

**EMPLOYEE RETENTION:  
THE STUDY OF EMPLOYEE SATISFACTION  
AND JOB CHARACTERISTICS**



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**EMPLOYEE RETENTION:  
THE STUDY OF EMPLOYEE SATISFACTION  
AND JOB CHARACTERISTICS**

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**EMPLOYEE RETENTION: THE STUDY OF EMPLOYEE SATISFACTION AND JOB CHARACTERISTICS**

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**ABSTRACT**

In this study, the differences between current and former employees are investigated regarding their satisfaction and rationale for resignation. The relevant factors are identified by the employee satisfaction, job characteristic, and other factors to prioritize and address the issues. The previous study in literature reviews is limited to a public listed company and still lacks information on the small business context. This research will investigate the hygiene/motivation variables as well as job characteristics that have a substantial impact on employee retention. With this, the qualitative research is required to understand the employees and context through ten interviewees. Prioritizing satisfaction criteria changes throughout time as a result of context and personal necessity, according to an in-depth interview. Employees will be more attracted to job autonomy and skill variation, according to the results of the interviews. The task significance, job advancement, and job achievement will be most influencing factors in strengthening the long-term commitment and pulling employees to retain in the company. Self-improvement, relationships, and personal necessity will be considered as major motivators for employees to resign at this time. As a result, because there is no human resource department in this organization, the recommendation to boost employee retention will be to reinvent human resource management and development to fit with the demands of the employees.

**KEY WORDS:** Employee Retention / Employee Satisfaction / Job Characteristic

45 pages

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## **CHAPTER I**

### **INTRODUCTION**

To emphasize the managing people strategy, the retention issue will become more important in the next years. Individual commitment and job efficiency will be strengthened as organizations gradually acknowledge the relevance of employees' demands and a supportive work environment (Harris, 2000). Employee retention is a difficult issue for the company to address in order to keep talented and committed personnel for a longer period of time. As a result, retention should be defined as the process that motivates and encourages individuals to remain committed to the organization's mission.

The desirable objective of employee retention is to facilitate employee needs along with organizational values. Therefore, the retention strategy will benefit both employees and employers in the long run. On the other hand, the loss of employees will affect the organization's productivity and effectiveness. Since knowledge is recognized as the most valuable asset for an organization, therefore human capital is capable of enhancing the organization's productivity (Toracco, 2000; Snell and Dean, 1992). There is a significant economic impact when a high potential employee departs from their organization (Fitz-enz, 1997).

The significant loss of human capital is the time and resource investment in developing a new employee to effectively work and be able to take responsibility instead of their leaving employee. Consequently, loss of company knowledge and current productivity could interrupt the organization and lead to the loss of potential customers. Furthermore, the unspoken negative impact usually influences the remaining employees to resign more. Whether creating a satisfying environment or motivating employees for career advancement, the proper retention strategy to manage people will result in a positive outcome for the organization (Sangita, 2019).

This study aimed to address the influencing factors which affect employee retention in a small company. This study will focus on 10 employees in one small company to address the following research questions:

- 1) What are the hygiene and motivation factors that influence employee retention?
- 2) What are the job characteristics that significantly affect employee retention?

As a result, the study's scope will conclude job satisfaction and job characteristic factors that lead to employee voluntary resignation. Additionally, investigate the retention strategy and actions that an organization should do to encourage internal people management. The study's methodology will be qualitative research through in-depth interviews. And the interviewees will be selected from both existing and resigned employees of the organization.

In the present, the small business tends to have the limitation of financial liquidity to elevate their business's competitive competency. Compared to responsibility, the compensation in return may seem inequity for employee effort. Furthermore, unforeseen career parts and some inefficient procedures may create tension for a high-performance employee to seek new employment as well.

Hereby, from these possible reasons, the organization face great resignation during the past years and might continue losing for years ahead if not improve their existing management approach. The human resource is the foundation for competitive advantage in educational business; therefore, this study will be significantly essential for the management team to foresee and initiate policy in order to retain their employees and increase their organizational productivity.

## **CHAPTER II**

### **LITERATURE REVIEW**

Undeniable, employees are the most valuable assets for organizations. The significance of human resources is their capability and knowledge to deliver works and tasks effectively. Hereby, the challenge of employee retention is to retain them by determining their satisfaction factors and designing jobs to suit their needs. At this point, employee retention is not about the retention management process but the people management approach.

Intentionally, this chapter will provide the relevant theory and research to give a comprehensive view of job satisfaction, job characteristics, and retention strategies. The literature topics will focus on factors and their contribution to employee retention.

#### **2.1 Herzberg's 2-Factor Theory**

Work satisfaction is generally defined as personal work satisfaction. Work satisfaction is an employee's perception of work and determines work satisfaction based on physiological and psychological criteria (Betts, 2000). As a result, a positive awareness of an organization's work and tasks enables employees to achieve job satisfaction and improve performance. The organizations and employers need to improve and maintain employee satisfaction in order to achieve organizational outcomes, meet employee expectations, and avoid dissatisfaction (Smith et al., 1969; Locke, 1976; Hackman and Oldham, 1980).

In 1959, Herzberg initiated the framework for his motivation theory as the two factors theory or dual factors theory. This theory described the satisfaction factors as the motivator and hygiene factors. The motivator included the variables of work responsibility, job advancement, career growth, employee recognition, and job achievement. Otherwise, hygiene factors related to the organization policy, salary, leadership approach, and teammate relation (Herzberg, 1959). Hereby, the hygiene

factor will be relevant to employees' dissatisfying experiences that result from extrinsic or non-related jobs factors. In contrast, the motivational factor will come from intrinsic to the content of the job itself (Steers, 1983).

Robbins (1993) defined motivation as "the willingness to exert high levels of effort toward organizational goals, conditioned by the effort's ability to satisfy some individual need." Regarding the Herzberg theory, the motivational factor will satisfy the employees through the nature of work and the direct rewards from their performance, such as achievement and advancement. Comparing to the Hierarchy of Needs, those intrinsic characteristics are the individual's needs for self-actualization and self-realization in their work.

The hygiene factors are related to the need to avoid unpleasantness or dissatisfaction. Herzberg argued that the cause of hygiene factors would result in a neutral state instead of a satisfaction state (Steers, 1983). The hygiene factors are associated with the individual relationship to the working environment and context. Organization policy and administration, which promote ineffectiveness or inefficiency, lack of knowledge or ability to respond from supervision, interpersonal relations, lack of recognition and achievement, can also cause dissatisfaction (House & Wigdor, 1967). Therefore, unsatisfied needs or unmet needs will create tension in the individual level. With this, the employer should attain their employee's particular goals to reduce this tension (Robbins, 1993).

The recognition will enrich the job fulfillment throughout supervisor and peers, customers, or subordinates. Vice Versa organizations should motivate their employees by improving the job and management approach into the specific methods (Herzberg, 1959). Organizations can use job enlargement to achieve employee motivation by giving a variety of tasks for employees to perform in more challenging or exciting ways. The employer should provide a broader range of complex, interesting, and challenging work to enhance job enrichment. Hence, employers and organizations should design the job characteristics to be more challenging and increase opportunities for advancement, recognition, and personal growth (Ramlall, 2004). Thus, the employee's sense of attainment and realization of their goal and the organization will enhance employee retention (McCrensky, 1964). In that case, lack of job satisfaction will lead to lower employee retention rates.

## **2.2 Job Characteristics Model**

Align with the Herzberg's two factors theory, a job should be designed to satisfy and motivate. Hackman and Oldham (1980) approach the specific the desirable work characteristics. An employee will experience the internal motivation from their job when it generates three essential states in psychology: personal responsibility, work meaningful or significant contribution, and effective effort into performance (Pinder, 1984).

### **2.2.1 Skill Variety**

In approach to generate meaningful experience, responsibility, and knowledge from the employee's effort, the jobs should be designed to require a variety of different activities in carrying out the work, involved with several different skills and talents usage (Hackman & Oldham, 1980, p. 78). Implementing multiple talents will increase the more meaningful experience for employees. Also, it intrinsically motivates employees more than other simple jobs (Pinder, 1984).

### **2.2.2 Task Identity**

Hackman & Oldham (1980) identified task identity as the degree of significance of job completion or identifiable work completed from beginning to the end with a tangible outcome. According to the Job Characteristic Model, the employees are capable of gaining a greater understanding of their job while completing an integral unit of work, which leads to earning more meaningful experiences at the same time. Hereby, the task identity encourages the feeling that the job is meaningful and worthwhile to motivate them work smarter (Coelho and Augusto, 2010).

