

**KEY SUCCESS FACTORS FOR COMPANY TO HAVE
HIGH EMPLOYEE RETENTION RATE**

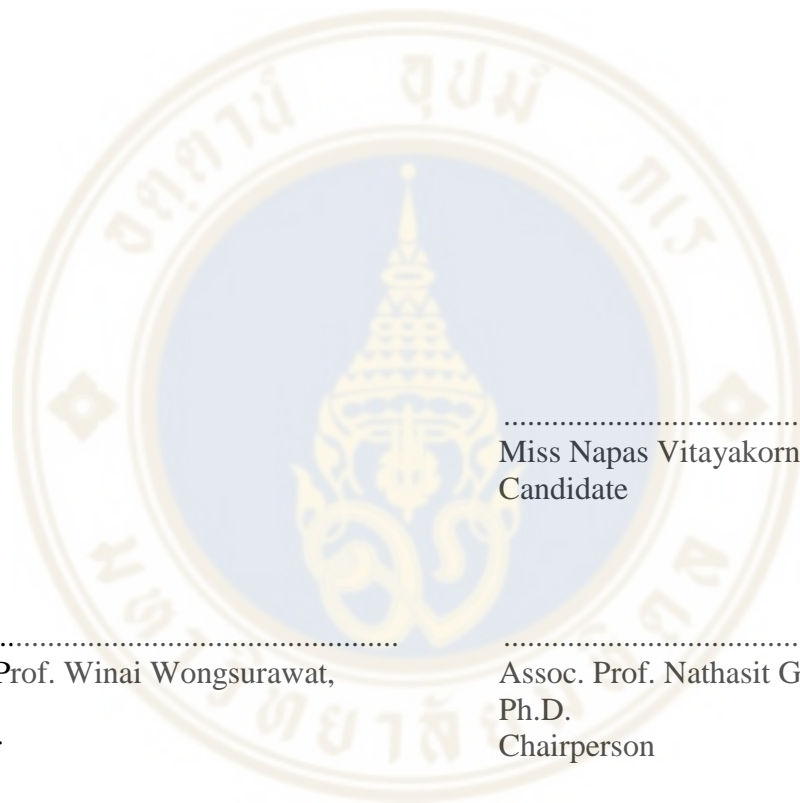


**A THEMATIC PAPER SUBMITTED IN PARTIAL
FULLFILLMENT OF THE REQUIRED FOR
THE DEGREE OF MASTER OF MANAGEMENT
COLLEGE OF MANAGEMENT
MAHIDOL UNIVERSITY
2021**

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Thematic paper
entitled
**THE FACTORS THAT AFFECT HIGH PERFORMANCE
DURING WORK FROM HOME (COVID-19)**

was submitted to the College of Management, Mahidol University
for the degree of Master of Management
on
September 12, 2021



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ACKNOWLEDGEMENTS

I would like to express my gratitude and appreciation to all those who gave me the possibility to complete this research. First of all, this thematic paper cannot reach the achievement without the guidance from Dr. Winai Wongsurawat, my research advisor. I would like to thank him for his outstanding supervision, kindness, and patience. Without his support, I would not finish this thematic paper successfully.

Moreover, I would like to express my sincere gratitude to all the respondents from company A and company B for their time to provide all this useful information. Without them, the information gained in this research would not be completed and the data analysis part would not be interesting.

Lastly, I would like to thank my family for always being supportive to everything that I do and always giving me the greatest love. Together with my CMMU colleague who provides great support and encouragement. This thematic paper is successful and has interesting content from all the people above. I am grateful to all of their comments and kindness.

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KEY SUCCESS FACTORS FOR COMPANY TO HAVE HIGH EMPLOYEE RETENTION RATE

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ABSTRACT

The turnovers have always been a critical issue that many companies are now facing. Sooner or later the employee will leave for the new career opportunity. High turnover can cause huge negative effects on a company's performance. Theories related to managing people in the organization are analyzed to discover the factors influencing high turnover.

The writer selects a qualitative method for the primary data collection. An in depth interview was conducted with employees from two companies. Firstly, the author interviews employees from different functions at a company that has a high turnover rate. To gain a deeper understanding about the topic, the author interviews employees from one successful company that has high retention rates. This paper can help readers, especially the one who is in the management team or the employee who works in the Human Resource department be aware of the turnover problem and employee satisfaction to prevent the negative outcome from the employee turnover.

KEY WORDS: Employee Turnover / Employee Retention / Job Satisfaction / Motivation / Leadership / Corporate Culture

29 pages

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CHAPTER I

INTRODUCTION

Happy and satisfied workers seem to be sticking with the company for some period of time. The turnovers have always been a critical issue that many companies are now facing. Sooner or later the employee will leave for a new career or opportunities. The question lies on how to effectively retain your employee in the company for a long time. The employee turnover came at an expensive cost and it can happen even during bad economic times. High employee turnover rate can have a huge negative effect on any businesses, especially the small business. The cost of replacing the employee can be as high as one half to two times of the average salary of the employee for the whole year (McFeely, 2021). While reading to this point, many might think that the turnover problem will have a huge effect mainly on numbers, but it is way more than that. Turnover can cost a lot of damage beyond the financial aspects. For instance, the company might lose the best accountants, the reliable planners, the hardworking innovators, or the most effective problem solvers.

For every business that thrive in the current economic crisis, retaining the best employees is a must. Having a high retention rate is the ability of the company to keep their employees in the long run. This results in less time and resources that are required for training new employees. The turnover can have negative effects on losing a huge amount of time, resources, and money for training new employees. The productivity will also slow down since existing employees will need to help out the new members. Imagine the long hiring process of screening, interviewing, hiring, and training the newcomers that are expected to remain in the company for some period of time. If those employees end up leaving during the first few months, it means that all the efforts, time, and resources are wasted.

