

**THE PROBLEM OF STAFF TURNOVER WITHIN THE SMALL
FAMILY BUSINESS BY USING MASLOW HIERARCHY OF
NEEDS**



**A THEMATIC PAPER SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR
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Thematic paper
entitled
**THE PROBLEM OF STAFF TURNOVER WITHIN
THE SMALL FAMILY BUSINESS BY USING MASLOW
HIERARCHY OF NEEDS**

was submitted to the College of Management, Mahidol University
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THE PROBLEM OF STAFF TURNOVER WITHIN THE SMALL FAMILY BUSINESS BY USING MASLOW HIERARCHY OF NEEDS

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ABSTRACT

This research paper aims to analyze the cause of turnover within the case study of family run business. The researcher use quantitative method to study the relationship between Maslow's Hierarchy Needs Framework and staff motivation. As the last four years of the case company are In this paper will use five tiers of needs within the framework to clarify the perception from employees toward the company's policy. Based on findings, there are two clear issues that came out from the questionnaires: the problem of salary and the potential career growth. Therefore, the researcher provides two suggestions in order to tackle those issues. This action will be useful for owner of the business to implement and change their policy in order to prevent the problem of potential staff turnover that can be occur in the future which will avoid the performance of the organization from the staff shortage.

KEY WORDS: Staff turnover / Maslow hierarchy of needs / Motivation

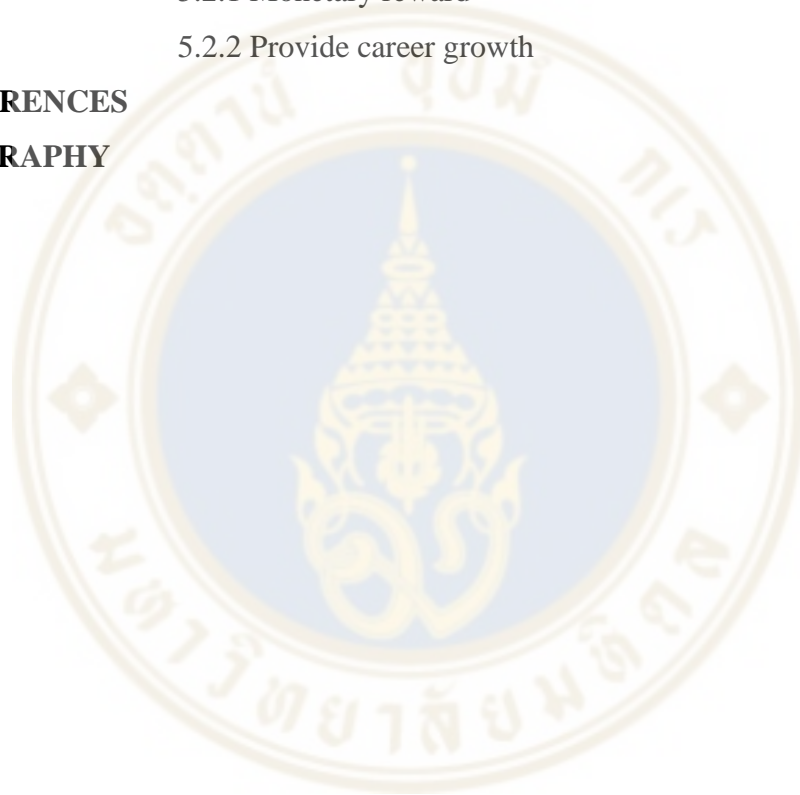
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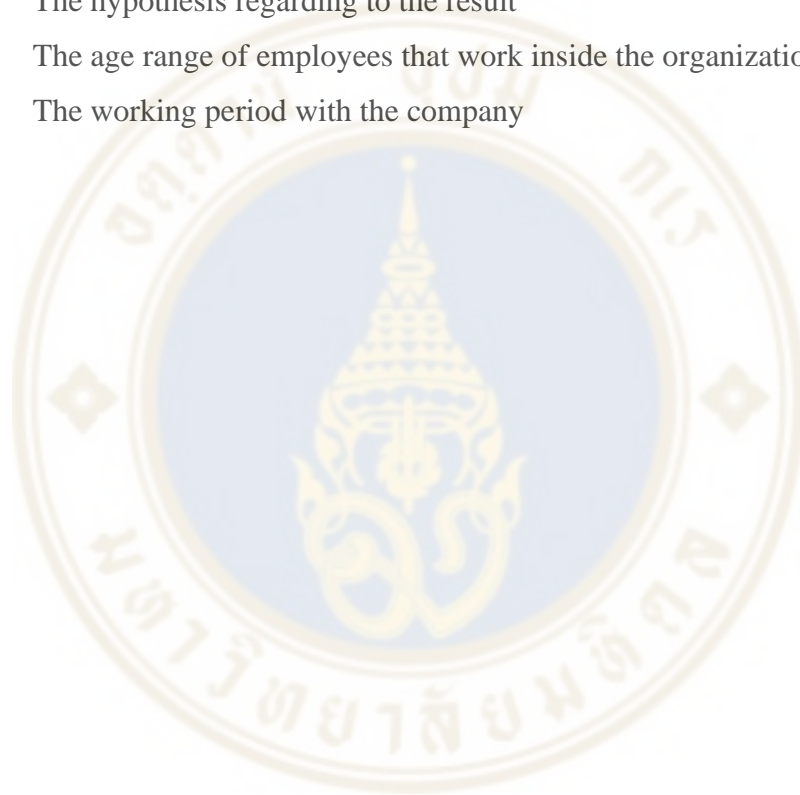
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CHAPTER I

INTRODUCTION

1.1 Introduction

Turnover rate become the major problem for most companies. The problem of turnover came from different sort of issues. Most issues derived from staff's motivation. In term of staff motivation, it can be the key issue whether staff will stay with the company in a long term or leaving from the company for a short period of time. Therefore, it is important for any company to discover each individual motivation in order to clarify that the policy of the company and the needs of employees are matching with each other. Most companies cannot sustain their performance of the company in the long run because companies cannot maximize the potential of employees which lead to the turnover problem as staffs start to feel demotivated and decided to leave the company. Therefore, this become the cycle of problem that most companies are faced and cannot be solved. Some companies try to solve this problem by using solution that they assume that it is potentially works from the mind of their own management team. However, most companies are using wrong practical actions which leads to the substantially growth of turnover rate.