### **2.2.3 Task Significance**

Hackman & Oldham (1980) defined the third factor, task significance, as the degree of substantial impact from the job on other people, society, or the world. Thus, employees may perceive their work to be significant and contribute to the satisfaction of self-esteem and personal needs.

#### **2.2.4 Autonomy**

Autonomy is the degree of freedom and independence for motivating employees in scheduling and determining the procedures (Hackman & Oldham, 1980). In order to carry work out, the amount of decision-making and independence tasks will allow employees to expand their vertical responsibility. Consequently, autonomy can motivate and enable employees to exert new ideas and learn to grow their relevant skills (Coelho and Augusto, 2010).

#### **2.2.5 Job Feedback**

Job feedback is the knowledge of employees' results, including the information from other people and the job itself. In general, there is a correlation between job characteristics and behavioral outcomes (Alera, 1990). With this, Hackman & Oldham (1979) determine job feedback as the critical factor in reducing absenteeism and employee turnover.

Employer and management team need to give feedback to emphasize the employee result and area of their improvement: leading to a better understanding of their work nature (Coelho & Augusto, 2010). Employees prefer to have timely and open feedback from their supervisors individually. Furthermore, this feedback process should arrange during the ongoing project and separate from the formal performance review. At this point, the feedback is able to emerge from both sides of employee and employer to assess the results (Ramlall, 2004).

With job feedback communication, feedback enables employees to acknowledge their performance. Still, employers are capable of providing either positive or negative feedback to employees. With proper communication and strategy, the job feedback will prevent employees from demotivating and absenteeism. (Sandhya & Kumar, 2011)

### **2.3 Maslow's Hierarchy of Needs Theory**

According to the Maslow Hierarchy of Needs Theory, there are at least five sets of needs and goals divided into physiological, safety, social, self-esteem, and self-actualization. This concept believes that humans will be aspired and has the potential to

become more self-actualization (Stephens, 2000). To imply the Needs Hierarchy concept to organizations and working aspect, the management team responds to create an appropriate environment for employees to develop their potential effectively. Failure to provide a workplace environment will lead to employee dissatisfaction and lack of effectiveness in working performance, which could be caused to the employee's withdrawal from the organization (Steers & Porter, 1983, p.32).

The possible adaptation of Maslow's Need Hierarchy Theory into workplace environment may include the cafeteria facility for the physiological state, reasonable wage and safe working condition in the security state, encourage to social interaction in the social state, challenging job and awards for the self-esteem state, and capacity development or challenging activity in the self-actualization state (Ramlall, 2004). Hereupon, when employees perceive an imbalance or unfairness in their outcome input, the tension and job dissatisfaction will be cumulative. And this tension will provide the basis for the motivation of employees to exert their equity and fairness (Robbins, 1993).

## **2.4 Employee's Retention Strategy**

Retention strategies become more challenging from their significant economic and organizational performance impacts. Direct and indirect costs are estimated at least approximately 25% of the average employee salary for the financial aspect; the price of turnover includes hiring costs, training costs, and productivity loss (Sangita, 2019). There is a significant impact when the organization loses any critical employees who embed essential knowledge (Fitz-enz, 1997). At this point, skill and knowledge are recognized as valuable assets for organizations to perform their business and internal working systems (Toracco, 2000). The investment in capacity building would be more profitable in the long term than other assets (Mueller, 1982). Knowledge management will assist organizations in preserving knowledge to enhance organizational performance through the working process (Bassi, 1997).

From the different theories of employee motivation and satisfaction, there are various strategies by which the employer can motivate their employees. Sandhya &

Kumar (2011) conclude the employee retention into five significant motivation aspects that related to other research as following:

**1) Environment:** a suitable working environment will encourage commitment for employees and fulfill their basic needs (physiological and safety). The working environment affects the employee's performance which leads to the organization's productivity (Ramlall, 2003; Nelson, 2006). The characteristics of the working environment will be different in each industry. For instance, the service sector should design a workplace to encourage employees' interaction properly because the services sector will be directly dealing with clients and colleagues (Normann 1986). Since the harmful working environment could disturb the working environments and employees' health; lighting and noise are also identified as casual factors of operating performance. Thus, it is beneficial for organization productivity and reduces individual health risks.

**2) Growth:** the employee's growth and productivity are the aimed result of their performance and satisfaction (Grossman, 2002). Career opportunity and development are considered as critical factors in employee retention. (Messmer, 2000). For this reason, the employee tends to resign if they are unable to foresee their career path and advancement in the current organization (Sangita, 2019). Hence, training and capacity-building programs which provide employees with specialization and skills will assist in validating employee capability, which organization needs (Gomez et al., 1995; Messmer, 2000). At this point, training is a sign of organization commitment to employees, which reflects the organization's strategy for value-adding rather than cost lowering (Storey and Sisson, 1993).

**3) Compensation:** employees generally expect high compensation, including salary, bonus, insurance, and other benefits (Sangita, 2019). Even the compensation is not the main influencing factor to retention; compensation can reduce the turnover and increase employee's commitment (Davies, Taylor, & Savery, 2001). Compensation has a significant role in attracting and retaining high performance or imperative skilled employees that may highly require investment in their training and orientation (Muhammad & Fahad, n.d.). In general, small companies have to compete with the high labor markets; some companies may adopt the low wages strategy to deduct their cost of investment and



training. However, this amount of compensation will affect employee turnover. An organization that offers high compensation will attract more candidates for employment applying with a lower turnover rate (Lawler, 1990). The monetary benefits will motivate employees to retain in the organization and tend to attract more skilled employees (Willis, 2000; Williams & Dreher, 1992). Arguably, monetary benefits may satisfy employees but not be sufficient to retain them in the long term (Smith, 2001; Harris & Brannick, 1999).

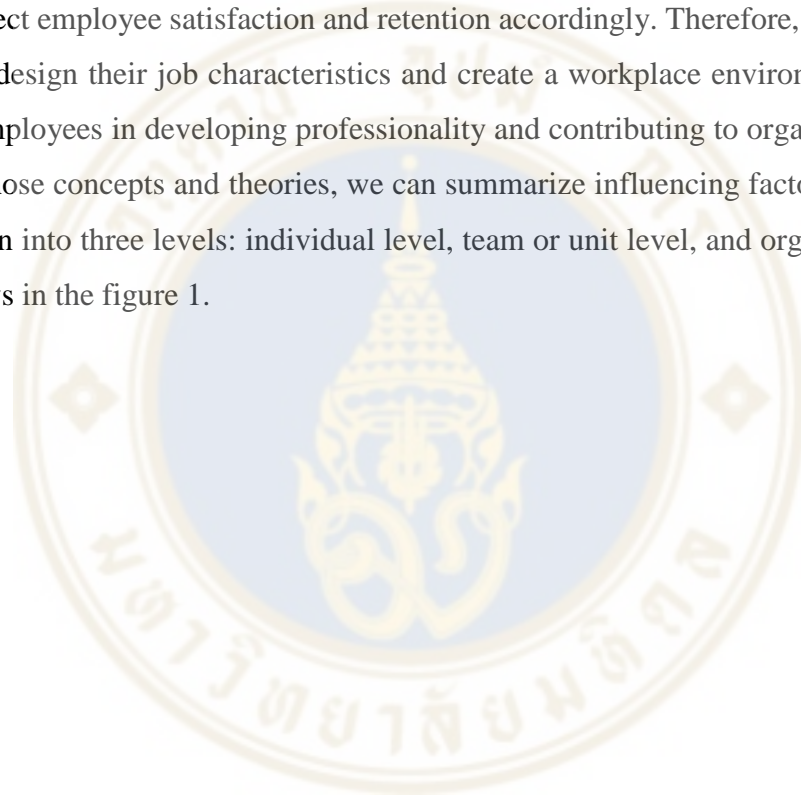
**4) Relationship:** the relationship among the management team and colleagues could be the reason to stay or leave the organization. Managers play a significant role in supporting work culture and environment to encourage personal and professional relationships. A supportive work environment will assist employees in developing their professionalism and satisfaction. Vice versa, the uncomfortable towards the management team or colleague may lead to less satisfaction and destruction (Sangita, 2019). Align with Van Knippenberg (2001), who states that employees will become more loyal and retained in the organization where they perceive to become the part of a group, within a group, or contribute to the performance as a group. Hereby, the sense of belonging and personal relationship also affects employee retention.

