

FACTORS OF WORK SATISFACTION AND THEIR INFLUENCE ON EMPLOYEE TURNOVER IN BANGKOK, THAILAND

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ABSTRACT

A high rate of employee turnover is an issue that organizations face on a regular basis. This issue has affected organizations by impacting on job performance and lowering productivity, profitability, and customer satisfaction. As Thailand is an industrialized country, and with many neighboring countries entering the Association of Southeast Asian Nations, the rate of employee turnover is likely to increase due to the rise in competition and employees; work environments where stress is endemic at every level can also lead to high employee turnover. Thus, work satisfaction has become a key element of employee motivation and a means of managing workplace stress. The aims of this study are to research the relationship between work satisfaction and employee turnover, study the factors relating to workplace satisfaction, and explore what causes employees to leave their employment. This research uses Herzberg's motivation-hygiene theory to examine the intrinsic and extrinsic factors in relation to the measurement of satisfaction at work. The participants in this study comprised 100 office workers in the Bangkok Metropolitan Region. This study has shown that while employee satisfaction does not directly lead to high rates of turnover, it is a contributor to said turnover.

Keywords: Employee turnover; Herzberg's motivation-hygiene theory; Work satisfaction

1. INTRODUCTION

A challenging issue facing organizations nowadays is employee turnover. It is an unavoidable problem for many organizations. The reasons for employees leaving an organization are many and include reasons such as poor working conditions, too long working hours and bad relationships with peers. Employee turnover can cause many problems: It has been shown to be one of the costliest and most intractable challenges confronting organizations globally (Heyman, 2008). High rates of employee turnover have been associated with lower productivity, reduced long-term growth, reduced profitability, and low customer satisfaction.

Poor working conditions, too long working hours or bad relationships with peers would not result in employees quitting a job right away but result in piling up their stress in a workplace that await to be rupture. Several studies (e.g. Detert et al. 2007; Pugliesi, 1999) showed that employees' work stress, affect the satisfaction levels and motivation, which in turn affects their productivity and operations cost of organizations. Thus, the effect of workplace stress on the motivation and productivity of employees should be a topic of major concern for businesses and organizations in Thailand.

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Satisfaction at work is a key element of employee motivation. In contrast, workplace stress is a global problem affecting almost all professions. Roughly one-third of employees have reported high levels of stress, and workplace stress is also believed to be the major cause of staff turnover (NIOSH, 1999). As previously mentioned, workplace stress is not a widely recognized problem in Thailand. However, the negative effects of workplace stress can be seen when employees develop health problems and decreased job satisfaction, eventually leaving their jobs. In a study on the occupational stress of employees in small and medium-sized enterprises, it was highlighted that perceived organizational support mediates the relationship between stress and intentions to leave, while job satisfaction and effective commitment have limited influence (Villanueva & Djurkovic, 2009). The results of various stress-performance studies show that stress is related to job performance, both directly and indirectly (Fried et al., 2013). Low overall levels of job satisfaction lead to higher intentions of resignation (Steensma et al., 2004). Tsai and Wu (2010) found that job satisfaction significantly predicted employees' intentions to resign, as it was found that there is a negative relationship between this factor and job satisfaction.

In addition, the discovery of variations in the relationship between performance and stress also suggests the influence of certain job “factors” such as job security, pay and benefit, and job load (Jacobs et al., 2007; Mark & Smith, 2012). This discovery shows that stress is not the only factor affecting performance: Other job factors are also influential. In a study investigating the predictors of productivity with a shortened stress evaluation tool, psychological well-being, organizational commitment to the employee, and various resources were found to be predictive, while physical health, work stress, and employees' commitment to the organization were not identified as important (Donald et al., 2005).