In order to discover the level of satisfaction toward the motivation of employees. It needs to clarify about each level of needs that that employee has toward company policy. The level of staff motivation is a challenging task in term of measure. As it is not a tangible in term of measurement because each individual might have different perception toward policy that company offer. Some employees might feel satisfy on their current situation that company offered. On the other hand, some of them might not see the policy of the company are fulfill their needs. Therefore, it need to use certain framework called "Maslow hierarchy of need" in order to be the tool that can identify different level of needs that each employee need to have in order to have their motivation to work in the organization.

The family business that I'm currently working is the company name "VSP Hardware". The company VSP Hardware established in 1991 which we are started as the wholesaler of the construction tools. In the first era of the business. The company has no organizational structure. The company ran by one man control which was my dad who ventured the business. There was only 5 people in total that collaborate working with the company. In the latter stage of the company, the company start to grow rapidly and the company need to expand the human capitals in order to cover the objectives of the company. Therefore, the company start to hiring new employees as well as new department in order to growth the company forward. However, the new recruitment process starts to take place. The company start to get 10 new employees straight to the company within different background. However, the problem starts to occur as some of them are working for short period of time and leave the company without prior notice. This problem cause company stagnant in terms of performance as some of them are leaving unexpectedly during that period. Therefore, it become questioning how this situation has happened over and over. As myself and a one of the management team try to solve this problem. The policy of hiring still running but the problem of turnover keeps growing as some of the 1st generation employees decided to resign from the company as he/she thinks that the value of their individual is decreasing. Therefore, there are controversial between recruiting new employees and sustain old employees as both parties cannot work together. The amount of staff turnover start to increase rapidly towards the shift from the old system to the new system.

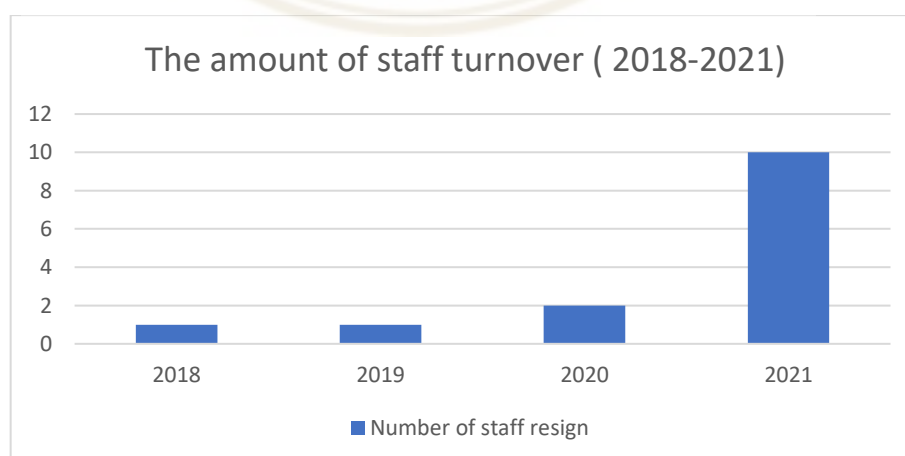


Figure 1.1 The amount of staff turnover in VSP Hardware

Regarding to the issue of case organization, Maslow's hierarchy of needs Theory will become the method to clarify the levels of need that each employee is achieved. It consists of five level of needs: physiological needs, safety needs, love and belonging need, esteem need, and self-actualization need. Therefore, this framework will be able to clarify the level of needs that each employee achieved regarding to company's policy which will leads to the finding and solution that company can conduct in order to tackle the right problem. Earlier research suggest that the level of need that each employee has and the motivational factor can be main factor that decide the decision of staying with the company.

1.2 Objectives of the study

- To study the relationship between Maslow's Hierarchy of need and the problem of turnover
- To discover the staff's satisfaction regarding to each level of need toward the company's policy

In the following chapters, this research will show the development of Maslow hierarchy of needs framework. It followed by the quantitative method that this research will be define related to the factors that can be affect to the turnover rate. Lastly, this paper will analyze the results and the propose recommendation in order to tackle the problem that can be linked to the turnover rate within organization.

CHAPTER II

LITERATURE REVIEW

The situation of rising number of staff turnovers regarding to VSP Hardware, it can be assumed that the motivation of employees can be a major problem that affect the negative impact from the perception of employees toward the company. Therefore, it is important to use the framework that can identify the level of needs that people should achieve in order to fulfill their own motivation to work in this company. There are two major aspects that it need to discover from the literature include; the reason behind the increasing number of staff turnover, and the motivational framework that can determine the motivational level that people achieve in this company.

2.1 Staff turnover

According to Al-Suraihi et al., (2021) , stated that there are several reasons why employee decide to leave the company. Firstly, the employee think that their work was not matched their expectation. Secondly, the small amount of training and feedback also become the issue that lead to the short career growth. Thirdly, employees looking for employee well-being and equally treated of human resource policies , if they think that the company treat people differently without proper regulation. This will lead to feeling of instability that will staying with the company. Moreover, other studies suggest that the young, inexperience, but high educational level of degree tend to not tolerance to commitment with the company compared to opposite group of people (Abdullah Al Mamun & Nazmul Hasan, 2017). On the other hand, the group of people who are aged over 30 have potentially resign from the company due to the fact that they start to have higher responsibility on their own family (Zhang and Zhang, 2003).