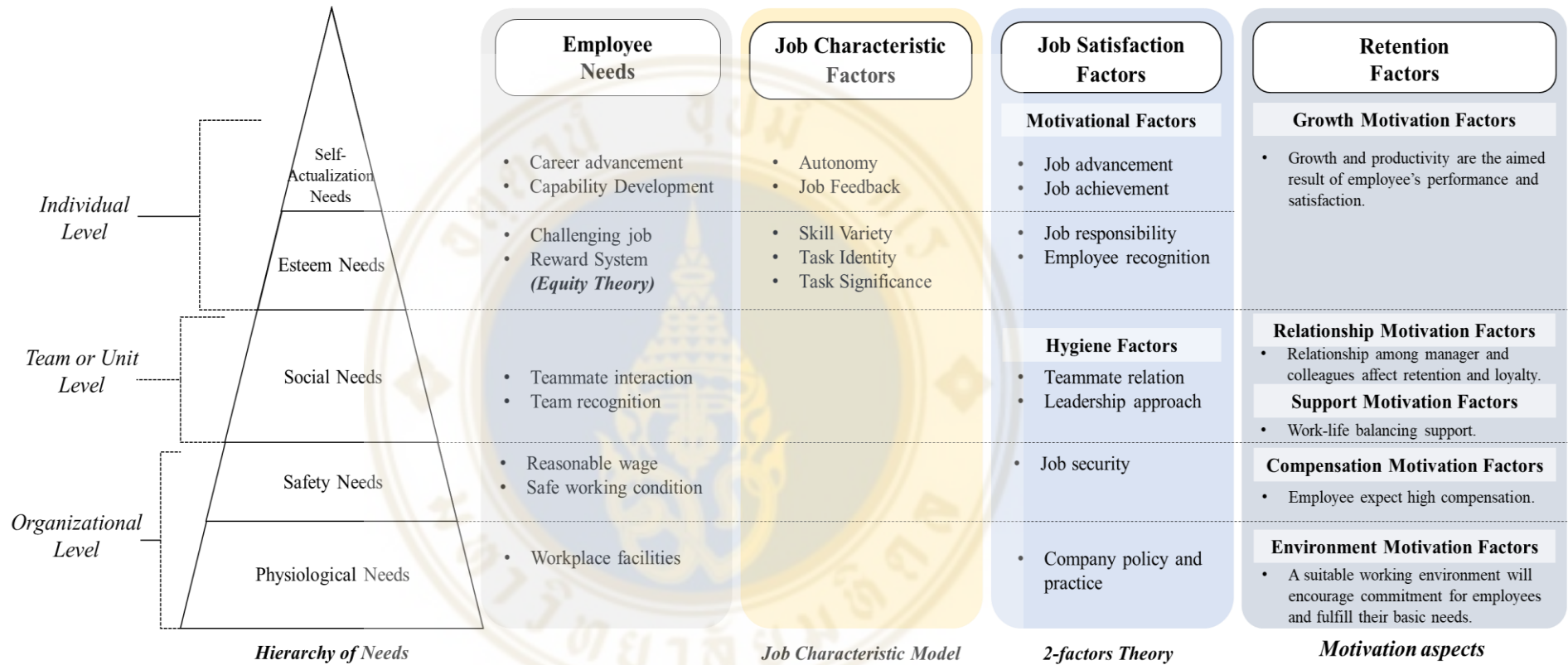
**5) Support:** employee tends to demand work-life balancing support for their organization (Sangita, 2019). Likewise, some research indicates that the majority of employees are concerned about their supervision and direction in the organization. Thus, the leadership approach is also considered as the influencing factor in employee retention because the relationship between supervisor and worker has a vital role in employees' turnover intention (Muhammad & Fahad, n.d.). Supportive supervision and open communication will enrich employees' healthy relationship that promotes organizational engagement (Greenhaus, 1994). Self-esteem from employees will result in job involvement, decreasing absenteeism and turnover rate accordingly (Muhammad & Fahad, n.d.).

Regarding employee retention, human capital and motivational management will gradually enhance the organization's productivity (Snell and Dean, 1992). An organization should incubate leaders to be supportive and design a suitable working environment. To mitigate turnover rate and prevent organization interruption, the organization should provide opportunities and performance feedback that enhance

employees' capability and long-term commitment. Likewise, more excellent retention also motivates potential employees to become the organization member and strengthen existing employees' citizenship.

The decision process of voluntary resignation may require many justifications. Maslow's Hierarchy of Needs enables us to understand the overview of the employee's needs that can be applied to physiological and psychological development. These employee needs can be used to design job characteristics in order to enhance employees' actualization and satisfaction. At this point, the job characteristic will affect employee satisfaction and retention accordingly. Therefore, the organization should design their job characteristics and create a workplace environment to support their employees in developing professionalism and contributing to organizational goals. From those concepts and theories, we can summarize influencing factors for employee retention into three levels: individual level, team or unit level, and organizational level as shows in the figure 1.





**Figure 2.1 Relevant factors for employee retention**

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

#### **3.1 Data Collection Method**

From the literature review in chapter 2, there are theories and concepts that demonstrate the desired job characteristic and employee satisfaction to increase retention in the organization. However, the aspects of the working context will be different in each industry and size. Even the service sector still differs from the manufacturing sector too. With this, to provide insight analysis and initiate precise recommendations for the small company, the qualitative research methodology is required to be used in this study to understand the employees and context. The data collection method will be gathered through in-depth interviews with purposive sampling to answer the research questions.

#### **3.2 Interview Method**

The primary data finding in this study will be provided from the in-depth interview method. The interactive question and answers will be structured by the study framework divided into two main sections: job characteristics and motivation/hygiene factors which lead to employee satisfaction

##### **3.2.1 Sample Selection**

This study will scope in the small company that operates in the educational field. For this study, the interviews will be conducted with 10 interviewees obtained with this company's current and resigned staff. The sample selection will use purposive sampling (non-probability sampling) to answer the determined research questions. In order to investigate a phenomenon of the company, sample selection will consider the relevant characteristic to get a comprehensive view of their rational decision. Thus, the

sample selection will be conducted in different working statuses, gender, generation, position, working duration, and educational levels.

**Table 3.1 List of interviewees**

<b>Code</b>	<b>Working Status</b>	<b>Gender</b>	<b>Generation</b>	<b>Position</b>	<b>Working Duration (Years)</b>	<b>Educational Level</b>
A1	Current employee	LGBTQ	Gen Y	Senior Manager	3	Ph.D.
A2	Current employee	Female	Gen Y	Project Manager	4	Master's degree
A3	Current employee	LGBTQ	Gen Z	Project Coordinator	0.5	Bachelor's degree
A4	Current employee	Male	Gen Z	Researcher	3	Bachelor's degree
A5	Current employee	Female	Gen Y	Administrator	0.5	Master's degree
B1	Former employee	LGBTQ	Gen Y	Senior Manager	2	Master's degree
B2	Former employee	Male	Gen Y	Project Manager	3	Master's degree
B3	Former employee	Female	Gen Y	Secretary and Coordinator	2	Bachelor's degree
B4	Former employee	Male	Gen Z	Researcher	2	Bachelor's degree
B5	Former employee	LGBTQ	Gen Y	Administrator	4	Bachelor's degree

### 3.2.2 Open-ended Questions

In order to understand the challenges that employees face through their working experiences, open-ended questions are prepared to address the relevant issues and give interviewees more flexibility to rationalize their answers or decision.

**Table 3.2 Open-ended question list**

Finding Factor		Interview Question
<b>Organizational Level</b>	Environment Motivation Factor	1) What was your motivation to work in this company? 2) How would you describe the working environment in this company? 3) What did you like about the company policy and practice? 4) Is there anything you dislike about the company policy and practice? 5) What did you like about the workplace environment and its facility? 6) Is there anything you dislike about the workplace environment and its facility?
	Compensation Motivation Factor	7) Did you think this company provided you with the stability of working status? How? 8) How do you think about reasonable compensation and benefits? How do you define is it adequate or not? 9) Did you perceive that the given compensation and benefits are reasonable or not? Why?