One of the key factors that cause turnover is job satisfaction. The impact of job dissatisfaction goes beyond the turnover issue since employees play a vital role in driving organization forward. Firstly, all employees have little to big effect on the

relationship between the customer and the company. One unmotivated employee can lower the ability to serve customers well. But numbers of unhappy employees surely create barriers for business to success. Secondly, the employees can fuel up powerful energy to the organization. Motivated and happy employees are the key that unlock countless opportunities for new solutions and innovations which then create massive value for the organization. Thirdly, employees are the middleman who connects the CEO or the top management team with the customer. If the organization has a strong connection between customers and the top management, it will create great advantages among competitors in the market. Lastly, employees are the powerful energy source that drive organization toward the goal. Ultimately, motivated, happy employees create a great working environment which increases the overall productivity of the company. They are one of the key success factors that will drive organizations closer to the goal and be ahead of the competitive market.

There is a strong link between job satisfaction and an employee's intention to leave the company. The higher level of job satisfaction, the less likely that the employee will seek for the new job opportunities with the new company. To analyze the result and findings, descriptive analysis with in-depth interviews was performed. This research purpose is to study how the turnover intention is affected by job satisfaction with regard to 4 main categories including: Leadership, job satisfaction and motivation, and corporate. Attracting and maintaining employees are the priority for most companies today. Therefore, understanding the factors behind turnover intention is vital to organization in being competitive in the market today.

As for the Covid pandemic, Thailand's unemployment rate has risen up to 1.96% in the first quarter of 2021 which is considered to be the highest hit in 12 years. There are about 758,000 people without jobs, which increased from 1.86% as of the last quarter of 2020 (Bangkokpost, 2021). The unemployment rate is expected to increase again as the on-going impact of the Covid-19 pandemic. According to the Thai Health Promotion Foundation, 1.3 million newly graduated students from universities and colleges are unlikely to find jobs or get the opportunity to develop their skills because most private companies have a negative effect financially which slows down the recruitment process (Diawkee, 2021). Many workers are being laid off due to the financial impact of the organization and they are having difficulties in finding new jobs.

However, with this economic crisis there are some groups of people who choose to take this big risk and face huge uncertainty.

As for the example that I am going to study in this research about one training company, I will call it company A, that provides solutions designed to the local organization's context to develop both employees in the organization and the organization itself. The company's main products are employee development courses that help build both soft skill and hard skill to adapt to the changing needs of the world. The company goal is to empower people at all ages to constantly develop themselves to adapt with changes. There are countless leading companies in Thailand that send their employees to attend human development courses with the company A. It provides courses that will train workers to use common behavior in the workplace to their advantage. The course aims to develop the mindset of both leaders and employees at all levels to take advantage of risk and learn from failure while helping them develop their innovation and leadership capability to deal with changes in the business world. Some examples of the famous courses are Design Thinking, Outward Mindset, DISC, and SLII for Self Leadership. These courses aimed to help employees see the world in a new different perspective, develop creative problem solving, positive behavioral changes, build better collaboration among co-workers, develop consistency in their work habits, and self-positive reinforcement.

1.1 Motivation of the research

The company A offered high pay with very flexible working conditions. For example, since covid pandemic started in 2020, all employees are not required to come to the office. They can work from anywhere since then. Even when the situation gets a little bit better at the end of year 2020 and most companies resume back to normal, employees at company A are not required to come to the office anyway because they are concerned about employees' health and well-being. The salary they offered is considered to be higher than the industry average and the task of the job is not complicated or too difficult at all. Employees can have free access to quality training to upgrade their skills, mostly the soft skills. However, this company has an incredibly high turnover rate. The question is how a company like this who is expert in developing

the mindset and transforming many other leading organizations failed in maintaining their employee and fixing their own organization problem? As for the case of the company A which I have mentioned earlier, some employees chose to resign during this economic crisis. Some do have new jobs waiting for them but some do not have any new job opportunities yet. The interesting point about this case is the reasons behind those employees' decision to resign from the company during this tough economic crisis.

The core problem that this paper aims to address and identify are the real reasons behind the turnover at the company A. More specifically, the research questions that guide this study are as follows: "What are the key factors that cause employee turnover? and how to improve it?". By the end of this paper, the writer will conclude the key main factor that causes high turnover rate at company A and give the recommendation on what they should do in order to solve this problem. This paper can help readers, especially the one who is in the management team or the employee who works in the Human Resource department be aware of the turnover problem and employee satisfaction to prevent the negative outcome from the employee turnover.

CHAPTER II

LITERATURE REVIEW

2.1 Employee Turnover and Attrition

Employee turnover is the percentage of employees who leave the company and are being replaced by the new workers. The definition of turnover is the situation where the employment relationship ends. However, different types of turnover do exist. Turnover and attrition are words that can be used interchangeably when talking about the exit of an employee. On the other hand, attrition occurs when the employment status ends due to retirement, leaving for a new company, or they leave voluntarily without anyone filling in their position. In other words, they departed on their own decision and won't be replaced (Przystanski, 2021). There are two main types of employee turnover: involuntary employee turnover and voluntary employee turnover. Involuntary turnover refers to the termination of workers due to their poor performance, violation of workplace policies, or absenteeism. This type of turnover occurs in the form of firing, termination, or discharge (Mayhew, 2019). It is called involuntary since it is not the employees' decision to leave the company but they are asked, forced, or required to do so. Voluntary employee turnover on the other hand occurs when the employees leave the company on their own decision. It can be called voluntary termination as well. This type of turnover occurs due to several different reasons such as relocating to a new area, getting a new offer at another company, losing motivation, unsatisfied with their job, not like the current company culture, or dealing with personal matters.