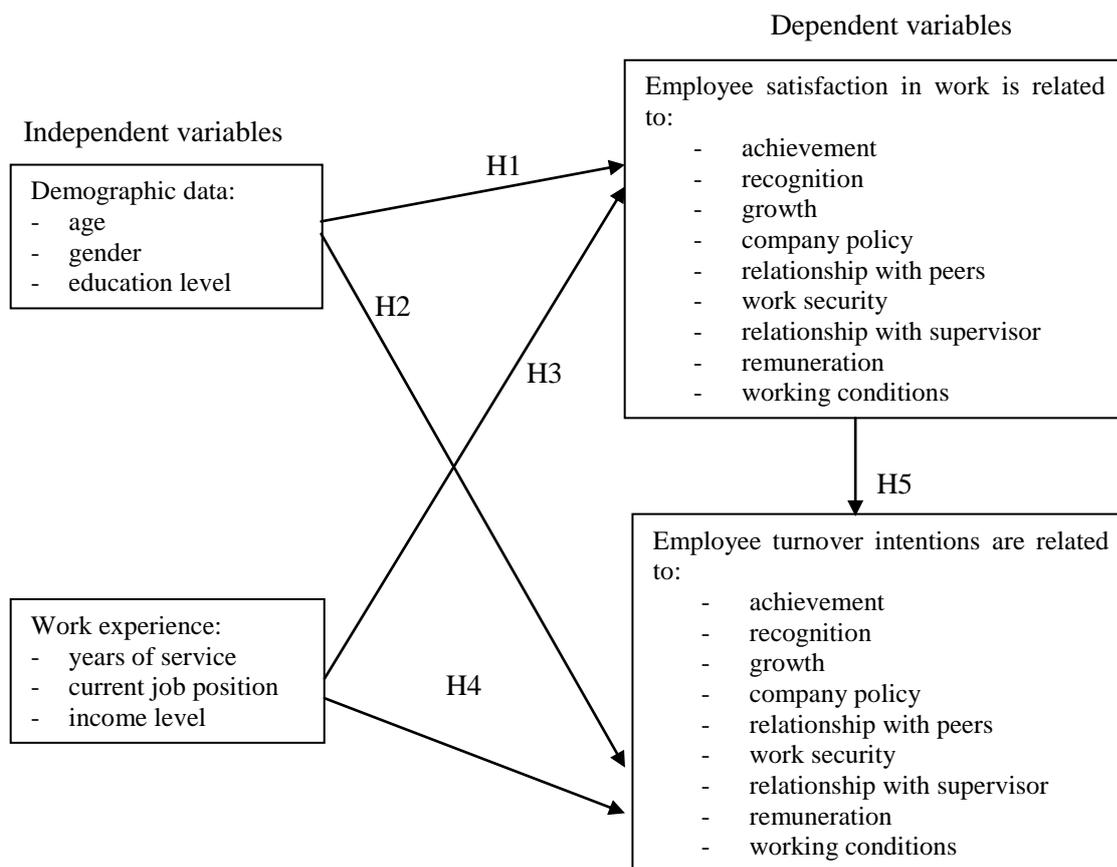


Figure 1 Conceptual Framework

As Thailand is becoming an industrialized country and entering the Association of Southeast Asian Nations (ASEAN), the competition among businesses from countries in ASEAN is likely to increase. With the lesser productivity, Thai businesses might lose a competitive edge. These pressures of Thai companies to perform well in a higher competitive business environment would not only require better technology but also higher productivity employee- to work harder, work better and work smarter. Businesses could implement different management practice techniques such as tie pay rate with performance to motivate employee to work harder and create a learning environment to have employee to work smarter. Key management practices used in the West, such as the development of employee skills, knowledge management, and technical and professional capabilities are also commonly applied in modern Thai organizations, both public and private. However, less is known about the relationship between the practice of Western organizational culture, traditional Thai culture, and the patterns of behavior among Thai workers (Pimpa, 2012). However, these practices to Thai workers might cause more harms – dissatisfaction and intention to leave the work places than benefits – higher productivity. Prior studies (Khamisa et al., 2015; Skaalvik and Skaalvik, 2017) showed a linkage between the work stress and work satisfaction. In this study we used the level of work satisfaction as a sign of work stress. Employees with low work satisfaction mean that employees are having chronic work stress.

Thus, the research objectives for this paper are:

- To study the relationship between work satisfaction and employee turnover.
- To examine the factors related to workplace satisfaction.
- To examine the factors related to workplace satisfaction that cause employees to leave their job.

2. METHODS

The following paragraphs provide a brief overview of the nature of the study and the instruments used.

Pilot study: Prior to commencing the main research, a small pilot study was undertaken to consider the viability of using interest inventories and job-satisfaction measures to test the participants. For this study, the researcher adapted traditional hygiene and motivational factors and used them in questionnaires to obtain relevant data based on established theories.

Instruments: In total, 2 sets of questions were used in this study to collect work satisfaction and demographic & work-experience data, and they will be explained below.