2.2 Maslow Hierarchy of Needs

Maslow's hierarchy of needs is one of the theories within human resource management. The framework has been developed from Abraham Maslow in 1943. From the perception of Maslow, the framework focus on human motivation by classified each level of need respectively in order to know that the individual is fulfill their need toward each factor. (Maslow,1943)

In term of implication, Maslow's hierarchy of needs is a motivational theory that clarify five tiers of human needs which ranked by using hierarchy levels. (McLeod,2018). The five tiers of needs are allocated into three types of needs: Basic needs, Psychological needs, and Self-fulfillment needs.

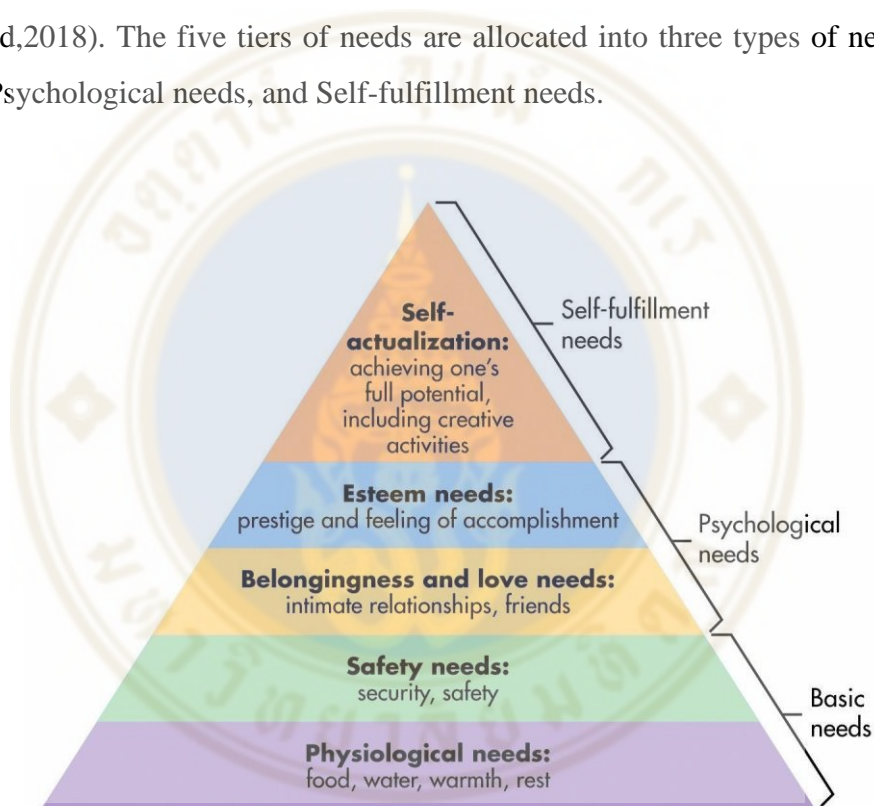


Figure 2.1 Maslow hierarchy's of need framework

The lowest tier of the needs inside the framework called “Physiological needs”. In term of this needs, it is related to biological requirement that human needs in order to survive. The examples are food, drink, accommodation, clothing, and rest. This level of need is very important in term of measure basic needs that people need to have in order to live their life. The people who are not met this need will not able to raise up to other type of need because it considered as the core level that people need to accomplish before able to achieve other needs. (Lester,2013)

The second tier called “Safety need”. In term of safety needs, it is related to the feeling of secure. This include stability, security, laws, and freedom from fear. According to Sadri and Bowen (2011), the person who achieve safety need will help them to feel secure on their jobs and lead them to feeling stability on the place where they stay. On the other hand, if safety need not being met with those individual, it will affect the feeling of being unsecure which can lead to the decision of leaving from the work as they feel that the company could not give the feeling of secure in term of earning, and insurance which can be the key depth inside feeling of those employees.

The third tier called “Love and belongingness needs. This need is about internal relationship that each person need to have in order to fulfill their psychological needs after their fulfill their two basic needs. Love and belongingness needs are about the stage that people have relationship among each other within the belonged environment. Those people who have better relationship among their workplace likely to have better emotion in term of working or collaborate with others. On the other hand, if people do not have relationship with other colleagues, it will create questionable in term of staying with the company.

The fourth tier called “esteem needs”. This need is about the feeling of achievement especially the recognition of status in the company that those people are working if there is a word of recognition from colleague/owners. It will boost those people feeling of dignity which it can defined as self-achievement of individual.

The top tier of Maslow Hierarchy of Need called “Self-actualization needs”. In terms of this stage of needs, it is the last stage that each person who accomplish will fulfill their needs which leads to high motivation level in terms of their performance. The criteria related to self-actualization needs is about personal growth. According to Maslow (1974), stated that a person who achieve this stage of self-actualization will lead them the feeling about the feeling of capabilities that they can do regarding to the achievement that they are achieved. It can be concluded that those people who reach to this stage will be self-motivated in term of create performance and being creativity for the job that they are working. In addition the person that can reach to this stage , need to accomplish first four stage in order to reach the point on having self-actualization (Hanley & Abell, 2022)

CHAPTER III METHODOLOGY

3.1 The approach of developing questionnaire

In terms of developing questionnaire, I have several aspect before the developing questions; all questions that the researcher want to develop need to be the question that all employees have the right to answer. It means that it need to consider about the approach of the questions that conducted;

First stage: Develop the online questionnaires regarding to each level of Maslow hierarchy's of needs that linked between employment law and each level of needs

Second stage: Develop and discuss among directors regarding to each question, to see each question are clearly understood for all level of employees

Third stage: Ask Human Resource Management manager to give the questionnaire for all employees by provide good explanation of each question in order to give full understanding in order to get the accurate answer as possible.

Fourth stage: Collect the questionnaire result from all employees within the right timeframe.