This paper will focus on the voluntary turnover and the real reason behind them. This study aims to explore factors that influence turnover, voluntary turnover specifically. The voluntary turnover happens when workers find better job opportunities elsewhere. This might include fewer work hours, better pay, better location, better work-life balance, or it could be because they are unhappy with the current organization that they are in. High turnover can be a reflection of a company's poor structure such as disengagement, poor onboarding, or mismanagement (Przystanski, 2021). For this

reason, it is very important for Human Resources in every company to keep track of their employees and know their problems relating to the company to reduce the turnover. This study will help Human Resource at company A or companies that are facing similar issues identify the core problem of the company, identify the issue, and find the right solution to fix this employee's turnover problem. The high employee turnover rate can cause severe immediate consequences such as: loss of morale for the employees left in the company, loss of valuable knowledge and experience, and loss of the trust in the team's competency. Therefore, being proactive to employees' needs is a must to prevent turnover (Bishop, 2020).

2.2 Leadership Theory

The term leadership is the ability to have an influence on a group of people in driving them closer to the desired goal of an organization. The term leadership and management are distinct yet they complement each other. For instance, effective leadership produces useful change to organization while effective management controls complexity. Leadership sets direction and motivates people to move forward in the right direction. It helps link organization and individual goals. Leadership empowers employees to meet the needs of both individuals and organization goals. There are several leadership theories including Trait Theory, Behavioral Theory, Situational Theories, Transactional Leadership Theory, and Transformational Leadership Theory. This paper will mainly focus on two leadership theories which are Transactional and Transformational Leadership.

2.2.1 Transactional Leadership Theory

Transactional Leadership focuses on directing and controlling the followers in order to achieve the company's goals. This leadership style views leadership as a set of exchanges between people. It takes a behavioral approach to leadership by focusing on a system of rewards and punishment to motivate the employees. Rewards and punishment depends upon the performance of the employee for Transactional Leadership. The leader who uses this type of management views the relationship between managers and followers as an exchange. For instance, the follower gives them

something in the hope to get something in return. When their followers perform well, they will receive the rewards. However, when they fail to perform they will be punished as well. Rules, regulations, standards, and procedures are vital in transactional leadership.

2.2.2 Transformational Leadership Theory

In contrast with Transactional Leadership Theory, Transformational Leadership Theory is a leadership style in which leaders inspire, motivate, and encourage workers to go beyond their capability to push the company toward success. This can be accomplished by setting good examples from the executive level through strong organization culture, independence in the workplace, and employee ownership. This type of leadership inspires and motivates their employees without controlling. In other words, the leader trusts their employees to make their own decisions on the assigned task. This management style opens rooms for employees' creativity and looking for new ways of finding new solutions to the same old problems. It emphasizes the motivation and positive development of the employees. Transformational Leadership creates moral standards and an ethical work environment with clear values, standards, and priorities. It builds the company culture by changing employees' mindset to work for common good, not just for their own interest. This leadership style focuses on cooperation, open communication and authenticity. There are 4 dimensions of Transformational Leadership. Firstly, inspirational motivation (IM) in which it creates an attractive vision to inspire workers. Secondly, Idealized Influence (II) which leaders are the role models for their followers and they are being admired for this. Next is Intellectual Stimulation (IS) that increases employees' understanding of problems and develops capacities to grow. Intellectual Stimulation inspires followers' imagination and stimulates their capability to solve the problem creatively. Lastly, Individualized Consideration (IC) is the leading style in which leaders focus on each follower's needs, act as their coach, and listen to their concerns.

Transformational and Transactional Leadership differ in which leaders that use Transformational Leadership style do not only recognize the need of their followers, but also try to bring those needs to higher levels of development and maturity. Moreover, this leadership style motivates employees to do more than what they expect and

encourages them to go beyond their capability. It focuses on the employees' development as well as pointing out the goals of organization, leader and group. Both Transformational and Transactional Leadership may be vital in achieving success in the long run.

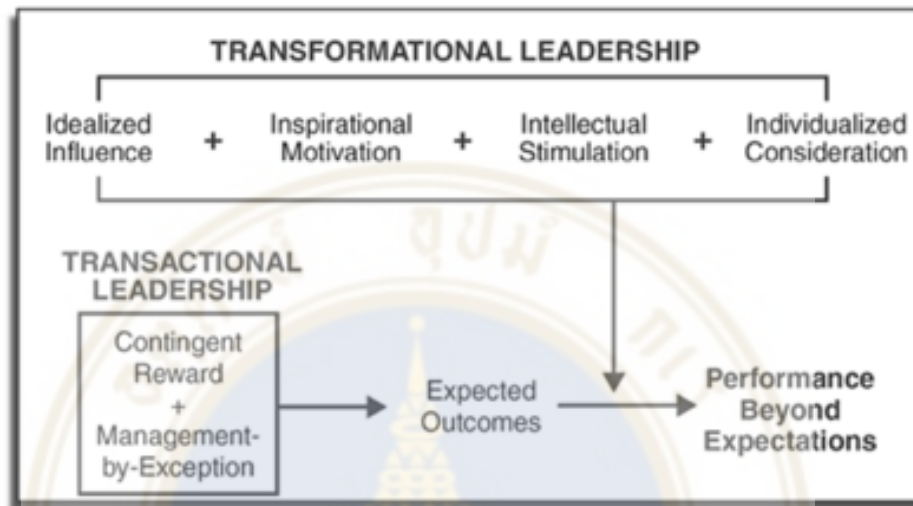


Figure 2.1 Transformational Leadership and Transactional Leadership

Source: Bass, B. M. & Avolio, (1990)

2.3 Motivation and Job Satisfaction

Job satisfaction is defined as the positive or pleasurable emotional state which results from assessment of job and job experience. It can occur when the workers' job provides what they value in the work situation. The factors that influence job satisfaction are divided into two groups which are intrinsic and extrinsic job satisfaction factors. Intrinsic factors are the attitude of employees toward their job. For example, it can be satisfaction such as excitement, challenge, enjoyment, or learning from doing the job. Extrinsic factor on the other hand refers to the factors related to the work environment. For example, praise from the boss, social interaction, promotion, salary, or bonus. When both factors combine, it can ensure the job satisfaction of the workers. Both intrinsic and extrinsic factors are fundamental factors that can affect both psychological and physiological state of the employees.

