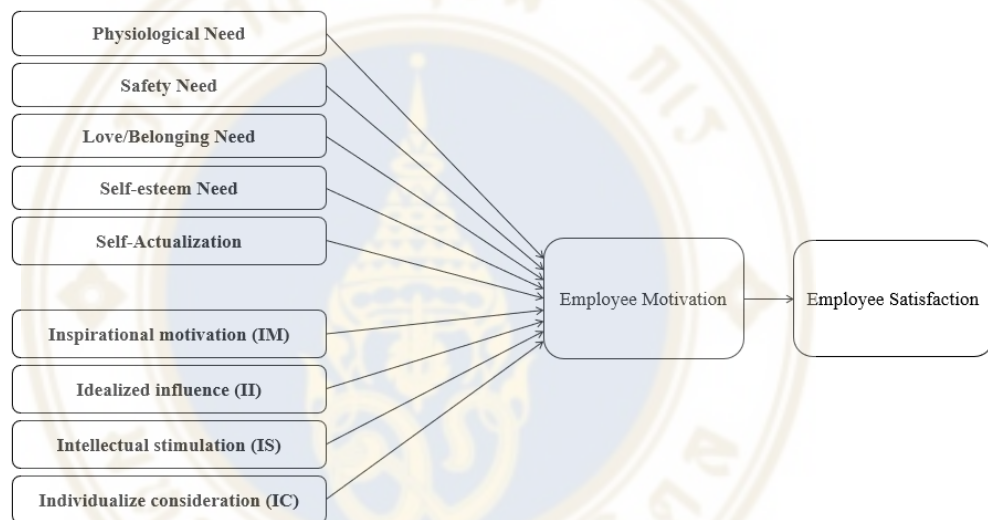


Figure 2.2 Research Framework

H1: Provision of basic needs improve staff motivation in the workplace.

H2: Provision of safety needs leads to higher staff motivation in the workplace.

H3: Higher provision of inter-connection opportunities leads to higher staff motivation in the work place.

H4: Higher provision of self-improvement training programs leads to higher staff motivation in the workplace.

H5: Higher provision of opportunity to create share values leads to higher staff motivation in the workplace.

H6: Inspirational motivation (IM) increase staff motivation in the workplace.

H7: Idealized influence (II) increase staff motivation in the workplace.

H8: Intellectual stimulation (IS) increase staff motivation in the workplace.

H9: Individualize consideration (IC) increase staff motivation in the workplace.

H10: Increase staff motivation in the workplace increase job satisfaction.



CHAPTER III

RESEARCH METHODOLOGY

In this research, quantitative analysis method is applied for the purpose of measuring different elements that could lead to employees' motivation based on the foundation of Maslow's hierarchy of needs theory and the elements of transformational leadership theory. Regression analysis will be use to analyze motivational factors towards employees' motivation, while relationship between employees' motivation and their satisfaction level will be analyze through correlation analysis.

3.1 Participants

This research paper studies factors affecting staffs' motivation and satisfaction level in the specific company. The measured factors will be the case study of SL Carborundum. Maylor and Blackmon (2016) suggests that when conducting case research, probability sampling method is not an appropriate sampling logic, therefore the sample for this study are all of the employees employed under the company, except for top managements. The total number of respondents were 136 from 162 total employees, with 89 Thais and 47 foreigners.

3.2 Tools

The survey questionnaires were developed after the literature review of Maslow's hierarchy of needs, transformation leadership, employee's motivation and satisfaction, then the questionnaires were carefully adopted from past researches and combined to a total of 50 measuring questions.

Question set for Maslow's hierarchy of needs framework were adopted from Shoura and Singh (1999), where they studied the motivational factors of a group of engineering managers using Maslow's framework. 17 questions were adopted from the questionnaire which are specifically categorized as the indicators of five level of Maslow's.

Question set for transformational leadership framework were adopted from Asghar and Oino (2017) where 10 questions were used in the research to measure all four elements of transformational leadership.

Question set for job motivation were adopted from Pongsrihadulchai (2014) in related topic regarding employee motivation and employee performance. Twelve questions were adopted from his research, the questions were slightly rephrased for the purpose of simplify and aligned with the purpose of study.

Question set for employee satisfaction were adopted from Schmidt (2004), the adopted questions were selected according to the relevancy towards the key measure items and the industry. Eleven questions were adopted according to the eleven measure elements as described in the previous chapter.