**Table 3.2 Open-ended question list (cont.)**

<b>Finding Factor</b>		<b>Interview Question</b>
<b>Team or Unit Level</b>	Support and Relationship Motivation Factor	10) What is your preferable co-working approach or style? 11) What kind of treatment or support have you received from teammates and supervisor? Did you satisfy it or not?
<b>Individual Level</b>	Growth Motivation Factor	12) What skills are you expected to use or gain from working in this company? 13) Did your job responsibility lead you to gain more skills or knowledge? Why? 14) How did you complete your work? Did it rely on many parties' cooperation or not? Did you satisfy it or not? 15) Did you perceive that your work has benefits or impacts for the social? Why? 16) Did you have the freedom to design and process your project? How? 17) Did you receive helpful feedback from your teammate or supervisor? How? 18) Did you receive development programs that benefit your capability or career growth? 19) How important is achievement motivate you? 20) Did you achieve something during working here? Does it satisfy or fulfill you? Why? 21) Did you perceive any inequity treatment among colleagues? How had you perceived it and why?

**Table 3.2 Open-ended question list (cont.)**

Finding Factor		Interview Question
<b>Team or Unit Level</b>	Support and Relationship Motivation Factor	<p>22) Does the company provide career growth for you? How? / When you decided to leave the company, do you perceive inadequate career growth from the company? Does the career growth opportunity from other company distract you from the company?</p> <p>23) How do you see yourself in the next five years? Do you still have a planned future with this company? Why? / When you decided to leave the company, what is your plan at that time?</p> <p>24) After considered all related factors, which factors motivate or influence you to stay or leave from this company?</p>



### **3.2.3 Probing Technique**

A probing question is a strategy to clarify and address detail of the interviewee's answer. This technique is suitable for drawing information when interviewees avoid expressing their experiences. Also, this technique is intended to encourage more profound thoughts about the employee's experiences. Thus, probing technique is adopted to ensure the validity of information and get insight from asking further questions (Behr, Meitinger, Braun, & Kaczmirek, 2017).

### **3.2.4 Semi-Structured Interview**

The interview method attempts to carefully interpret information and expression of interviewee's opinion or belief. The semi-structured interview method probably the most widespread type of interview that equated with qualitative interviewing. This semi-structured interview is suitable for knowledge-producing along with the conversations. While interviewee will be able to follow up on their significant aspects and issues, interviewer will be able to focus on the issues that important to the research question too. The interview purpose is to obtain the interviewees' description on how they experience or perceive the phenomena (Nathan, et. al., 2014).

The interviews will conduct through face-to-face conversation with interviewees. The location of the interview process will be selected for interviewee convenience as a private room, coffee shop, or virtual meeting where the interviewee feels comfortable. During interviews, both verbal and non-verbal communication will be observed and conducted to analyze further. Each interviewee will take approximately 30 – 45 minutes, including introduction, open-ended, and probing questions.

### **3.2.5 Research Framework**

This study aimed to compare the influencing employees' decision factors to stay or leave the company during the past two years. The research framework will cover the common elements of job characteristics, employee satisfaction, and other relevant factors among interviewees. The Job Characteristic Model and Two-factors Theory were adopted and classified into five motivational aspects from Sandhya and Kumar (2011) to conduct information and analyze systematically. Thus, this framework will

divide into job characteristics and employee satisfaction factors to specify detail and improvement actions.



**Figure 3.1 Research framework**

This research aims to integrate theories with the insight of primary data collection to initiate practical recommendations. The literature review and in-depth interviews were adopted to reflect and identify the significant factors that influencing employee retention among the interviewees.

## **CHAPTER IV**

### **RESEARCH FINDINGS**

The employee is the smallest unit in the organization but turned into the most crucial part of the organization. This individual factor is essentially important for future career and organizational growth. After conducting the in-depth interviews, this chapter's summarized and analyzed qualitative information will be classified into five issues, including company background, interviewees' characteristics, job characteristics factors, job satisfaction factors, and decision-making comparison.

#### **4.1 Company Background**

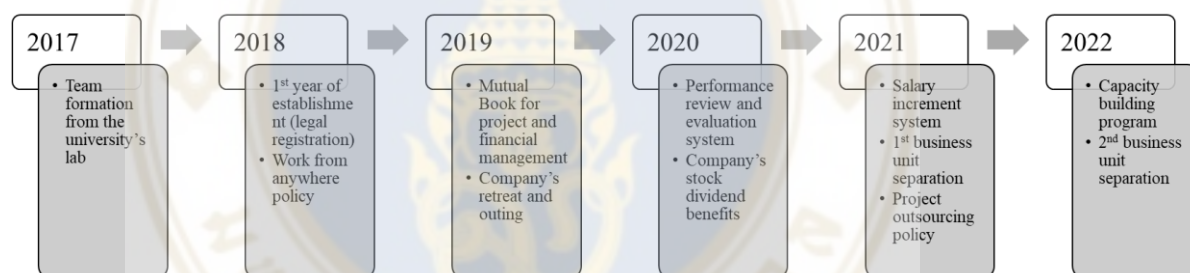
The selected company is the small company in the educational and research sector. The company consists of 12 full-time employees, separated into three service offerings and three hierarchical levels. Usually, the company offers social research, workshop organization, and business consulting services. Other services may provide to the customer's requirements.

The company's vision is aimed to bridge the academic works into the practical approach at present. Hereby, the company's mission will focus on contributing qualified research and incubating young researchers to co-create a better research ecosystem. The company culture is flexible and friendly relation. Employees will have high flexibility and freedom in their project management and working hours—the company values self-management and trust in employees' capability. Most of the employees were friends before, resulting in friendships that were formed before their employment. For this reason, all the employees who used to work at this company were all friends. Including new employees who will be recruited, most of them will choose to accept only friends or acquaintances of people in the company.

With the project-based procedure, the scope of each project will depend on the customer's requirements and restrictions. Hereby, to facilitate the projects'

flexibility, the company sets the hierarchy to classify employees' responsibilities and authorities into three simple levels: the project's supervisor, project manager, and researcher or project coordinator. The supervisor will oversee their project's performance, provide guidance, identify development needs, and manage to ensure the company's performance. The project manager will manage the project outcomes according to the customer's requirements from the initial ideation to completion. And researcher or project coordinator will respond to ensure the schedule, budget, and details of a given tasks quality are well organized.

Currently, projects for which employees are responsible are assigned by supervisors. The number and topic of the project will depend on each employee's aptitude and workload abilities. For compensation, the starting salary is the same for all employees, and there will be an opportunity to increase the salary based on the annual performance evaluation since 2020.



**Figure 4.1** Company timeline

## 4.2 Characteristic of Interviewees

The company has high similarities among its employees, according to its vision that focuses on developing the new potential of young researchers. As a result, employees are in the age range of 25-30 years, classified as Generation Y and Z. All employees graduate with a bachelor's degree from the same university, which cultivates a culture of freedom. Most employees also graduated from the related social development. This is consistent with the interview findings that most employees choose to apply to the company because of their related knowledge of graduation, the familiar surroundings of their peers, and following their profound values.

Interviewees are divided into employees who have left the company and employees who remain at present. The interviewee's characteristic is the same as other employees in the company; the only significant differences are in their job title and working duration. Because the various policies and benefits allocated by the company are developed in chronological order; as a result, the interviewees' different working durations will reflect the different perceptions of the policies and practices over time.

### **4.3 Job Characteristic Factors**

Based on the concept of Hackman and Oldham (1980), which states that job attributes influence employee motivation, interview results are ordered from their importance and summarized according to these job characteristic requirements.

#### **4.3.1 Task Significance**

Among Job Characteristic factors, Task Significance is the most influence on employee's satisfaction in both current and former employees. The nature of the social research of the company is mainly focusing on social development work. As a result, most of the respondents (A1-A4 and B1-B4) agreed that their assigned job could positively impact society. This is an important part that makes employees feel proud to be a part of creating a better community. Therefore, this is the most influencing factor contributing to employees being retained at the company.

Align with Hackman & Oldham (1980); this task significance will create a positive perception for an employee to contribute substantially to other people or society. The interviewing result indicate also that this factor will contribute to employee satisfaction through their self-esteem and personal needs. This information is consistent with many interviewees (A1-A3 and B1-B2) who argued that "It's great when you can work that be able to build your profile and benefiting society simultaneously."

Back to the significance in the company aspect, to recognizing the importance of being a part of creating results for the company's business operations, most interviewees (A1, A3, A4, A5, B2, B4, B5) do not know whether their work is beneficial to the prosperity or advancement of their company. As A4 and B5 respondents said that they did not perceive the importance of themselves, and the

company's operations as opposed to being an integral part of the social movement. This issue will be involved in the lack of recognition problem and dissatisfaction. At this point, some respondents (as mentioned by interviewee A1, A4, and B2) commented that the company should communicate its direction to enhance the understanding of their company contribution or significance among employees, leading to both sides' achievement.