2.4 Job Characteristic Model (JCM)

The Job Characteristics Model is the model stating that a task is the key to motivate the employees. In other words, a boring and unchallenging job will demotivate the employees whereas a versatile and challenging job will produce a positive effect on employees' motivation. This model identifies five core job characteristics that are assumed to have the benefit of employees' psychological state and job outcomes (ToolsHero, 2021). The diagram below is how the Job Characteristic Model works:

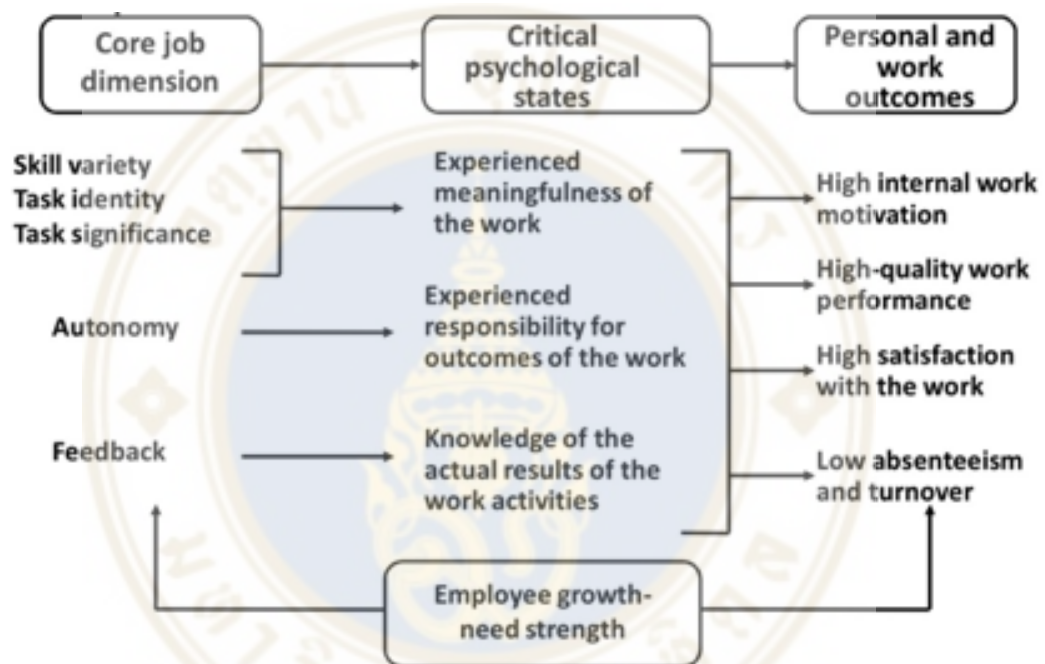


Figure 2.2 Job Characteristics Model

Source: Hackman & Oldham (1980)

The JCM Model identifies five core job dimensions which invoke three critical psychological states, then result in four personal and work outcomes. These five characteristics lead to many favorable work and personal results. The five core job dimensions are as follow:

1. Skill variety: the degree in which a job demands various activities in completing the task where talents and skills of the employees are used. Workers who do alternating tasks will likely be more satisfied with their job than a person who does the same task at work each day.

2. Task identity: Is when the work demands a complete product or process. Meaning that a worker is required to complete the whole work process from the very beginning to the end. This work cycle ensures that each employee is more involved in their work which means they will be more likely to feel more responsible than their co-workers who work on a small part of the work process.

3. Task significance: The degree in which the job has a concrete impact on other people's life within the organization or the society as a whole.

4. Autonomy: Is when the employees can work independently. It is the freedom for the employees to plan and set the procedures for the workday. This will help increase their sense of responsibility which in turn creates motivation.

5. Feedback: It is when the employees are informed about the effectiveness of their performances. This helps create a positive effect on employees' motivation.

For the psychological states, the three job dimensions which are skill variety, task identity, and task significance are combined to make experience meaningful for work. Having autonomy at the workplace will generate employees' feelings of responsibilities for the work outcome. Feedback is very important since it reveals how well the employees have been performing (YourCoach, 2021). Once all three critical psychological states are achieved the four degrees of outcome will be revealed. The four outcomes are high internal work motivation, high quality work performance, and low absenteeism and turnover. The purpose of this model is to create job roles that encourage employees to share ideas, increase teamwork, open for variation of tasks and job rotation, and encourage employees to give feedback to let them know how well they have performed.

2.5 Corporate Culture

Corporate culture is the shared values, standards, attitudes, and beliefs that shape characteristics of the employees within the organization and define its nature. It is rooted in the company's goals, structures, strategies, and approaches to workers, customers, investors, and community (Inc, 2020). Corporate culture can be shown through a company's strategy, decision-making, and daily work practices. Good corporate culture is vital to an organization's success. Corporate culture can have a great

impact on the company's operation. The culture normally flows from top management level downward and outward the company. It is common for organization culture to be set early by the activity or leadership of a founder. Corporate culture shapes behavior in which the values and norms influence daily practices of employees and customers. It emphasized unwritten rules passed on from employees to other employees. Corporate culture can produce a great impact on the organization's long term economic performance and even a greater impact on the success of failure in times of sudden change. Although corporate culture is difficult to change, it can be reshaped to enhance better performance of the company.