The questionnaire was developed with a Likert rating scale with 5-point rating scale ranging for 1=strongly disagree, 2=disagree, 3=neutral, 4=agree to 5=strongly disagree. The questions were randomized to avoid any leading questions which may lead to biased results. For demographic data, age, gender, nationality, duration of service, and income range were asked.

3.3 Methodology

The questionnaires were carefully polished using simple and straightforward terminology for the ease of understanding and translating into foreign languages. The translation to Thai were done manually at first, then use google translate to compare, each question was reviewed by the researcher to have the appropriate translation into Thai. Thai version were conduct pilot test with close friends and relatives

who has less than master degree background. Asking them to go through each question individually and try to complete the form on google doc, however the results were removed prior analyzing.

After the Thai version was approved, the questionnaire was translated into Burmese version using Google translate then passed onto a Burmese friend with academic background of international bachelor degree to check and corrected the translations to match with the original English version. The questionnaires convey with Burmese translations were sent to another different Burmese friend to run pilot test and reconfirmed the translations.

The distribution of the questionnaire was done with the help from the administration department. The questionnaire was distributed through the company internal LINE group. For some of the staff who has technological difficulty, the questionnaire was printed out for the employee to fill in. For foreign workers, they have group leaders who speaks both Thai and Burmese to help with clarification of the questionnaire, these group leaders usually help new foreign workers with the translation and settling in when there are newcomers. The printed version of the questionnaire was distributed during lunch break and retrieved back before afternoon shift starts. After all the results were received, one staff were assigned to fill the forms into google form individually.

The results from the questionnaire were then processed for quantitative analysis with the use of SPSS program which will be discussed in the next part.

CHAPTER IV

FINDING & DISCUSSION

4.1 Demographic Analysis

The total number of respondents were 136 out of 162 staffs, where 56.6% are male and 43.4% are female, due to the task consists of both skills and labor intensity, majority of the labor works are male. For age range, 50% of the staffs age between 26 to 35, 27.2% are between 36 to 45, and only 11% are age 46 and above. For nationality, the segments were classified into two group, Thais and foreigners, where 65.4% are Thais and the remaining 34.6% are foreigners as shown in Table 4.1 below.

Table 4.1 Frequency of age group, gender, and nationality

Age				
	Frequency	Percent	Valid Percent	Cumulative Percent
25 and younger	16	11.8	11.8	11.8
26-35	68	50.0	50.0	61.8
36-45	37	27.2	27.2	89.0
46 and above	15	11.0	11.0	100.0
Total	136	100.0	100.0	
Gender				
	Frequency	Percent	Valid Percent	Cumulative Percent
Male	77	56.6	56.6	56.6
Female	59	43.4	43.4	100.0
Total	136	100.0	100.0	
Nationality				
	Frequency	Percent	Valid Percent	Cumulative Percent
Thai	89	65.4	65.4	65.4
Foreigner	47	34.6	34.6	100.0
Total	136	100.0	100.0	

The result from Table 4.2 below shown work experience statistics indicates that 71.6% of the staff have stayed at the company for more than two years, while 45.6% of the total staff have stayed at the company for longer than five years.

Table 4.2 Frequency of working experience

Working Experience				
	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 6 months	16	11.8	11.8	11.8
6-24 months	23	16.9	16.9	28.7
2-5 years	35	25.7	25.7	54.4
5-10 years	42	30.9	30.9	85.3
More than 10 years	20	14.7	14.7	100.0
Total	136	100.0	100.0	

For income stage, 72.1% is the cumulative percentage for the staff which earned less than 15,000THB and the remaining 27.9% have monthly salary of more than 15,000THB as shown in Table 4.3 below.

Table 4.3 Frequency of income

Income				
	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 10,000	43	31.6	31.6	31.6
10,000-14,999	55	40.4	40.4	72.1
15,000-19,999	18	13.2	13.2	85.3
More than 20,000	20	14.7	14.7	100.0
Total	136	100.0	100.0	

4.2 Descriptive Statistics

The mean of Maslow's physiological needs is the lowest amongst all the measured items at 3.55, this results corresponds with the frequency of income where

majority of the staffs received income of less than 15,000THB per month. The mean of the staffs motivation and satisfaction are 3.79 and 3.73 respectively. This indicates a slight positive in motivation and satisfaction. The full list of all measure items are shown in Table 4.4 below.