#### **4.3.2 Autonomy**

Among, Job Characteristic factors, Autonomy is the second order of the most influencing factor for current employees. And become less importance from the former employee's side. According to the company culture, freedom in working results in high autonomy. The project manager and researcher have the freedom to manage the project procedures and make decisions independently. Hereby, all current employee's interviewees (A1-A5) have the consensus agreement that high autonomy is important in ensuring employee satisfaction and retention.

However, the interview findings reflect that currently work autonomy still needs to be limited by customer requirements and employee skills (as mentioned by A1, A3, A4, B2, B4). The company is obliged that the project work aligns with the customer's needs and conditions specified in the project agreement. To ensure the project outcomes are consistent with the project contracts. At this point, working independently also requires the experience and knowledge of employees to deliver the project results according to the company's standards and customer's requirements. With this, the interviewee A4 and B2 are stated that the excessive autonomy can create tension for employees who lack the experience and essential knowledge to work independently. Therefore, supervisor support and feedback are necessary to relieve the stress of these employees.

Moreover, the trust of the project supervisor support and motivation, some interviewee agreed that this trust can motivates them to grow their relevant skills, which resulting in the higher education study of interviewee A1, A2, A4, and B2. At this point, it in line with Coelho and Augusto's study (2010) who stated that the trust will encourage employees to develop their skill sets to fulfill their vital or interesting skills.

### **4.3.3 Task Identity and Skill Variety**

Among, Job Characteristic factors, Task Identity and Skill Variety is the third order of the most influencing factor for employees' satisfaction. Currently, tasks will be assigned and managed within the project team. The project manager and researcher have to initiate and complete their related project work independently. Therefore, the nature of work leads to high task identity. Most interviewees agreed that this high task identity led them to gain more meaningful experiences.

In the approach to generating meaningful experience, the skill variety aspect will be involved to increase the capability to complete their work effectively. Four out of five interviewees (A1-A4 and B1-B4) expected and gained comprehensive skills from their work. The interview found that most interviewees (A1, A2, A4, B1, B2, B4) expect to gain skills and knowledge from working at this company, e.g., research skills, project management skills, statistical tooling skills, coordination skills, and negotiation skills. As a result of working on projects, employees have developed knowledge and skills as expected or perhaps even more than expected. It is not only the work-related skills; many interviewees also gain other valuable non-work-related skills that satisfy them from its benefits in their personal life. At this point, the capacity-building program and supervisor support will encourage their skill development. On the other hand, if skill and knowledge development is not allocated by the company and puts the burden on employees, it will be able to create more dissatisfaction and pressure at work instead.

Referring to Pinder (1984), various skills will motivate employees better than other simple or routine jobs. For this reason, the interview results reflect that support employees such as admin and accountants will perceive less meaningful experiences and skill variety from their responsible work. Hereby, the interviewing result of interviewee A4, B3, and B5 reflect that the interviewees who in the supportive roles often feel stressed and demotivated easily from their tight schedule and amount of work.

### **4.3.4 Job Feedback**

Among, Job Characteristic factors, Job Feedback is the most influencing factor which can lead to dissatisfaction of former employees. Job feedback approaches have developed over time, both informal and formal feedback. All respondents used to

receive feedback from their supervisor. But none of them used to receive feedback from their teammates and subordinates. And some of them (A1, A2, A4, B1, B2, B4, B5) used to receive feedback from their clients directly in both positive and negative ways. At this point, the interview result reflects that the negative feedback from client can demotivate employee easier than the negative feedback from supervisor. Resulting in the resignation of employees (B1, B4, B5) who are often receive the negative feedback from their clients. However, they still do not have bottom-up feedback from the employee side.

Job feedback is the important communication that leads to a better understanding of their work nature (Coelho & Augusto, 2010). Interviewees A1-A5 and B1-B3, agreed that helpful feedback should be timely and open feedback from their supervisors individually. Align with Ramlall (2004), who mentioned that the feedback process should arrange during the ongoing project and separate from the formal performance review.

With job feedback communication, employees tend to acknowledge their performance and gaps for improvement. Many feedback leads employees (interviewee A1, A2, A4, B2) to enroll in higher education levels or even seek other solutions to fill the gaps. However, some improper communication can lead the employee to be demotivating and absenteeism (as resulting in interviewee B1, B3, B5). Some negative feedback has to communicate carefully to prevent miscommunication. From the opinions of the interviewees (A1, A3, A4, B1, B3, B5), it was found that supervisors should honestly criticize the work or the mistakes of the employees without emotional tension. According to the close relationship between supervisors and employees, sometimes words are used too radically or emotionally in communication. When the work talk is overshadowed by emotion, it can lead to misunderstandings and dissatisfaction. Besides, some employees (interview A1, B1) expect very friendly feedback from their supervisors; even neutral feedback could be severe criticism.

Job Characteristic Factors are the group of factors that affect employee retention the most. Autonomy and Skill Variety are the key factors influencing employees' desire to work at this company. However, when the paradigm shifted from the COVID-19 stimulus, other companies initiated more relevant policies that enhanced



employees' autonomy. Consequently, this factor has been negated by the broader variety of options available in the industry.

Thus, it turned out that Task Significance was the most critical factor that led most employees to decide to continue working at the company. In comparison, Job Feedback was not a significant factor when employees considered resigning or staying at the company. But it directly affects the relationship within the company and the teamwork environment. For instant, the emotionally criticize or strongly negative feedback for the project outcome quality and delay schedule from the supervisor. Hereby, Job Feedback may become a push factor that leads employees to start looking for a good working environment in other companies instead.

#### **4.4 Motivation/Hygiene Factors**

The positive perceptions of the company's works and tasks will enable employees to achieve job satisfaction and deliver a better output. Hereby, the company should design and improve its procedure and outcome to meet the employees' expectations and avoid dissatisfaction, resulting in the retention rate of employees. From Herzberg's Two Factor Theory (1959), which states the motivator and hygiene factors, interview results are summarized and discussed according to the job satisfaction grouping.

##### **4.4.1 Hygiene Factors**

The hygiene factor is relevant to employees' dissatisfaction which result from extrinsic factors. With this, the hygiene factors are the surrounding factor of the job rather than the job itself. The interview result will be ordered according to their significant level to influence employee satisfaction.

4.4.1.1 Coaching Leadership Style: the leadership approach is also considered the influencing factor in employee retention. Current employees commented that the coaching style of the supervisor is most satisfies them and influence them to retain in the company. Interview results reflect that the supervisor's direction is crucial to a satisfying working experience (as mentioned by A2, A3, A4, B1, B3). At this point, it is the strength of the supervisor who understands their employees' nature

well. As a result, an approach to supervising and working with each employee can be appropriately designed. The interview results also showed that a more strengthened relationship with the supervisor would lead to strong trust in the company and employee retention from its engagement (as agreed by A1-A5). Consistent with Greenhaus (1994), supportive supervision and open communication will enrich a healthy relationship between employer and employee.

4.4.1.2 Supportive Team Relation: the interview results indicated that the relationship between coworkers is a second important factor in employee retention (as agreed from interviewee A1-A5, B1, B3). Although there is no clear collaboration protocol. But the personal relationship and the connection of employees is an advantage that causes the collectivist working style among employees (as mentioned by A1-A3, B1, B3). Moreover, interviewee A1, A2, A3, and A4 commented that similar age makes collaboration free of generation gaps. Therefore, among employees who are able to find teammates with similar working styles, it creates a high level of job satisfaction (A1-A3). On the other hand, if an employee is unable to find a similarity in working behavior among the team, it will be stressful due to the lack of support from other coworkers (A4, B2, B4, B5). This factor is one of the main reason's employees decide to quit their jobs (as mentioned by B1-B5). Therefore, it can be said that if the company has a more explicit co-working practice, employees will reduce their undesirable actions and individuality with their coworkers. Consequently, it will be able to reduce the gap between employees and increase the sense of belonging among coworkers.

4.4.1.3 Problem Hearing Practice: Current employee interviewees A1-A5 comment that this hearing practice enhances their trust in this company, thus ensuring that the supervisor will attempt to find a solution for them when a problem arises. At this point, current employees satisfy this practice. However, interviewee A4 and A5 also mentioned that when some employees make too many complaints, it can also turn into a negative perception in other coworkers' view if the complaint is not a common problem with most employees. Contrast with former employees that dissatisfied with the existing problem hearing practice. Interviewee B1, B2, B3, and B5 complain about the inequity of the supervisor's judgment e.g., unequal punishment measurement among employees with similar mistakes.