CHAPTER III

RESEARCH METHODOLOGY

3.1 Research Design

The data that I am going to collect is through a qualitative method. The in-depth interview was conducted with four employees at company A in which two people are the resigned employees, one is the current employee who stayed here for more than two years, and the last one is the employee from Human Resource department. To gain a deeper understanding of the intention behind turnover rate I interview employees from another company to widen my perspective about this subject. I chose to interview two employees from successful companies that have high retention rates.

The author conducted the interview at the coffee shop in Bangkok on 8-10 June 2021. Some interviewees prefer online interviews via Zoom application due to the time inconvenience. For confidentiality purposes, the author will not reveal both the company name and the real name of the interviewees. Instead, the author will name the company that has high employee turnover as company A and company with high employee retention as company B. All of the employees will be named as the first letter of their real name.

Firstly, I would like to get an insight of why the employees choose to resign from company A during this uncertainty of the economic crisis situation. What are some reasons behind their decision and the main issue that they are having with the company. I have also interviewed those who decided to continue working in this company for more than two years to find out the reason why they choose to stay. Secondly, I conducted an in-depth interview with an employee from Human Resource department from company A to discover more about the main problem that the employees are now facing and how the Human Resource department helps to solve problems of the employees. Apart from the company. Thirdly, I have conducted an interview with two employees from companies that have high employee retention rates, namely the company B. One of which is the employee at any department who is happy working with the company and

another is the employee from the Human Resource department. To get the insight of the factors on how the company can keep him or her happy working with them, the in-depth one on one interview was conducted with employee at company B. To widen the research perspective on this topic an in-depth interview was conducted with employee at Human Resource department at company B to see about what actions they do in order to successfully keep the employees at the company happy and stayed for a long period of time.

3.2 Sample

Let's begin with the employee from company A. The first interviewee is the marketing executive. I will call her Ms. K in short. Ms. K has worked with company A for six months. She is the marketing executive who is responsible for planning, executing, collaborating with other employees from another department, dealing with clients, and assigning tasks to her junior co-worker. Let's explore a little bit about Ms. K's background. She is a full-time employee with little experience in the workforce. She has one year of Public Relation experience in a media advertising firm. Then she left to be the flight attendant for four years. After the covid pandemic she decided to leave her job as a flight attendant and enter in the field that she is interested in which is marketing.

The second interviewee is the Sales Executive at company A. I will call him Mr. N in short. He has just started the job here three month after he decided to quit the company. He is a 29 year-old man who has more than 6 years of sales experience in a leading real estate consulting firm in Thailand. He decided to leave the real estate consulting firm because he wanted to move into the education or human development field which is why he chose to move to company A. However, he had worked with company A for just a very short period of time because he felt that he did not like the company culture and structure.

The third interviewee is the Learning Partner at company A. I will call her Ms. P in short. Ms. P stayed in company A for about two years. Her responsibility is to engage with customers and ensure that they have good experience using the company services. She will also have to collaborate mainly with the Marketing and Sales team to

keep an update with the customer's journey and give the feedback on how other functions can help improve customers' experience with the services of the organization.

Moving on to the last candidate that I interviewed at company A who has been working as Human Resource. I will call her in short as Ms. L. Her responsibility is to find the right candidate that fits the company. She is responsible for the process of screening, recruiting and interviewing. She also handles workers relations including benefits, training, on boarding, and engaging with the employees. She has been working with company A for two years.

An in-depth one on one interview was conducted with two employees at company B that has a high retention rate. Company B is the leading online e-commerce company in Thailand. The first employee that I interviewed at company B is a senior marketing executive which I called him Mr. H in short. After he graduated from Chulalongkorn University faculty of Communication Arts, he worked with one leading advertising agency in Thailand for one year after he decided to move to company B. He has been working with company B for three years now. The second interviewee that I interviewed at company B is Mr. C who has been working as the Human Resource. has been working with this company for six years now.

3.3 Interview questions

Qualitative research techniques including interviews and observations were used for this research to collect, compare and interpret information. Because the nature of this paper is exploratory research the qualitative research technique was best suitable. All of the interview questions are conducted in a semi-structured way by face-to-face and video call with the open-ended questions. These open-ended questions are set prior to the interview that enable the interviewees to express their thoughts freely.

The interview questions are as follow

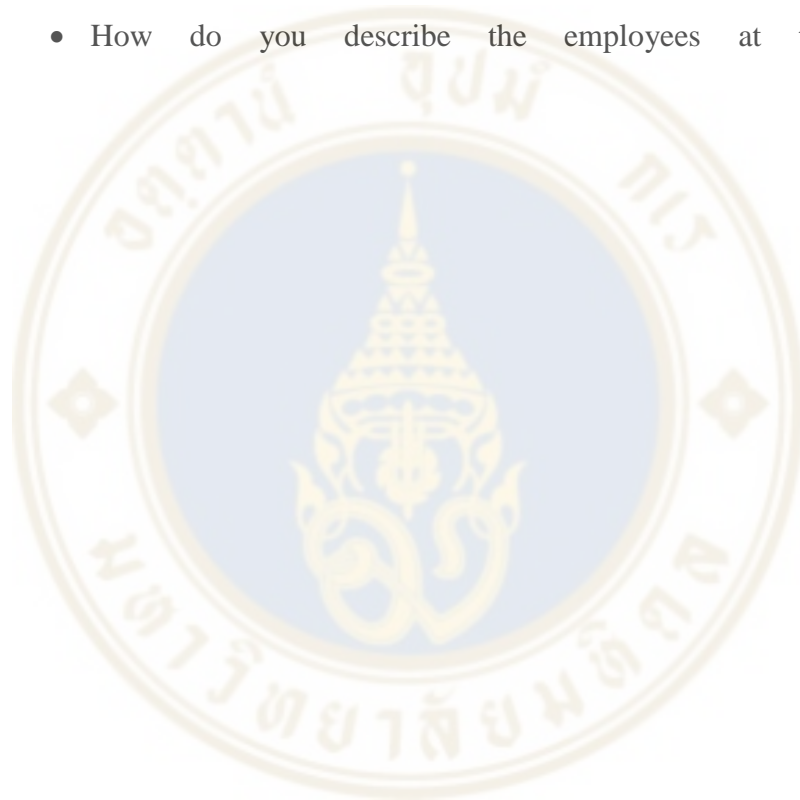
Part I: The employees at company A and company B

- Can you tell me briefly about yourself, your education, and your job experience?
- Please tell me about your role and responsibility
- Why did you decide to enter this company?