- (a) Measure of work satisfaction: This set of questions was adapted from the dissertation of Ghanbahadur (2014), who measured Herzberg's motivation factors, hygiene factors, and intrinsic/extrinsic job-satisfaction, respectively; 2 questions were asked for each of the following categories: achievement, work, recognition, growth, company policy, relationship with peers, work security, relationship with supervisor, remuneration, and working conditions. The responses are recorded on a 5-point Likert scale, with 1 denoting "strongly disagree" and 5 denoting "strongly agree." High scores indicated that the sample group strongly agreed with the elements of job satisfaction at their workplaces. These elements also pertained to their own job satisfaction and to Herzberg's motivation factors. Correspondingly low scores indicated their strong disagreement with the factors leading to job satisfaction at the workplace. The employees' intentions to resign were also measured.
- (b) Demographic and work-experience: This set of questions was developed to collect participants' background data such as sex, education level, working experiences, etc.

2.1. Size of Data Set

With an effect size of .40, a significance level of .05, a test power of .80, and a mean comparison of 2–4 groups, the smallest total sample size for this study was 72 subjects (18 subjects for each group). We estimated that our research questionnaires would receive a response rate of roughly 50%, so we distributed 150 questionnaires. In total, 120 questionnaires were returned to us, but only 100 were correctly completed. Thus, the final sample of 100 subjects consisted of office workers employed in clerical, managerial, and administrative roles in the Asoke and Chidlom districts of the Bangkok Metropolitan Region.

2.2. Variables in the Study

Dependent variables: The dependent variables in this research consisted of motivational factors and hygiene factors. The motivational factors included achievement, work, recognition, growth, and company policy. The hygiene factors included company policy, relationship with peers, work security, relationship with supervisor, money, and working conditions.

Independent variables: The independent variables in this research consisted of the subjects' demographic data, including gender, age, education level, number of years worked, current job position, and income level.

2.3. Data Analysis

The data was examined using frequency and percentage analysis to consider the status of the subjects. Mean and standard deviation were used to analyze the result of this study.

2.4. Reliability

For the reliability of the research instruments, a pre-test with 60 samples was conducted. The samples had the same characteristics as the actual sampling group. This pre-test was carried out to ensure that the questions were sufficiently clear and so that the answers would correspond with the objectives of the study. Any faults were corrected to ensure the reliability of the study before the actual data-collection occurred. From the collecting of the pre-test data on 60 samples, the reliability statistics showed a Cronbach's alpha coefficient of .92 and .93. Because the result was more than 0.70, the questions could be used for the study (Cronbach, 1951).

3. RESULTS AND DISCUSSION

3.1. Measure of Employees' Satisfaction with the Organization

In this study, an analysis was performed to measure of employees' satisfaction with their employer (organization) by testing 10 principal factors. The majority of respondents chose the "agree" option on the scale of employee satisfaction (mean = 3.88). In considering all 10 factors, the respective means are as follows: Relationship with peers (mean = 4.13); achievement (mean = 3.97); growth (mean = 3.96); recognition (mean = 3.92); work security (mean = 3.90); relationship with supervisor (mean = 3.90); working conditions (mean = 3.87); remuneration (mean = 3.81); work (mean = 3.71); and company policy (mean = 3.68).

3.2. Measure of employees' intention to resign

An analysis to measure employees' intention to resign was also conducted by testing the 10 principle factors leading to employee turnover. The majority of respondents chose the "agree" option on the scale of employee satisfaction (mean = 3.43). There were 6 factors that resulted in this choice:

- *Growth*: I receive limited training, and there is little potential for career advancement (mean = 3.77)
- *Work security*: My workplace is located in an area where I do not feel comfortable (mean = 3.67).
- *Company policy*: The limitations of company policy impact on me (mean = 3.53).
- *Remuneration*: I am not fully satisfied with my remuneration because of the poor working conditions at the office (mean = 3.50). *Relationship with supervisor*: The supervisor provides limited support, and I have a poor relationship with him/her (mean = 3.46).
- *Achievement*: The company does not recognize my achievements (mean = 3.41).

In total, 4 factors received a “neutral” response from participants:

- *Relationship with peers*: I receive limited support, and I have a poor relationship with my supervisor (mean = 3.37).
- *Work*: The job is not challenging or exciting. I have no power over decisions in my tasks (mean = 3.29).
- *Employee turnover*: I intend to discontinue my employment at my current workplace (mean = 3.24).
- *Recognition*: The company does not recognize my work or the importance of my role within the company (mean = 3.14).

3.3. Measure of the Importance of Satisfaction for employees

An analysis to measure the importance of satisfaction for employees was conducted. The respondents were asked to rank 10 factors according to their satisfaction levels, where 10 was “most satisfied” and 1 was least satisfied. The analysis has shown that the factor with the lowest ranking (1) was company policy; remuneration received a ranking level of 2; work security received a ranking level of 3; recognition received a ranking level of 4; recognition received a ranking level of 5; growth received a ranking level of 6; relationship with peers received a ranking level of 7; the work itself received a ranking level of 8; achievement received a ranking level of 9; and working conditions received a ranking level of 10.