Table 4.4 Descriptive Statistics of the framework

	N	Mean	Std. Deviation
MSLW_Physiological	136	3.5551	1.19980
MSLW_Safety	136	3.9816	.84733
MSLW_Social	136	4.0368	.77072
MSLW_Esteem	136	4.0037	.84052
MSLW_SelfAct	136	4.1912	.93899
TRFLDR_IM	136	3.9375	1.07744
TRFLDR_II	136	3.9093	1.06918
TRFLDR_IS	136	3.8235	1.05678
TRFLDR_IC	136	3.9167	1.08696
Motivation	136	3.7886	.90818
Satisfaction	136	3.7253	.93763
Valid N (listwise)	136		

4.3 Reliability analysis

The reliability analysis should be determined before conducting any other tests for research purpose. Through the use of SPSS program, reliability analysis were performed, and Conbach's Alpha values were used to measure the reliability of the construct questionnaires. According to Tavakol (2011), the acceptable values of Cronbach's Alpha is ranging from 0.70 to 0.95 where higher value present the stronger correlation between items in the constructs.

The Cronbach's Alpha values for the constructs are shown in Table 4.5 below. All the measure items presented strong alpha values, which confirmed the reliability of the questionnaires.

Table 4.5 Reliability Statistics

Measured Item	Cronbach's Alpha	Cronbach's Alpha Based on Standardized items	N of Items
Maslow's	.927	.928	17
Motivation	.929	.928	12
Satisfaction	.924	.924	11

4.4 Multiple Linear Regression Analysis

The result from Table 4.6 shown that physiological needs, safety needs, social needs, self-esteem needs, inspirational motivation, and intellectual stimulation have significant effect towards employee's motivation (Sig. < 0.05) while self-actualization (Sig. = 0.350), idealized influence (Sig. = 0.444) and individualize consideration (Sig. = 0.994) have no significant effect towards employee's motivation. Maslow's physiological needs have the strongest effect towards employee's motivation with Beta value of 0.313.

Table 4.6 Regression Analysis – Motivation**Coefficients^a**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.174	.163		-1.070	.287
MSLW_Physiological	.237	.042	.313	5.668	.000
MSLW_Safety	.298	.077	.278	3.856	.000
MSLW_Social	.222	.077	.188	2.894	.004
MSLW_Esteem	.212	.064	.197	3.323	.001
MSLW_SelfAct	-.037	.039	-.038	-.938	.350
TRFLDR_IM	.161	.062	.191	2.591	.011
TRFLDR_II	.045	.059	.053	.769	.444
TRFLDR_IS	-.123	.049	-.143	-2.521	.013
TRFLDR_IC	.001	.064	.001	.008	.994

a. Dependent Variable: Motivation

In addition, from Table 4.7 below, the adjusted R square is 0.878, this indicates that the current model explains the employees' motivation by 87.8%.

Table 4.7 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.941 ^a	.886	.878	.31764

a. Predictors: (Constant), TRFLDR_IC, MSLW_SelfAct, MSLW_Esteem, MSLW_Physiological, TRFLDR_IS, MSLW_Social, TRFLDR_II, MSLW_Safety, TRFLDR_IM

4.5 Correlations Analysis

Pearson's correlation coefficient is used to measure the strength and direction for the linear relationship between two variables measured on an interval scale. According to Table 4.8 below, the result show that motivation and satisfaction have strong relationship between each other (Sig.(2-tailed) <0.01) with Pearson correlation value of 0.940.

Table 4.8 Correlations Analysis

		Motivation	Satisfaction
Motivation	Pearson Correlation	1	.940**
	Sig. (2-tailed)		.000
	N	136	136
Satisfaction	Pearson Correlation	.940**	1
	Sig. (2-tailed)	.000	
	N	136	136

** . Correlation is significant at the 0.01 level (2-tailed).

4.6 Discussion

Summary of the findings from ten hypotheses are displayed in Table 4.9 below, seven of the hypotheses shown significant results in its findings, however the result on hypothesis 8 presented a reverse effect against the original hypothesis but the finding remains valid since the factor shown significant effect towards motivation, the accepted findings are discussed more in detail in this paper. For hypotheses 5, 7, 9 are rejected due to insignificant according to regression analysis (Sig. = 0.350, 0.444, 0.994), and are discarded from the discussion.