4.4.1.4 Job Security: most of the interviewees (A1-A4 and B1-B3) agreed that the company would remain stable in the long run. But employees may not be able to stay with the company for the long term. Even the executives can reassure employees that the company will continue to generate income and sustain itself (as mentioned by A2-A4). At this point, most employees (A3, A4, A5, B1, B2, B4) do not expect job security from this company because it is a small company that is still needed to develop and grow. Currently, employees consider their job security with compensation. Even employees know that the company will not dismiss them in the future, but compensation cannot assure them some other external risks in their personal life. Most respondents (A1-A4, B1-B4) commented that they would be willing to take on more responsibility if the company gave more benefits aligned with their increased commitment. On the other hand, A1 and A3 respondents feel more burden if only the amount of work increased, but the salary remained the same. Respondents agreed that the company should provide other returns to reward employees' dedication more than the job's experience and skills. This situation could lead the employee to reduce their contribution and commitment to the company in the long run. At this point, the interviewee A1, A3, A4, B1, and B3 agreed that less compensation will also lead to less security in the ability to expense their daily living. In addition, unforeseen career path also makes employees feel insecure about the uncertainty of their career growth (as mentioned by interviewee A1, B1, B2, B3, B4). As a result, less job security could lead to a shortened working duration.

4.4.1.5 Self-Management Practice: the company empowers employees to manage their projects with their preferable approaches. This policy is very satisfying at first in both current and former employees. However, this practice also has pros and cons. Over time, there was a problem when the employee had to co-working with other employees or external people. Because most employees put their own identity into the working approach (as mentioned by interviewee A2, A4, A5, B2, and B4). Therefore, it creates problems when some employees (A2, A4, A5, B2, B3, B4) have to coordinate or work with others who may have different working styles. These unwritten and unclear practices lead to employee conflicts, combined with unclear work procedures and regulations such as coordination principles, documentary preparation, budget disbursement, and quality of work principles (as mentioned by A4, A5, B1, B2,

B3, and B4). Because there are no mutual guidelines to be adhered to in order to make decisions or comply. Therefore, when problems arise, supervisors must consider them case-by-case basis. Sometimes, it raises questions about equity when employees perceive inequitable treatment or decision (as mentioned by A4, B1, and B2). Consistent with Equity Theory, when employees perceive their unfair treatment, they tend to reduce their input efforts or quit their job and seek equitable employment elsewhere (Champagne, 1989). This issue will be challenging the employer to clarify their co-working practices and reward and punishment system.

4.4.1.6 Work-From-Anywhere Policy: this company initiated the Work-From-Anywhere policy since before the COVID-19 situation occurred. From the interviewing result, all interviewee agreed that the company policy and culture emphasize flexibility and enjoyment for employees. Align with high autonomy; the Work-From-Anywhere policy facilitates employees to work independently. This policy makes the company attractive to the new generation, who expect a flexible work system to extend their work-life balance. However, there still lack of supportive system for employees to work-from-home effectively, e.g., supervisor and clients use the employees' personal social network chat as the main communication channel, no remote access for cloud content management of many documents, no online approval system from the supervisor.

The working environment and context could create undesirable tension among employees for hygiene factors. At this point, the hygiene factor is associated with the employee's relationship to the working environment (Steers, 1983). From the interview results, job security factors are the main factors to consider leaving the company. Interviewees mentioned that it causes insecurity and drive employees to look for other opportunities. It is also found that relationships with colleagues and supervisors are important factors that attract the most employees to keep working for the company. It can be said that the intensity of personal relationships would create a stronger bond with the company.

#### **4.4.2 Motivational Factors**

The motivational factor or motivator included the variables of the job itself, which come from intrinsic (Steers, 1983). According to the Herzberg theory, a motivator will satisfy the employees and drive their willingness to exert high effort toward performance. The interview result will be ordered according to their significant level to influence employee satisfaction as following.

4.4.2.1 Job Advancement: challenging projects play an essential role in helping employees achieve their job advancement. This knowledge and skills development create the most satisfying experience for current and former employees (as mentioned by A1-A4, B1-B5). Most interviewees (A1-A4, B1-B5) gain work skills and experiences that lead to job advancement by learning through the company's work itself and capacity-building program. The interviewee A1, A2, A4, B2, and B4 answered that they expected to gain more professional skills development from the company. After employment, those interviewees received developed skills more than their expectations which benefit them in career advancement.

4.4.2.2 Job Responsibilities: high task identity and skill variety lead the employees to perceive higher work responsibility in their job. This factor is most influencing employee retention. From the interviewing result, current employees (A1, A3, A4) have negative and positive opinions. Job responsibility leads employees to self-motivate and self-esteem, which brings satisfaction to most employees. By the way, it also creates tension from the weight of that responsibility. Interview results point out that employees expect the company to contribute equitability for their hard work contribution. At this point, most respondents (A1-A4, B1, B4) commented that they would be willing to take on more responsibility if the company gave more benefits aligned with their increased commitment. This situation could lead the employee to reduce their contribution and commitment to the company in the long run. According to the Equity Theory, many interviewees are concerned about their return reward compared with their duty. Align with the former employees (B1-B5), who decide to exit the company when the job responsibility is raised too much to handle and do not have other things to compensate for this higher workload.

4.4.2.3 Employee Recognition: the employee recognition will enrich job fulfillment through coworkers and supervisors. This recognition factor

creates less satisfaction in both current and former employees (A1, A4, A5, B2, B3, B4). In the project-based working context, employees work separately with their project's teamwork. When the work progress and achievement limit the recognition in a smaller group of people, employees tend to have less recognition for their success. Some interviewees (A1, A4, B2, B4) feel demotivated when they cannot see their value and contribution from their excellent work to the success of the company operations. There could be a disadvantage of a highly independent working style that makes employee contribution more individualistic than collective success.

4.4.2.4 Job Achievement: interviewee A1, A3, A4, B1, B2, and B4 commented that they seem to be able to do the task achievement rather than job achievement. At this point, both current and former employees feel dissatisfied in their current job achievement. When the project is complete, employees feel proud that they can finish the project independently. However, they still feel a lack of achievement at the company level or had any lasting impact on their work. At this point, the company does not have the formal accomplishment complimentary when employees achieve something. As interviewee A4 said that "we cannot perceive any importance of our work to the company. It feels like we work for our assignment to be done in our project not to drive the company's success." This lack of Job Achievement results in the demotivating to take responsibility for challenging jobs or elevating themselves to higher positions. Some interviewees mentioned that they feel burned out and turn to work only for their assigned duties. Therefore, this factor is the key to driving force some employees to leave and search for more achievement in their life elsewhere.

Interviewing results indicate that while employees perceive the complexity of their challenging work, the job advancement and responsibility will be raised to motivate their self-esteem and grow their capabilities. However, the lack of recognition and job achievements may lead employees to have less sense of belonging, which affects their long-term commitment to the company. Align with McCrensky (1964), who indicates that the employee's sense of attainment and realization of their goal and company will affect employee retention. Resulting in resignations in recent years when employees seeking for more explicit achievements in their careers after gaining

sufficient capabilities from the company. Consequently, these factors turn out to be the push factors that drive employees to exit and grow in other companies instead.

## **4.5 Retain and Resign Decision Comparison**

According to the Hierarchy of Needs Theory, there are basic needs that people will be aspired to respond and to fulfill their needs (Stephens, 2000). When we imply the Hierarchy of Needs Theory into the employee's decision-making process, it reflects that employee tends to seek an approach to fulfill their individual needs based on their conditions of time and circumstances. After fulfilling the internal esteem from work responsibilities and achievements, some employees will be looking to strengthen their security and external needs on the physiological side. At the same time, for age and time reasons, some employees raise their requirements in each stage to be higher to achieve their higher needs and responsibilities. Human needs are endless; likewise, the employee's needs. Especially in Thai society, where most people are raised to take care of their parents and emphasize more social status when age grows. In this regard, from the interview, the employee's decision can be summarized and processed from its importance as follows:

### **4.5.1 Capability Development**

From the interviewing, most employees (A1, A2, A4, B1, B2, B4) expected to gain capability development from working in this company from day one. The challenging work and high autonomy lead to self-esteem and self-actualization among current employees. Employees who decide to start and still working for this company are seeing and being able to foresee their career development from their current jobs (as agreed by A1, A2, A4). The most significant factor to retaining in this company is the possibility to experience and achieve more comprehensive knowledge and skills in their related field and interest. According to the company's size, a small company tends to encourage employees to experiment with various skill sets. Hereby, all employees are activated to develop themselves in a short time. The learning curve of employees tends to be high and frequent due to self-learning and supervisor coaching. Thus, most current

employees (A1-A4) perceive these knowledge and skills gained from their responsibilities to be valuable and beneficial for them in the long term.