- Why did you decide to leave this company and what is the factor that has the most impact on your decision?
- Does the company provide you the department KPI? What happens when you reach the KPI and what happens when you are unable to reach the KPI?
- How do you like the working style of your boss? Do you perceive them more as a directing boss or more of a supportive boss?
- How does your boss motivate you to deliver a better quality of work?
- Do you feel like your boss understands your needs and tries to support you to develop a better quality of work?
- Does your boss help you solve the problem or let you go through the problem on your own?
- Can you tell me briefly about the work-related tasks that you have to do each day?
- Does it provide a variety of tasks or is it mostly repetitive tasks?
- How do you perceive your job compared to your ability? Do you think your job is challenging or is it easy and you feel like you can do more than that?
- Are you responsible for the whole work task or are you responsible for just a small part of the big process?
- Does your boss give you feedback on the quality of your work regularly?
- Are you happy with the feedback they gave you?
- How open is the company for you to apply new ideas to work?
- How do you describe your work environment at the company?
- Do you have a good work life balance while working with the company?
- How do you describe your company culture?
- What motivates you?
- Do you prefer to work alone or as a team?
- Describe the work environment in which you can work best

Part II: Additional questions for Human Resource at company A and company B

- What are some common issues that the employees are facing at the company?
- How often do you engage with your employees?
- How do you fix an employee's problem?
- In the exit interview, what are the most common factors that cause the exit of employees?
- How do you describe the employees at this company?



CHAPTER IV

FINDINGS ANALYSIS

After the in-depth interview and observation session, there are many interesting factors to point out. It can be categorized and explained in order to find out the factors that significantly affect the turnover rate at the company A. Below is the analysis of the findings that have been gathered during the interview and observation. Each factors are categorized in different aspects under consideration:

4.1 Ineffective leadership style

It was found that most team leaders at company A used Transactional Leadership style to control the employees in order to achieve the company goal. There will be quarterly KPI for every department to achieve. However, all interviewees at the company A, Ms. K, Mr. N and Ms. P, stated that the CEO of the company gave unrealistic KPI which is impossible to achieve. *“We never reached the KPI set by the CEO and once it is unreached, we get scolded for not making it”* Said Ms. K. The KPI of a company is measured by the number of close sales achieved within each month. However, during this Covid-19 pandemic, the number KPI was slightly higher in the previous year which made it almost impossible to achieve this economic crisis. The leader of company A thinks that setting high KPI will motivate employees to work harder. However, instead of motivating them it became the tool that demotivated them. Ms. K stated that her boss only focuses on the KPI but he has little to no advice on how to achieve it. As mentioned on the previous page that Ms. K is the marketing executive who has little office work experience, she is very new to the marketing field. She is the only Marketer in the department since her senior co-worker got fired during her very first week after she joined the company. However, instead of hiring some senior Marketer that has years of experience in the marketing field to replace the senior co-worker that was fired, the boss decided to hire the newly graduated employee with no

work experience to join the team due to the cost reason. *“My boss only focuses on pushing me to achieve the KPI without giving me guidelines or even helpful comment on how to get there”* said Ms. K. This clearly shows that her boss did not recognize the need of the follower and did not support, set the direction, or give guidelines of how his employees will accomplish the goal. This leadership style placed the blame on the employees who are being assigned on a task, rather than blaming on the mismanagement of the leader in the first place. This often leads to increased dissatisfaction of the employees. Most leaders at company B on the other hand used Transformational Leadership style as a way to motivate an employee. The leader at company B pays attention to the developmental needs of each individual follower. They help the followers look at the old problem in new ways and inspire them to give extra effort to achieve a higher target. *“Most of the time my boss helps me to think and solve old problem in new innovative ways,”* said Mr. H. He further said that he feels like this company is the place where he can develop his creativity and skills.

4.2 Poor employee satisfaction and motivation

According to the interview and observation, it was found that all interviewees from company A are dissatisfied with their job. The two factors that influence job satisfaction are intrinsic motivation and extrinsic motivation. Intrinsic motivation produces higher performance and satisfaction of employees while extrinsic motivation helps reduce dissatisfaction. Intrinsic factors are recognition, challenge, excitement and enjoyment. Extrinsic factors are security, salary, and working conditions. From the interview and observation, it clearly showed that all interviewees have low intrinsic motivation. *“The task of the job is not challenging, I feel like I can do better than this”* said Mr. N. Most employees from company A feel like the learning curve is comparatively low while they are working with this company. While the extrinsic factor such as salary is considered to be high in the company A. *“The main reason that I am still working here is the salary and working conditions. Most people became unemployed during Covid and it is very difficult to find a new job these days. I have a family to take care that is why I can not lose this job”* said Ms. P. All interviewees said that the working conditions are very flexible. They are not required to come into

the office since the Covid-19 pandemic hit in early 2020. *“The working conditions are quite flexible. Now we can work remotely due to Covid-19 situation. This reduced a lot of time travel to work”* said Mr. N. Moreover, the company A provided a higher salary compared to other similar companies in the market. *“The thing I love about this company is that they respect my non-office hours. My boss rarely disturbs me after 6pm, on weekends or on my day off. I feel like they respect my rest time. I can have my full day off doing the things I want without worrying that there will be an urgent meeting or urgent task assigned by my boss”* Said Ms. K. This shows that company A has a good work-life balance and respects employees’ privacy.