In term of pilot test, I have asked the group of employees in my friend's business to conduct questionnaire before sending the questionnaire to the real sampling group. In term of pilot testing, we have identified about different factors;

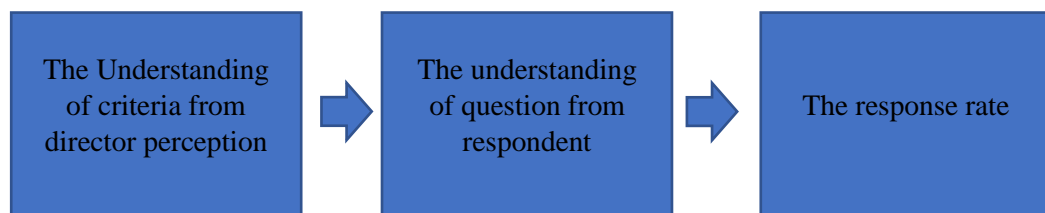


Figure 3.1 The approach of developing questionnaire

Regarding to the pilot testing, I have sent to ten employees selected from different position: Manager, workers. After we gave the questionnaire, we found out that;

The criteria related to questions : I have talk to director about the question , everyone have fully understanding about the purpose of the question.

The understanding of question : All ten employees are fully understanding about each question

Response rate: 100 % for all questions for all employees

3.2 Research questions

According to the concept of the Maslow hierarchy of needs and aim for this research, the methodology of this research aims to focus on the staffs satisfaction on each level regarding to Maslow hierarchy. Therefore, the purpose of the research question of each level come out as below:

Table 3.1 List of research question by using criteria of Maslow Hierarchy of Needs

Question	The level of Maslow	Purpose
1. My salary can support me for my basic needs like living, eating, and clothing 2. Company provide proper uniform and working equipment 3. Working environment inside company make me feeling happily at work	Physiological needs	To know whether the company provide enough basic needs for employees

Table 3.1 List of research question by using criteria of Maslow Hierarchy of Needs (cont.)

Question	The level of Maslow	Purpose
<ol style="list-style-type: none"> 1. Company provide some type of insurance for individual of the company 2. The equipment of the company considered safety as one of their protocol 3. My salary makes me feel secure 	Safety needs	To discover that the company can provide enough the level of salary, equipment and insurance in order for employees to feel secure by staying with the company
<ol style="list-style-type: none"> 1. Colleague willing to help me when I got difficulty 2. You feel belonging to the company 3. The directors always willing to give me value advice 	Love and Belonging needs	To discover about the feeling of relationship among people within the company
<ol style="list-style-type: none"> 1. The position of the company where I work got respected from public 2. Everyone in the company highly respect the important role of my position 3. There are recognition in term of my performance from my supervisor/manager 	Self-esteem needs	To identify that company having recognize the important of each position
<ol style="list-style-type: none"> 1. I can see that my career growth is clear regarding to company's policy 2. Company allows me to use my creativity into the role that I have assigned 3. The company allow me to have voice of opinion in order to accomplish company's objective. 	Self-actualization needs	To identify about the potential career growth whether staffs think he/she can achieve within the company

3.3 Sampling selection

The research will focus on the group of employees at the middle-sized family business “VSP Hardware”. It consists of 20 employees combine with long serving employees who are working with company over 10 years and newcomer who just involved with the company. In this sampling selection, it can get both opinion from different group employees. The first group of employees who stick with company for a long period of time might see the diversity of company over the year. The second group who are newcomer, will use this as the reflection on themselves since they were in the company. Therefore, the result of finding will be accurate regarding to two different group of people that might have the different experience with the company. In term of nationality, the majority of employees within the company have two nationalities: Thai and Myanmar.

3.4 Data collection

In terms of data collection, the questions will start from demographic question in order to identify the age and the years that work that employee work with the company. Afterwards, The Maslow Hierarchy of Needs questions will separated into five parts of each level of need in order to know perception from all staffs in different perspective. The method that will be used is quantitative method. The method inside the quantitative method is the online questionnaire that will distributed to 20 employees one by one. Regarding to the different proficiency in terms of conduct online questionnaire, I have use HR to interpret all the questions from online questionnaire one by one in some group of employee including expats in order to collect the information in the corrective way and regardless language proficiency. We provide 30 min for everyone conducting questionnaire equally in order to let employee to have sufficient time to conduct all the question carefully with their own personal view. There are no intervention among each other and everyone have their privacy to give their own’s view under anonymous identification.

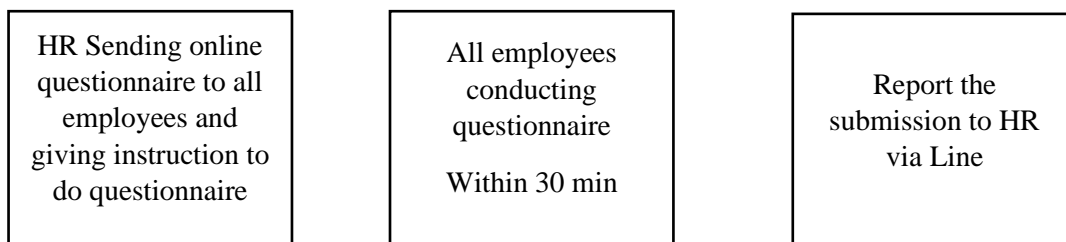


Figure 3.2 Method of data collection

3.5 Data analysis

In terms of data analysis, this paper have analyze all the methods that can be used in terms of analyze the data. There are various of method in terms of analysis includes: exploratory analysis, inferential analysis, descriptive analysis, diagnostic analysis, predictive analysis and prescriptive analysis. It can be concluded that the best method that we decided to choose is **descriptive analysis**. According to Tran and Chan(2021), Descriptive analysis is the effective method that can present data in an informative way , it can be useful for analyze the data of population and can use with the quantitative method as this type of analysis will include different sub-types : **measures of frequency , tendency , dispersion , and position**. It will help to analyze the finding in the corrective way which leads to the right interpretation.