#### **4.5.2 Goal Alignment**

For a longer duration of working experience employees, they have precise career goal to be relatively in research and educational field. For instance, interviewee A1 has her goal to be an instructor at the university the company partnered with. While A2 and A3 interviewees aimed to work in social development and extend the social benefits for society. At this point, when an employee has the goal aligned with the company's strength and operational process, it will strengthen and lead to longer retention. However, their goals could be changed over time. Hereby, some resigned employees (B1, B2, B5) who used to have the same goal turn to change their minds to do something else. Thus, the strength and clarity of the employee's desired purpose and career path involve the company's retention.

#### **4.5.3 Continuous Self-Improvement**

This group of employees will decide based on it work-related as their priority. These employees will focus on self-development in their career aspirations (aligned with interviewing result of A1, A2, A3, A4). Therefore, those employees are constantly pursuing their career paths and opportunities, which allow them to develop and elaborate their knowledge. As Messmer (2000) argued, the career opportunity and development are considered as critical factors in employee retention. Align with the interviewing results, over time, the challenges of their current works may not attract or encourage them to develop towards their desired goals at all. Hence, those employees (B1-B4) tend to be looking forward to a new choice of work in a related field or another field where they are interested in encouraging continuous self-improvement. At this point, some employees (B3 and B4) discover that their aptitudes and preferences are not aligned with their current occupation. Thus, they decide to resign to start another path on their own.

Interviewee B1 decided to resign and start to work in research and educational fields because they need to grow their career advancement and achievement in approaches that they considered the former company could not provide. Therefore,



some employees opened their opportunities to experience more challenging work responsibilities to develop their skills in another company. All former employees' interviewee argue that the former company does not have a clear career path which consistence with Sangita (2019). With this, former employee's respondents cannot foresee their career growth and company progress. Some interviewees (B1, B2, B5) also mentioned that the position promotion did not elevate their pride and skills much because the workplace environment emphasizes peer-to-peer work where everyone had the same hierarchy. Consequently, the incentive to encourage self-development and career development is more diminutive and leads to less self-actualization (Ramlall, 2004).

#### **4.5.4 Relationship**

Relationship factors are able to be both positive and negative drivers of resignation. When new job opportunities come, employees will make comparisons to analyze the trade-off on that alternative scenario that significantly involved the relationship factor (as mentioned by A1, A2, A3, B1, B2, and B3). The worthiness of resignation is weighted on the relationship's employees might lose and the uncertainty risk of encountering a worse workplace relationship. Interviewee B1 and B3 argued that the close relationship between coworkers and supervisor often makes employees reluctant to quit, aligned with the opinion from the current employees (interview A2, A3, A5) who also used to have the interesting new job offers. Most employees tend to resign despite the reluctance when great and undeniable career opportunities come. However, at the decision-making time, the relationship factor often leads those employees to reconsider their alternatives (as agreed by A1, A2, A3, A5, B1, B2, B3).

On the other hand, a toxic workplace relationship can become an impetus that drives employees to make exit decisions (as mentioned by B1 and B5). Even though their new job offering may not be as attractive as it could be, some employees tend to accept that opportunity. Likewise, some employees may choose to quit even when they do not have any new job offering if they have conflicts among colleagues or supervisors (as resulting in the resignation of B5). Therefore, the workplace relationship factor is as vital as encouraging employee retention.

#### 4.5.5 Changing Personal Needs

During weighing the job opportunities, personal factors usually play important roles in order to push employees to exit the company (as mentioned by B1, B3, B4). Arguably that these personal factors are the inevitable catalyst for the decision-making of a group of employees. When the burden of certain personal life responsibilities increases or changes significantly, some needs may emerge or increase in the sense of necessity, especially in a physiological state and security state.

From the A1, A3, A4, B1, B2, B3, and B4 interviewing results, personal factors were always involved in the decision-making, both entering and leaving work. Some employees (interviewee A4, A5, B2, B3) choose to work at the company because its location is close to their home, which can reduce traveling expenses. On the other hand, when living conditions or personal lives change, it can turn a positive factor into a negative factor (as mentioned by B1, B2, B3). At this point, the compensation and benefits are the limitations of general small companies. In this aspect, a small company cannot offer sufficient compensation for the employees who have to be responsible and take care of their family expenses. Due to personal necessity, some employees have to leave their jobs even though they do not need to (as mentioned by interviewee B1, B3). Hereby, even the compensation is not the main influencing factor to retention; it motivates employees and involves the retention of employees due to its significant living.

**Table 4.1 Factors affecting employee retention**

Related Factors	Employee satisfaction level					Importance level		
	Most satisfied	Less satisfied	Moderate	Less dissatisfied	Most dissatisfied	High	Medium	Low
<b>Job Characteristic Factors</b>								
Task Significance	O	⊖				●		
Autonomy			O	⊖		O	⊖	
Task Identity		O	⊖				●	

**Table 4.1 Factors affecting employee retention (cont.)**

Related Factors	Employee satisfaction level					Importance level		
	Most satisfied	Less satisfied	Moderate	Less dissatisfied	Most dissatisfied	High	Medium	Low
Skill Variety	O	⊖					●	
Job Feedback		O		⊖		●		
<b>Motivation/Hygiene Factors</b>								
Coaching Leadership Style	O		⊖			O	⊖	
Supportive Team Relation		O			⊖	●		
Problem Hearing Practice		O	⊖				O	⊖
Job Security			O		⊖	⊖	O	
Self-Management Practice				●			●	
Work-From-Anywhere Policy			●					●
Job Advancement	O		⊖			●		
Job Responsibilities		O		⊖			●	
Employee Recognition					●	●		
Job Achievement				●		⊖	O	
<b>Other Relevant Factors</b>								
Capability Development	O		⊖			●		
Goal Alignment	O				⊖	●		
Continuous Self-Improvement	O			⊖		⊖	O	
Relationship		O		⊖		●		
Changing Personal Needs			O		⊖	●		

**Note:** ⊖ Agreed from former employees' interviewees

O Agreed from current employees' interviewees

● Mutual agreed from both current and former employees' interviewees

## **CHAPTER V**

### **RECOMMENDATIONS AND CONCLUSION**

It is undeniable that the size of capital and the availability of resources affects our competitiveness and advantage in the real market. Likewise, in this small company case, there is less of variety of job positions and career development plan. From the interviewing, salary ceiling or position issues may result in employees' career progression is relatively low in this small company. At this point, the organizational structure will be enabling the company to encourage the solid of employees' career paths. Hereby, this structure will become a motivation for employees' career advancement. To clarify, employee development plans and employee retention are something that this company overlook. Thus, from being rushed in business growth, it turns out that the company may leave many people behind on that path.

In this case, the human resource department does not exist in the company. For this reason, the ineffective human resource management of this company might lead to the failure of their employee development and retention. Consequently, these recommendations will be beneficial to the company in its further initiatives and developments.

#### **5.1 Conclusion**

The Job Characteristic play significant role in attracting and retaining the employee during the first few years of employment. The significance of Job Characteristic factors from the interviewing results can be concluded as follows.

- 1) High task significance is the most critical factor in attracting employees to stay in the company for a more extended period. The employee's self-esteem could be raised up due to the social benefits that their works could be created. However, the lack of company direction communication causes less employee recognition for their

contributions to the company's prosperity. Hereby, this aspect could lead to dissatisfaction among employees in the long run.

2) Current high work autonomy could motivate and demotivate according to its tension of responsibility. The degree of work autonomy still depends on the employee's experience and working skills, leading to more capability to manage their work independently. Hereby, the support from the supervisor and valuable feedback could reduce tension and dissatisfaction by enhancing employee's capacity.

3) High task identity usually leads to increased skill variety. Most employees are satisfied when they can gain more skills than their expectations after employment. At this point, the capacity-building program and supervisor's support could encourage employees to have more comprehensive skills, which leads to the mutual benefit of employees and employer. More supports from employer will lead to more satisfaction of employees.