Employees from company B on the other hand have high intrinsic motivation which result in higher level of involvement with their work. As for the interview and observation, employees from company B show a high level of emotional attachment with the company which results in higher level of commitment with the company. *“I am happy with my role as a marketer at this company. Whenever I create a campaign and there is a positive result, I am very proud of it”* Said Mr. H. *“This job allows me to make important decisions that impact the overall performance of the business. I always feel that it is challenging to complete my assigned task”* Mr. H added. Employees who showed a strong positive behavior toward achievement will be likely to have higher motivation such as working long hours, accepting challenging tasks, and willing to go beyond their limit to perform the highest outcome to the company (Scoot, Moore & Micelli, 1997). *“People here are very active and energetic. Working overtime or on weekends is a typical thing in this company. For example, yesterday we finished meeting at 10pm. Sometimes I get exhausted and there are moments that I question myself why I have to push myself so hard? and there are times that I want to just quit because it is too tiring. But when I see positive results on my work outcome. It fuels me up and motivates me to challenge myself more”* Said Mr. H. This shows that company B has poor work-life balance. Employees here have to work hard and have little time to themselves. But it also proves that employees with high motivation are willing to work harder or sacrifice their time for the company when they have high motivation and are satisfied with their job.

4.3 Job Characteristic Model (JCM)

4.3.1 Skill variety

Skill variety is the degree in which a job requires various activities in completing the task where employees can exercise their skills and talents. From the interview, all interviewees from company A said that they usually do the same task at work each day. *“I feel like this job is not challenging at all, my role is to collaborate with the Sales team and Learning Partner team to come up with new courses to attract new customers. After the course is designed I will have to write the content about the course to promote it then send the content to the Sales team for approval”* Said Ms. K. Other interviewees agree that the repetitive tasks of the job created boredom. There is nothing new to try out or improve their learning curve. While the employee at company B stated that their roles change everyday. The company B encourages workers to generate new ideas and go beyond their capability with little boundaries.

4.3.2 Task identity

Task identity is the degree in which a worker is required to complete the whole work process from the very beginning to the end. As for the interview, employees at company A stated that they are only part of the work process. The nature of the task performed by employees at company A needs to be reviewed and approved by employees at another department. For instance, whenever marketing produces the sales material it is required to be approved and revised after they receive comments from the sales team. *“Oftentimes I am only a small part of the work process. We collaborate with other department to complete the whole work process which often takes longer time to complete the task”* said Mr. N. *“Sometimes I did all the task by myself such as writing short sales scripts without asking help from the Marketing team due to the time limit”* Mr. N added. When the worker is required to complete the whole work process by himself, he will feel more responsible for the outcome. Similarly to company B the nature of the task required approval from employees from another department as well.

4.3.3 Task significance

Task significance is the degree in which the work related task has a positive impact on the well being of others. According to the interview and observation, all interviewees from both company A and company B think that the service of the company provided to customers such as mindset courses will have an impact on the end-user. *“Actually all of our mindset courses are very good. We have helped many companies that were facing crisis to get through this crisis situation with our mindset course”* said Ms. L. *“When I talked with our clients and learning that our mindset courses actually help many business to survive in this uncertainty or just improve the relationship among their family member, it makes me feel good”* said Mr. N. As for company B, the interviewee stated that he is happy that the platform the company provided gives many opportunities for people to do business online which create job opportunities for many people especially during this Covid-19 pandemic. This shows that both company A and company B have moderate to high task significance that can increase employees’ desire to have their assigned task done well.

4.3.4 Autonomy

Job autonomy is the freedom for the employees to plan and set procedures for the workday. As for the interview, employees at company A have slightly low Job autonomy. *“What was extremely bothering me was about the job autonomy. I was required to do things in the old pattern that they used to do while I found a quicker way to deliver the same result. But I was not allowed to do so because my boss told me that I should follow the old procedure strictly”* said Mr. N. He further stated that he has little freedom in planning his tasks and creating processes to get the job done. Ms. K has the same opinion that the company gives employees little autonomy to complete the task she was assigned to do. Most interviewees from company A stated that they were dissatisfied with the limitation of how they want to get the job done. Moreover, They were not willing to accept the negative outcome of their job since they felt like they were many other people in the loop of the task and they were not the major decision maker so they thought that they were not accountable for the outcome.

The employees from company B on the other hand stated that there are reasonable levels of job autonomy. All interviewees said that they have reasonable

freedom in how they would like to get the job done. What they need to stick with is the goals, benchmarks and deadlines. *“One of the factors that made me happy working with this company is the fact that I have autonomy over my work. Most of the time I am allowed to plan and execute the assigned tasks the way I want to as long as it reaches the goals, benchmarks and deadlines”* said Mr. H. Since the employees are doing the task by their own way, they are more willing to accept the responsibility from the task they were assigned to do so. Moreover, this will also increase the level of job satisfaction which then results in higher retention rate.

4.3.5 Feedback

Job feedback is when the employees are informed about the effectiveness of their performances. Based on the interview and observation, all employees from both company A and company B stated that they were informed about the effectiveness of their performance. However, some interviewees from company A stated that they got feedback on their performance but they slightly got a good suggestion from their boss on how to perform better. *“Oftentimes I only get the complaints from my boss asking why I am unable to reach the department KPI. But my boss provides little to no suggestion or even help us brainstorm on the alternative ways that we can perform better”* said Ms. P. Job feedback is the important factor in improving employees' level of job satisfaction. Useful and effective feedback can help employees perform better and fix what they have not done right in order to increase their performance.