In order to implement descriptive analysis, it need to choose the appropriate type to analyze the data. In this scenario, it is clear that the level of frequency on agreement toward the statement will define the level satisfaction toward those area. The measure of frequency will interpret the frequency of people's opinion toward the statement which will lead to the level of satisfaction regarding to the data from the direct perception from employee. The amount of response toward disagreement on the statement will determine whether company need to strengthen those areas in order to solve those problem in order to prevent the potential of staff turnover.

The stage of data analysis will be interpret into pie chart which is in one of the method to shows information within descriptive analysis. The pie-chart is the best way to interpret data within the likert scale as the scale are not in wide ranges and it is easy to understand compared to other types of graphs.

3.6 Hypothesis

Table 3.2 The hypothesis regarding to the result

The percentage of response	Level of satisfaction	Interpretation
>50 % Strongly disagree	Very low	company provide nothing in term of activity toward those question
>50 % Disagree	Low	defined as company provide some part of the activity but still not being satisfied need
≈ 50 % Agree ≈ 50 % disagree	Moderate	The company provide some action regarding to this area , there are still lot of room for improvement
>50 % Agree	Good	defined as company have prioritize and tack action to employee regarding to the question
>50 % Strongly agree	Very good	defined as the company has provide this activity regularly lead to high satisfaction

CHAPTER IV

FINDINGS

In terms of finding, it will illustrate all the result that came from all respondents, it will illustrate into each separated questions respectively by starting from demographic questions and develop into five different needs within Maslow Hierarchy of Needs.

4.1 Demographic questions

In terms of demographics question, the result of the online questionnaire in terms of characteristics of employees illustrated out as below:

Table 4.1 The age range of employees that work inside the organization

AGE	Number of sampling	Percentage
18-24	4	20 %
25-34	3	15 %
35-44	6	30 %
45-54	3	15 %
Over 55	4	20 %

Table 4.2 The working period with the company

Year of work in the company	Number of sampling	Percentage
0-3	10	50 %
4-6	4	20 %
7-9	1	5 %
10 +	5	25 %

According to Table 4.1, it can be seen that Visitphun Hardware had wide age range of employees working together. Majority of people inside the company is at the age range of 35-44. The data shows that 30 % of the employees are in those age range. Second ranked age group are the age between 18-24 and over 55. Third ranked

age group are two age groups which are 25-34 and 45-54. This can be interpreted that there are large gap in terms of generation among age group that work in the company. Another aspect shows that there are combination among five different age groups that are working together in the company as there are not much different in terms of amount of people in different age range. On other hand, the Table 4.2 shows that ten employees are newcomer and work with the company for less than 3 years. This means that these people are considered as new to the company. On the other hand, there are certain amount of people which is about 25 % of employees are working with the company for over 10 years. This shows the big gap of work experience that people work in the company. On one side shows that the people who work with the company for over 10 years likely to understand about the company culture and policy toward them. On the other side, the majority of people who are newcomer might see company policy toward them as their first impression.

4.2 Maslow hierarchy of needs

4.2.1 Physiological needs

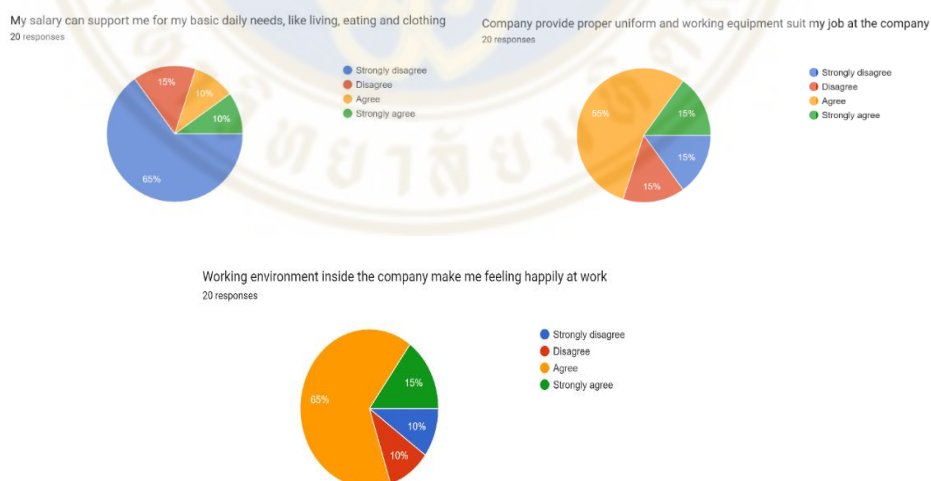


Figure 4.1 Physiological needs

In term of respond rate, there are 100 percent response rate toward all the questions. The first question regarding to the aspect of salary, whether staffs think the salary cover the cost of living. The finding came out 80 % of the staffs inside the company are leaning on disagree and strongly disagree on this aspect. This can be interpret that the salary they have achieved are not cover their needs. On the other hand, it was only 20 % that they think that the salary can cover enough on their basic needs. The second question regarding to the uniform and working equipment. There are only 30 percent that think the uniform and working equipment that are given are not suitable for their role. This can be assume that this issue can came from the lack of improvement in term of equipment within the company as the company still stick with the old fashion strategy. However, majority of people still think this is not the big issue regarding to their job. In terms of last question toward this need. The working environment is also not considered as the big issue regarding to the outcome as over 80% are agreed that company has provide enough working environment which make them feel comfortable to work at all time.