4) Good job feedback has to be a timely response, open communication, and individual conversation for each employee. Importantly, feedback could be well established and avoid emotional wording to prevent miscommunication, leading to dissatisfaction. Moreover, there is no colleagues feedback to communicate among employees properly. With this, the conflict between employees could occur easier.

From the interviewing results, the Job Satisfaction factors will slowly affect the employee's decision over a longer period. While the Job Characteristics Factor tends to be the attractive factor for employees in the short term, the Job Satisfaction factors play an important role in creating long-term commitment among employees and employers. As the interviewing results, the impact of Job Satisfaction factors be able to conclude as follows.

1) Company policy has to be well established to support the employee's work efficiency. As the Work-From-Anywhere policy seems to be good at first, there is no support system for some documentary processes and coordinated practices to encourage employees to work independently and effectively. When some employees turn into an office setting, there are many bothering tasks requests from colleagues to work on remotely. Hereby, some burdens occur on some employees instead.

2) Even company value in high flexibility practice still needs the mutual practice to adhere and follow. The unclear practice could create conflicts among co-workers, leading to toxic workplace environments. Case by case judgement could not be the company's standard in the long run.

3) A new generation of employees tends to consider compensation as part of job security. Because compensation means the ability to live, the employees tend to leave if current compensation could not cover their necessary expenses to satisfy their personal life. With this, less job security leads to a shortened duration of work.

4) Relation between colleagues and employer directly influences the retention of employees. Strengthening relationship bonds will lead to a higher commitment from employees. However, when employees feel less belonging senses, the relationship could be the push factor for them to exit the company.

5) Higher job responsibilities could motivate and demotivate employees depending on their self-esteem and capability. Theoretically, high job responsibilities will lead to self-motivation and self-esteem. However, the weight of responsibility also brings tension to the employees. The employer should balance the job responsibilities carefully throughout the employee feedback process.

6) Higher job responsibilities should be coming with higher benefits in return. Employees tend to be motivated in response to more challenging work when they receive the same compensation. Therefore, higher responsibilities might be the burden instead, leading to less input effort in the long run.

7) With the project's team-based working approach, the employee recognition was limited in the smaller group. With less company communication, employee tend to perceive less recognition to be a part of company's success. Besides, high autonomy might lead to less of employee's contribution recognition.

8) Job advancement has to come along with job achievements. Even when employees gain their advancement in job responsibilities, the less explicit achievement might lead them to perceive less achievement and contribution. Afterward, when employees feel less successful in their promotion, they may shift to demotivated to exert the higher challenging jobs and instead shift into more routine tasks, leading to regressive company advancement.

Beyond the work-related factors, most of employees tend to be seeking for the headway of self-improvement successively. As the interviewing results, their personal necessity and life goals used to be considered to fulfill their needs in life path. At this point, the employer could release the risks and intention through the comprehensive human resource management plan to secure the employees retention. Thus, the shift of the norm in society could lead to changing the factor priority. With this reason, employer should be awake and approach to understanding their employees' needs in order to seek the common goal of being progress and achieve together.

## 5.2 Recommendations

As the world rapidly changes, the employee's needs and satisfaction could be diverse over time. This company needs to reassess and adjust to being resilient to the change. Referring to before COVID-19 situation, the work autonomy factor attracted employees to retain the company the most. Howsoever, after COVID-19 occurred, the company has to adjust themselves to be more encouraging in high work autonomy, which leads to less scarcity in high flexibility policy and practice, especially in the new business. For this reason, the importance of work autonomy is becoming less from this paradigm shift. Hereby, to give practical recommendations for the company's case study, the given actions are listed to extend the human resource retention and respond the employees' needs as following.

1) **Rearrange for greater communication:** arrange the company's meetings and other informal communication activities to increase the employee's understanding and engagement. With the limitation of social distancing measurement, employees tend to have less conversation. Hereby, the communication should be arranged more frequently and openly to preserve the common image of company's direction.

2) **Reengagement of company's direction and plan:** to increase the employee's participation, the employer should bring employee to participate in designing the plans and projects. Many employees perceive less sense of belonging when the future plan does not communicate and make employees understand how they

can contribute to the company's growth. Hereby, to encourage commitment and goal alignment, the employees' engagement and contribution will benefit both employer and employee.

3) **Restructuring the company's hierarchy and career paths:** to clarify and extend the possible career path for employees, the company should redesign its organizational structure. Along with restructuring, the human resource department should arrange the consult hours for employee's career plans. Hereby, to promote the employee achievement and incentive them to develop their career advancement along with the company.

4) **Redesign the co-working rules and practices:** as the unwritten and unclear practices lead to employee conflicts, the clarified coordinate procedures could be the solution. The co-working rules and practices also help bridge the gap between employees with different preferences or working styles. Everyone adheres to it as a mutual practice with other co-workers. However, it should be noted that work autonomy has to be preserved but set the common rules only for the problematic issues, e.g., financial spending, the scope of work responsibilities, rewards and punishments actions, and project priority.

5) **Rebalancing work-life flexibility:** the company's job flexibility is just as necessary as flexibility in employees' personal lives. Optimizing work and reward systems gives employees the ability to design their lives with greater flexibility. Because even if the degree of work autonomy is high, it will create stress if the responsibilities exceed the individual capacity.

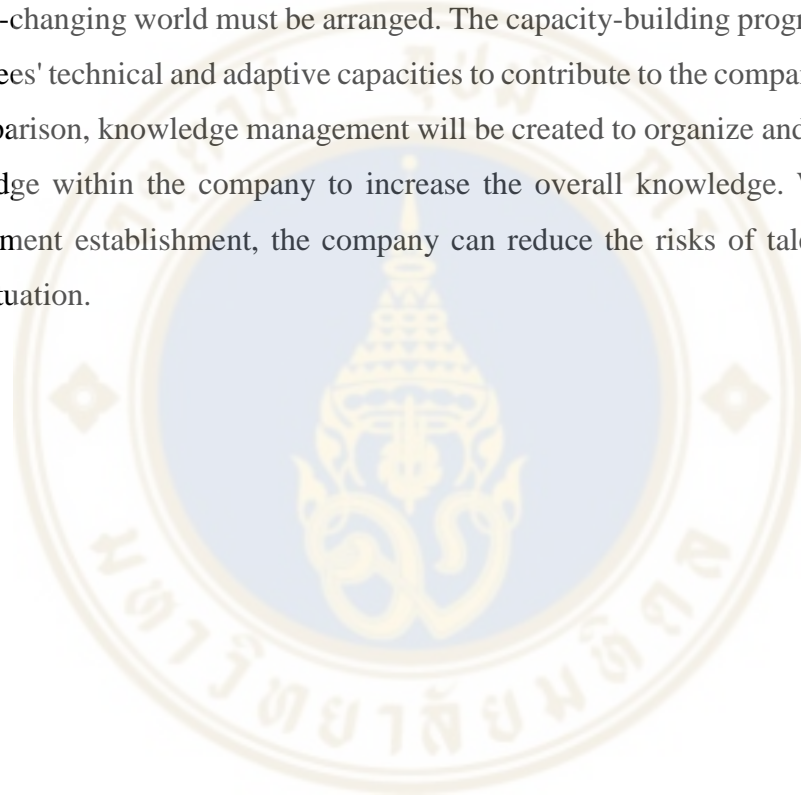
6) **Reconsider the compensation with the responsibility and advancement:** employee's job security should be aligned with the company's advancement. The compensation should be reasonable and equitable compared to the employee's efforts and inputs. The inequalities in compensation and rewards could affect the employee's commitment and the company's long-term progress.

7) **Redesign the recruiting system:** current recruiting system is too narrow down on the specific characteristic from the existing characters of employees. This system led to less of diversity in new coming employees and push the minority to exit the company. Hereby, to expand the company's vision and capabilities, the diversity of employees should be increased to drive the mutual benefits.



8) **Relation linkage through the various activities:** when employees work from home for a long time, the tension and stress are created from an imbalance of working boundaries. Besides, the social distancing measurement also reduces the opportunity to build relationships between colleagues. At this moment, the team-building activities or outing trips will release the employee stress and strengthen the relationship among employees.

9) **Reinventing the capacity-building program and knowledge management:** developing and strengthening the skills that the company needs to thrive in a fast-changing world must be arranged. The capacity-building program will enhance employees' technical and adaptive capacities to contribute to the company advancement. In comparison, knowledge management will be created to organize and share collective knowledge within the company to increase the overall knowledge. With knowledge management establishment, the company can reduce the risks of talent exit or brain drain situation.



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