Table 4.9 Hypotheses

Hypotheses	Findings	
	Accept	Reject
• H1: Provision of basic needs improve staff motivation in the workplace	/	
• H2: Provision of safety needs leads to higher staff motivation in the workplace	/	
• H3: Higher provision of inter-connection opportunities leads to higher staff motivation in the work place	/	
• H4: Higher provision of self-improvement training programs leads to higher staff motivation in the workplace	/	
• H5: Higher provision of opportunity to create share values leads to higher staff motivation in the workplace		/
• H6: Inspirational motivation (IM) increase staff motivation in the workplace.	/	
• H7: Idealized influence (II) increase staff motivation in the workplace.		/
• H8: Intellectual stimulation (IS) increase staff motivation in the workplace.	/	
• H9: Individualize consideration (IC) increase staff motivation in the workplace.		/
• H10: Increase staff motivation in the workplace increase job satisfaction.	/	

The regression analysis shows how each factor of Maslow's hierarchy of needs framework and Transformational leadership framework affect employee's motivation. Maslow's seems to have greater effect on the staffs' motivation as seen in the Table 4.9 where four out of five hypotheses under Maslow's hierarchy of needs framework were accepted through the finding, while only two hypotheses were accepted from Transformational leadership framework.

4.6.1 Maslow's hierarchy of needs framework towards employees' motivation

Hypothesis 1 discussed about the basic needs, money, shelter, food, clothes. Through regression analysis, hypothesis 1 is the most impactful towards employees' motivation for this company, however, the mean score is the lowest at 3.555. This score accurately reflects the situation in the company where more than 70 percent of the staff earn less than 15,000THB each month. In contrast with the work experience in the company, where 54.4 percent of the staff have been working in the company for up to five years, and another 30.9 percent have stayed with the company for 5 to 10 years. Comparing these two measurements, the result suggests that the company have relatively low growth of salary, or the majority of the job tasks does not require high skilled labor, hence low salary range.

Hypothesis 2 discussed about the safety in both physical and psychological provided within the company. The result through regression analysis shows that this factor is the second most important after physiological needs (Beta = 0.278). The mean score for the safety factor (3.982) is higher than that of physiological needs (3.555), this indicates that the staff are more satisfied with the safety standard and harmonic atmosphere provided within the company in comparison with the salary received.

Hypotheses 3 and 4 score are closely related and group together in both beta value for standardized coefficients (0.188 and 0.197) and the mean score (4.037 and 4.004), these factors are closely related as both of the factors are part of psychological needs of Maslow's framework. The result implies harmonic working atmosphere amongst the employees, the employees are friendly, respected and accepted amongst each other. The mean score shows that the employees are satisfied and happy with the current relationship amongst peers. The regression results suggested that while these two factors are positively significant towards employees' motivation the actual impact towards motivation are still lower than that of physiological and safety needs. These findings correspond with Maslow's hierarchy of needs frameworks, where the

physiological needs and safety needs are required to be satisfied before the needs in higher level in the pyramid could be fulfilled.

4.6.2 Transformational leadership framework towards employees'

motivation

Hypothesis 6 discussed about the inspirational motivation increase employees' motivation in the workplace, the employees were asked questions related to how their manager motivates their employees. The result shows that inspirational motivation provides positive impact towards employees' motivation (Beta = 0.191). [NEED REF] The result could interpret that in this company, the staffs are motivated through inspirational message from their leader which is quite common in the SMEs business in Thailand. A study from Kantabutra and Saratun (2011) also recommends for supervisors of all levels at the Thai state enterprise should communicate their vision to their direct subordinates frequently as vision is an important motivation tool.

Hypothesis 8 discussed about intellectual stimulation, the result from regression analysis shown negatively significant effect towards motivation (Beta = -0.143). This could be interpreted as the more encouragements to face new challenges, the more demotivated they become. This finding shows that staffs in this company is not yet ready to receive new challenges, this could be due to their education level, the current salary received, their current work may be overloaded or they cannot perceive what kind of benefits they will gain from taking on new challenges. This finding is truly reflected on SMEs manufacturing business where there are a lot of labor users with relatively low income.

Hypothesis 10 discussed about the relationship between employee motivation and satisfaction. According to correlation analysis, the finding relationship between motivation and satisfaction is very strong (Pearson correlation = 0.940), this indicates that motivation and satisfaction goes together for the employee in the company which supports hypothesis 10. However, the mean score of both motivation and satisfaction are quite low (3.79 and 3.73 out of 5). The results from the mean score

corresponds well with the statistics showing more than 70% of the staff have stayed at the company for more than two years, the length of stay indicates the level of satisfaction in the company. This finding corresponds with the research from Pandey and Khare (2012), where the research shown positive effect of job satisfaction towards employee loyalty. The results could interpret in a way that, the company culture is accepted amongst the staff, however there are still rooms for improvement since the mean scores are still quite low.