4.2.2 Safety needs

In terms of safety need will related to health insurance, safety of equipment, and feeling secure on salary. The result of finding come out as below:

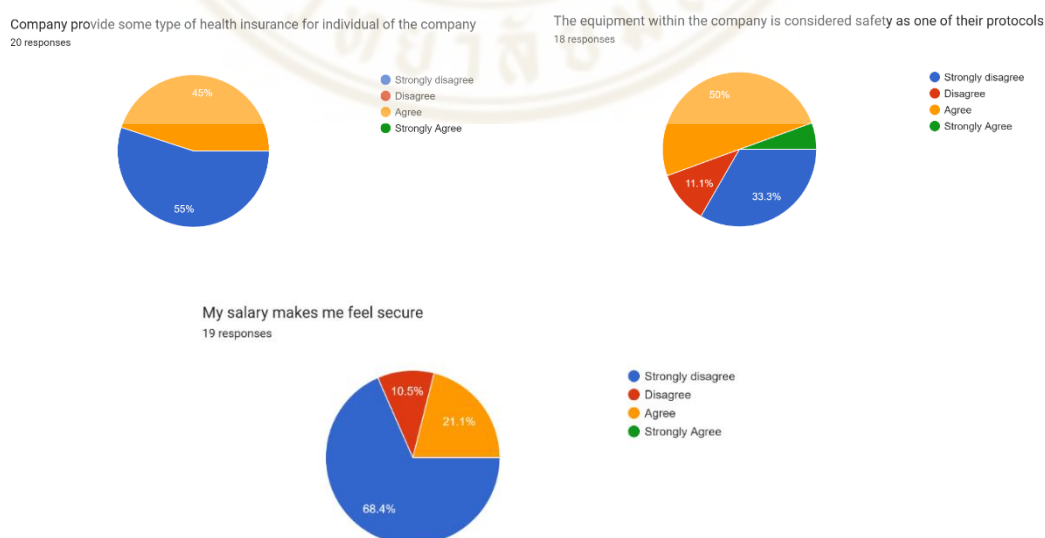


Figure 4.2 Safety needs

In terms of safety needs, the perception toward health insurance of the company are separated into two side , 55 % of people disagree about the health insurance that company has been given. On the other hand, 45 % think that the health insurance satisfied their need. Secondly, the perception toward safety protocol on the equipment. It is about 50 % perceive that company has prioritize about equipment safety, it is likely that company set the rule and regulation about the safety protocol for most equipments within the company. Lastly, the secure in term of salary is being questionable as over 68 % are strongly disagree on the fact that company provide them enough salary to make them secure.

4.2.3 Love and Belonging needs

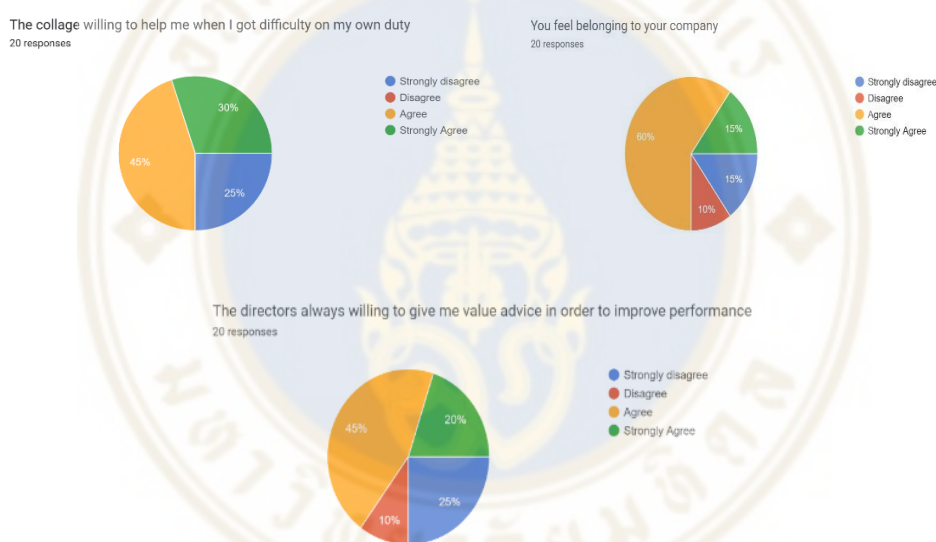


Figure 4.3 Love and Belonging needs

In terms of love and belonging need, I think it can be seen it can be seen that this section about the relationship between people in the company. The first question about the help of colleague to the individual. Over 70 % of people are very positive about the help of colleague that are working with. It can interpret that there are sign of collaboration among employees in the company. Secondly, the feeling of belonging to the company. Over 60 % of employees believe that they are belonging to the company. In term of belonging, it is about the feeling of welcoming during the time of the company. In addition, if people are not feel belonging, they are likely to turn against the

company leads to the resignation. The third question is about the relationship between director and employee, there is a positive opinion toward directors in terms of giving advice, it can see that over 60 % perceive that VSP directors are work closely with them and always gave them value advice to make them overcome all the struggles and improve their performance.

4.2.4 Self-esteem

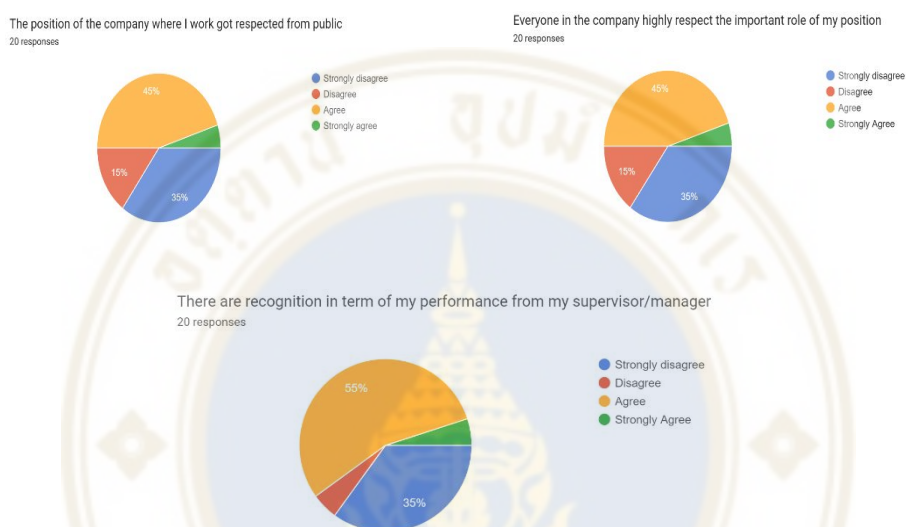


Figure 4.4 Self-esteem

In terms of self-esteem, in this level of Maslow Hierarchy of Needs, the people that reach the point where they achieve self-esteem meaning that they got self-respect, self believe, the feeling of acceptance from others. In term of questions, the first question is about career growth in the position where they located. From the research outcome, it is mixed opinion in term of agree and disagree. It is 55 % of people are disagree and strongly agree, they think that the position where they assigned are not value in the public. In this point means that the company might put those people into invaluable position and cannot make them standout to the public. Therefore, it is likely to lead the result of feeling underachievement within the period working with the company. On the other hand, it is about 50 % can see themselves have value on the position they assigned. The second question is about the the recognition of position that each people got accepted from internal employees within the company. The results came