4.4 Toxic corporate culture

Corporate culture provides a non-formal way of controlling behavior which influences daily practices of employees. It can be shown through the organization's strategy, daily work practices and decision-making. Corporate culture is vital to the firm's success. As for the interview, all interviewees from company A are dissatisfied with the culture of the company. The work environment in company A puts employees in extreme pressure. As mentioned, the CEO has an incredibly high KPI which is an example of unrealistic expectation. As for the interview with employees at company A the finding is quite surprising. All of the employees said that CEO always show toxic

attitudes towards employees. *“Each and every time that I have to be in a meeting with the CEO, I am overly stressed. There are many times that I can not sleep at night because I have to present the marketing plan to her”* said Ms. K. Ms. L who is the Human Resource of the company stated that there are several reasons that the employees decided to leave the company. But the most common reason is the corporate culture factor. She said that most employees can not bear the unnecessary pressure from the CEO and the top management team. *“There are many times that the CEO yelled in the meeting. At first, it seemed like she was trying to use negative reinforcement to push us to work harder. But it often ends up that she can not control herself and go beyond the limitation”* said Mr. N. This produces a toxic workplace climate and produces burnout to the employee. Burnout is the result from excessive work-related stress. It can occur from low levels of creativity, poor performance, headache, workplace insecurity and exhaustion. Moreover, 63% of the burned out employees are more likely to take as much as 2.6 time sick days and likely to be seeking for new job opportunities elsewhere (Knightfrank).

The interviewees at company B on the other hand stated that they are happy with the company culture. All of the interviewees stated that company B has a positive culture of leadership and mentoring. The top management and the team leader always make sure that the employees are comfortable working and collaborating with other employees at all levels by encouraging one-one-one meetings between various teams and roles. The findings from the interview are quite impressive. The interviewees stated that at company B, most employees from all levels feel valued in both professional and personal aspirations.

CHAPTER V

CONCLUSIONS AND RECOMMENDATION

This chapter will provide the summary of the finding while giving recommendation to the turnover problem of Company A. The analysis from the finding together with the relevant concept from literature review allow me to point out the problems that cause high employee turnover at company A while also helping in preparing the appropriate solutions to the problem. As for the finding, the main problems that cause high employee turnover at a company are categorized into three main factors which includes: In effective leadership style, poor employee satisfaction and motivation, and toxic corporate culture.

To begin with, the company uses the wrong leadership style to motivate their employees. They use the Transactional Leadership style as a way to motivate employees to work harder. The CEO set unreasonable KPI for the employees which make it almost impossible to achieve this economic crisis. The leader of company A thinks that setting high KPI will motivate employees to work harder. However, instead of motivating them it became the tool that demotivated them. This leadership style puts the blame on employees rather than on the mismanagement which results in employees' job dissatisfaction. To fix this problem, we suggest that company A should consider using Transformational Leadership style to lead the employee. There are three main steps we recommend the company A to take action on. Firstly, the leader should act like a role model to the follower. As for our finding Ms. K felt like her boss was not concerned about her and did not provide helpful support to overcome the problem that the team is facing. We suggest that the leader should be supportive to the team members and truly care about their needs. Next, the leader should pay close attention to the developmental needs of their team members and inspire them to give extra effort to achieve the company goal. The leader should recognize each team member's needs and ability and treat each employee as an individual with different needs, abilities and goals.

Secondly, poor employee's satisfaction and motivation can lead to high turnover. As for the findings, it clearly shows that employees from company A have a low level of intrinsic motivation. They did not enjoy doing their job and were not satisfied with their role. While extrinsic motivation is considered to be moderate to high. This is because the company gives a higher salary than the industry average, provides workers with good working conditions, and rewards employees with bonuses if they have outstanding performance. Our recommendation to increase employees' job satisfaction is to focus on the intrinsic factors. The employees at company A feel like the job tasks are not challenging and feel like they can do better than this. The company should challenge employees with new tasks and guide them to come up with new ideas. Learn the needs of each employee and help them to develop their learning curve. This can be done by providing the right training that helps each employee upgrade their skills and grow together with the company. When both intrinsic and extrinsic factors combine, it can ensure employees' level of job satisfaction. Both factors are fundamental factors that can affect both the psychological and physiological state of the employees.

We explore more about the reasons behind job satisfaction levels based on the Job Characteristic Model (JCM). As for our findings, most employees at company A feel like the task is not challenging and they rarely have a chance to exercise their skills and talents, leading to poor satisfaction. Moreover, the employee at company A stated that they are only a small part of the work process. They are required to do things in the same old pattern even when they can come up with a new process that can fasten the workflow. This shows that the company has poor autonomy which creates an unenjoyable workplace for employees and can discourage workers to perform at their best. Most employees at company A stated that they always get feedback for their performance. However, they rarely got a good suggestion from their boss on how to perform better or to fix the problem, resulting in job dissatisfaction. The solution to these problems is to provide some high tasks significant to employees. When the worker is required to complete the whole work process by himself, he will feel more responsible for the outcome. The team leader should provide useful and effective feedback that can guide employees to perform better and help them to come up with new solutions or ideas to the old problem.

Lastly, culture can have a big impact on employees' satisfaction and turnover. As it provides a non-formal way of controlling behavior which influences daily practices of employees. According to our findings, employees at company A are dissatisfied with the culture of the company. The work environment in company A puts employees in extreme pressure. The toxic corporate culture is the common reason that most employees find it unacceptable and leave the company eventually. Building a good business culture is one of the main solutions that help reduce employee's turnover. It is the key to keep employees engaged. With high employee engagement, the company will be able to drive worker retention because employees who are engaged at work will be less likely to look for new job opportunities elsewhere.



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