CHAPTER V

RECOMMENDATION & CONCLUSION

5.1 Conclusion

The purpose of this research is to determine employees' satisfaction through their motivation and identify the motivational factors of the employees in the company. The constructs were created from Maslow's hierarchy of needs framework and transformational leadership framework to measure the motivational factors.

The results show stronger effect towards motivation from constructs under Maslow's hierarchy of needs framework, while the most impactful towards employees' motivation is the physiological construct then safety construct respectively, regression analysis of these factors corresponds with the mean score from the descriptive statistics where physiological construct has the lowest score amongst all the constructs. Transformational leadership framework shows two significant constructs which are inspirational motivation and intellectual stimulation. Inspirational motivation provided positive effect towards employees' motivation while intellectual stimulation has negative effect which means that under the current circumstances, increasing in intellectual stimulation practices will result in demotivation of the employees as they are currently not ready to accept new challenges. While employees' motivation is strongly correlated with employees' satisfaction (Pearson's correlation = 0.940).

5.2 Recommendation

Based on the results and findings, the goal for the company to increase the performance of their employees could be done through increasing in motivation and satisfaction of the employees. Physiological and safety needs are the two most influential factors from Maslow's hierarchy framework, and inspirational motivation and

intellectual stimulation are significant factor from transformational leadership framework. The recommendation will combine the use of both frameworks and consider the actual situation regarding the business type and company size.

The most effective factor in increasing employees' motivation is physiological factor. In businesses, money is treated as an investment, salary is money invested in person, as salary increases expectations increases, better performance is to be expected. To satisfy both company and employees, mutual benefits must be agreed upon.

Career path should be presented clearly in the organization. Setting up a career path can benefit both the firm and their employees. Employees can benefit from career path through having a clearer goal towards their future and knowing their current position, self-assessments can be made through measuring their own capability towards specific requirements in different job positions and rankings. By creating career path for the employee, they will be able to visualize their future through the opportunity provided, how they can achieve higher salary through their involvement and performance within the company. According to Bonner and Sprinkle (2002) creating monetary incentives for higher job task requirements motivates employees to increase their job task performance. This will help increase employees' attitude towards intellectual stimulation to becoming more positive as the more tasks they handle will provide them with the better monetary benefits. A clear and fair assessment regarding salary increase and career advancement is critical towards maintaining harmonious atmosphere in the firm. Having career path within the organization help lift the firm's image, it shows that the firm is ready to invest in human capital and strengthen the image of the growth strategy of the company. According to the findings, inspirational motivation also shows significant effect towards employees' motivation, an attractive and powerful vision should be communicated to the employees to show them the benefits of this career path and how each individual can participate in the company's ultimate goal.

Safety needs is another major influencing factor towards increasing motivation, which leads to the second recommendation. The area of improvement lies in the safety equipment and practices inside the working area, some working departments required heavy lifting, some constantly dealing with air pollution from the job specificity. The company should improve tools and equipment to help reduce the heavy lifting and develop working instructions for working with heavy lifting. Regarding air pollution, while the company already have monetary incentive for those who work under the mentioned condition, the company should invest more in the ventilation and waste management system to reduce air pollution problem. Such action would not only increase the motivation and satisfaction level amongst staff but will lift the image of the company as a whole. Show the employees that the company concerned about their employees' wellness.

5.3 Limitation

Due to limited time constraint, the research can only cover the overall picture of the company, while motivation and satisfaction may differ amongst different departments, and more accurate recommendations could be suggested specifically for each department. The company in this study is the researcher's family business, there are possibility of biased in the feedbacks in survey questionnaires, since they might answer in a kinder way as a result from being too considerate to reflect the actual thoughts. Lastly data collection through qualitative analysis is not available due to time constraint and limitation from positioning in the company which is very likely to produce biased results.

5.4 Future Research Directions

As per recommendation, the effect of incrementing of monetary benefits in the organization should be study further. According to Deci and Porac (1978) monetary incentives can cause both positive and negative effects, Bonner and Sprinkle (2002)

suggested that monetary incentives only lead to greater performance only if the performance were underperformed in the beginning, hence the future researches should expand the scope into both intrinsic and extrinsic motivation in order to improve and create sustainable recommendation.

Another aspect for future research comes from current finding, the research found a connection from intellectual stimulation towards the readiness level of the staff. Hence, situational leadership framework should be adopted in the future research to measure and provide guideline towards developing a career path.



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