out the same as the first question. There are almost equal in term of both sides of opinions. However, the last question about supervisor/manager seems to have positive opinion, over 55% of people are agree on the fact that they got recognized from managers/supervisors, when they perform on the task given, the manager likely to recognize on their performance and prioritize on the job they are doing.

4.2.5 Self-actualization

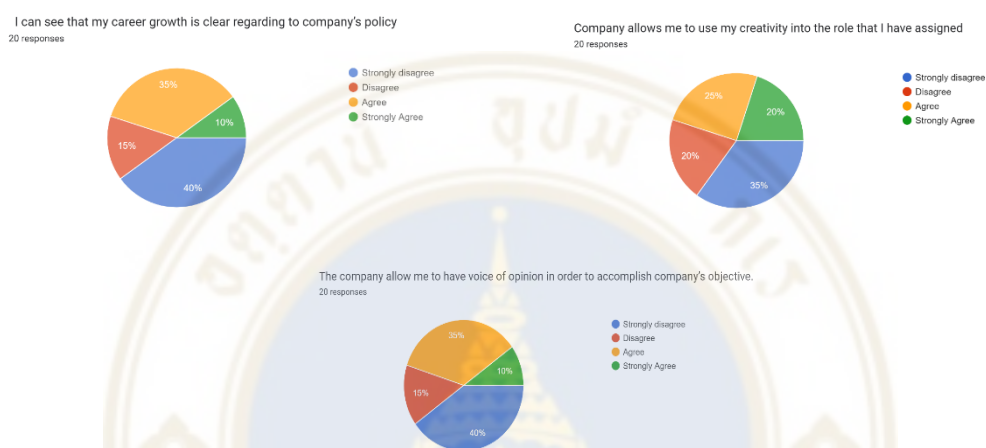


Figure 4.5 Self-actualization

Lastly, self-actualization is the last stage of needs that people can get after the stage of accomplish first four level of needs. In terms of questions of this level of needs, the career growth that company provide for any position within the company policy, this question are willing to ask about whether the employees see themselves can see themselves potential of being promoted to better position. In this point means that whether company provide the pathway for anyone to grow in the company. 55 % of employees cannot see themselves on the potential career growth, and 45 percent can see themselves potential of career growth within this company. The second question regarding to the creativity, in terms of give open space for employees to show their creativity meaning that employees giving freedom for employees to complete their job/task by their own thought under the company requirement. There are 55 % disagree on this point, said that company restricted their creativity, and just told them what they have to do. On the other hand, 45 % gave them freedom of creativity to put on their tasks. The last question about whether company let employees have voice of their

opinion on the company objective. This means that the employee have influence or can give voice of opinion in order to accomplish company objective or they cannot have authority to speak on this matter. On this point 45 % said that everyone can have voice of opinion in the meeting especially in order to collaborate working to achieve company objective. On the other hand, 55 % said that employees cannot give their speech especially toward company objective, they have to listen on the command of the hierarchy only and cannot participate on this matter.



CHAPTER V

RECOMMENDATION AND CONCLUSION

5.1 The interpretation of the result regarding to company turnover

Regarding to the result from the finding, it illustrates into different aspects:

- In term of different level of needs, monetary rewards considered as the big issue compared to other issues, especially **Physiological needs and Safety need**, the question that related to this issue, it comes out that majority of employees over 70 % points out that the monetary rewards of the company are not fulfill their basic needs as well as make them feel unsecure. This reflects to the negative impact on both level of needs. As a consequence, it can be assumed that the problem of turnover in VSP hardware clearly linked to the monetary rewards

- There are fewer problem regarding to **Love and Belonging need**. Majority of employees have positive reaction towards company, colleagues, and directors. This can assume that the company are encourage people to work collaboratively and the hierarchy from top level to all level of employees are connecting with each other.

- In terms of **Self-esteem and Self-actualization**, it shows the two separated group of employees that have different toward this issue. Some of them think that the way they located at the company, they already satisfied on the career path and the recognition that they are given. However, there are still majority of people still unsure about their future and their stability to working in this company.

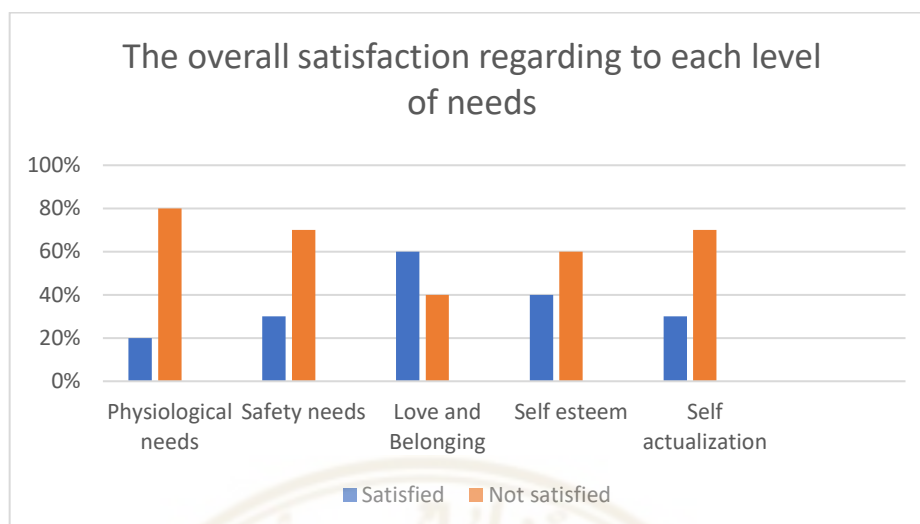


Figure 5.1 The overall satisfaction regarding to the result of questionnaire

5.2 Recommendation

Regarding to the finding and the interpretation of result that employees are facing, it is important for company to choose the right strategy toward the needs that employees are lacking. If company can develop the right action, it will create awareness to employees that are facing this problem to feel positive toward company instantly. As the various employees who conducted questionnaire, there are some group who work with company for a long time, might lose their motivation on the role he/she working. On the other hand, newcomer who just come in the company might want to see the instant improvement strategy in order to make them feel stability to staying in this company without considering a new job or resigning from the company.

5.2.1 Monetary reward

In term of monetary reward, it can be considered as top priority in this case study as majority of employees are not feeling satisfy with the salary that they already got. It is clearly see that from the research that majority of people are unsatisfied about the salary that provided from company. Therefore, the various solution that company can provide include provide paying structure. According to (Noe et al.,2020), paying structure is a core component to determine about the salary of each job in order to ensure that all staffs are equally treated under the proper paying structure

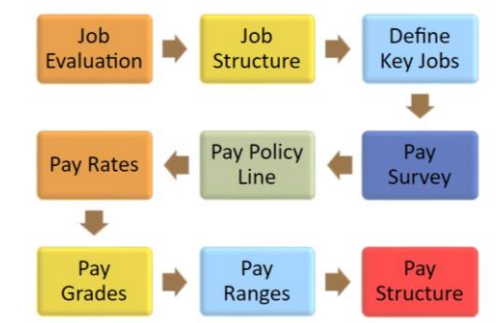


Figure 5.2 The flow of paying structure

Regarding to paying structure, According to figure 5.2, there are several step that can help to classified the salary for employees including define key jobs in order to identify about the role of the jobs of employee which will related to job structure within organization. It will recognize the important of certain roles in an organization. On the pay rates, and pay policy line, it is about setting standard of pay rates that each position might to get. In order to choose the right pay rate, the company cannot overlook the pay survey to ensure that the salary that are given are not below the legal requirement and fit the standard salary of each key jobs. In addition, the type of bonus that will drive the motivation level of employee is having additional bonus structure. Especially the problem of dissatisfaction on self-esteem and self-actualization showing that people the company did not develop this type of bonus that employee cannot be recognize. Therefore, the performance bonus can be the right solution to solve this problem add on with pay structure. The performance bonus can provide by given range of timeframe toward the job role of employees and provide KPI that each employee can achieve, if they can achieve within the certain timeframe and reach their KPI. Company can provide the additional bonus to be their incentive

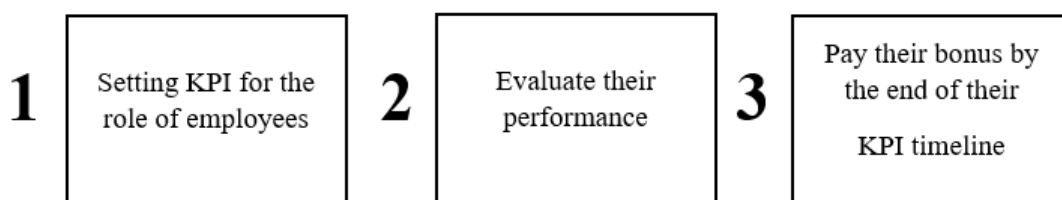


Figure 5.3 Performance bonus structure

According to Jeong et al., (2021), stated that the performance bonus structure related to goal setting theory. The goal setting theory can be the motivator for individual to be motivate on their assigned job. The example is the sport athlete who had the clear goal likely to have perform better who are not have clear assigned goals. The theory of goal setting consists of five different stages; clarity, challenge, commitment, feedback, and task complexity (Latham, G. P., & Locke, E. A. (2007)). Therefore, three stages of performance bonus structure diagram need to be coherence with the five different stage of goal setting in order to help KPI to be directly related with the task of the jobs that employee are responsible. Especially performance bonus structure cannot be pointed out randomly, it will create risk of conflict among employees. Therefore, it is important to set the performance structure related to the goal setting whether the individual can achieve the goal before the prior the stage of giving bonus to avoid uncertainty. As a result, the goal setting theory will help employee to have clear direction toward their tasks and put contribution in order to achieve their bonus.

5.2.2 Provide career growth

In terms of develop the issue of self-actualization related to the issue of unfulfilled of career growth toward individual of employee, the company need to implement strategy in order to make employees to have their career progression plan in their mind which can be one state that can keep the employee in their long run. According to Weng & Zhu (2020) , stated that the company that has clear career plan for their employees , the employee will likely to stay with the company for a long term regarding to performance driven comparing to company without career growth , it will lead to demotivation and staff turnover. Therefore, the company should start with having career progression plan as below :

Steps of building a successful career progression plan



Figure 5.4 Steps of building a successful career progression plan

Step 1 □ Organize – Create a clear organization chart in order to clarify all job positions within the organization.

Step 2 □ Evaluate – this stage needs to show about the sequence of pathway that the employees can achieve on their job position

Step 3 □ Define – It needs to define specific role for every position in order to clarify the list of responsibility that each employee need to complete in order to accomplish the performance of their job

Step 4 □ Implement – Create learning and development program to improve the weaknesses that defined from the job role of employees

Step 5 □ Review – Revise and review the performance of each position under the specific timeframe in order to clarify the improvement of individual from 1st timeframe to 2nd timeframe.

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