3.4. Hypothesis testing

Hypothesis 1: Demographics will influence employees’ satisfaction levels

Table 1 ANOVA Result of Differences in Satisfaction Levels, According to Age

Satisfaction at Work	Sum of Squares	<i>df</i>	Mean Square	<i>F</i>	<i>p</i>
Between groups	2.938	3	.979	3.933	.011*
Within group	23.900	96	.249		
Total	26.838	99			

* $p < .05$

The ANOVA result presented in Table 1 shows a significance level of .011 in terms of the levels of difference in work satisfaction among employee in different group age. The hypothesis is proven in this case. Further analysis showed that older age employees have a tendency to satisfy with their job.

Hypothesis 2: Demographics will influence employees' intentions to resign

Table 2 ANOVA Result of Differences in Intent-to-resign Levels, According to Age

Intent to Resign	Sum of Squares	<i>df</i>	Mean Square	<i>F</i>	<i>p</i>
Between groups	4.124	3	1.375	3.698	.014*
Within group	35.687	96	.372		
Total	39.811	99			

* $p < .05$

The ANOVA result presented in Table 2 shows a significance level of 0.014. Thus, the hypothesis is proven. Further analysis showed that younger age employees have a tendency to resign from their current job.

Hypothesis 3: The extent of work experience will influence employees' satisfaction levels

Table 3 ANOVA Result of Levels of Work Satisfaction According to Number of Years Worked

Satisfaction to Work	Sum of Squares	<i>df</i>	Mean Square	<i>F</i>	<i>p</i>
Between groups	3.554	5	.711	2.869	.019*
Within group	23.284	94	.248		
Total	26.838	99			

* $p < .05$

The ANOVA result presented in Table 3 shows a significant relationship between the respondents' years of service and work satisfaction, with a significance level of .019. Thus, the hypothesis is proven. Further analysis showed that employees with more years at a company have a tendency to satisfy with their job.

Hypothesis 4: The extent of work experience will influence employees' intentions to resign

Table 4 ANOVA Result of Work Experience Influencing Employees' Intentions to Resign

Intention to resign	Sum of Squares	<i>df</i>	Mean Square	<i>F</i>	<i>p</i>
Between groups	7.035	5	1.407	4.035	.002*
Within group	32.777	94	.349		
Total	39.812	99			

* $p < .05$

The ANOVA result presented in Table 4 shows that there is a significant relationship between the number of years worked and employees' intentions to resign, with a significance level of .002. Thus, the hypothesis is proven. Further analysis showed that employees with lesser years at a company have a tendency to resign from their current job.

Hypothesis 5: Employees' satisfaction levels will influence their intention to resign

Table 5 The Correlation between Levels of Work Satisfaction and Intention to Resign

Satisfaction at work	Intention to resign	
	Correlation Coefficient	<i>p</i>
Achievement	-.171	.088
Work Itself	-.123	.221
Recognition	-.202*	.044
Growth	-.134	.184
Company policy	.038	.708
Relationship with peers	-.298**	.003
Work security	-.363**	.000
Relationship with supervisor	-.109	.283
Remuneration	-.339**	.001**
Work conditions	-.057	.576
Total	-.264**	.008

* $p < .05$, ** $p < .01$

The results presented in Table 5 show that overall levels of satisfaction at work have significant association with intentions to resign, with a significance level of .008. The negative correlation coefficient (-.264) means that the lesser satisfaction at work, the higher the intention to resign of the workers. By considering the various factors that contribute to satisfaction at work, it was found that recognition has a significant relationship with intention to resign, with a significance level of .004. Moreover, relationship with peers, work security, and remuneration have a significant relationship with intention to resign, with significance levels of .003, .000, and .001, respectively. While there is no significant correlation between achievement, work itself, growth, company policy, relationship with supervisor and work conditions factors with intention to resign.

4. CONCLUSION

The first objective for this study was to determine the relationship between each independent factor and employee satisfaction levels. The second objective of the study was to test each independent factor, based on satisfaction levels, and its influence on employee turnover. The third and final objective was to determine the extent to which the 2 dependent factors, based on satisfaction levels, contributed to employees' intention to resign. From this study, it was observed that some of the aspects of the work satisfaction including Recognition, Relationship with peers, Work security and Remuneration contribute to intentions to leave and some of the aspects of the work satisfaction including Achievement, Work Itself, Growth, Company policy, Relationship with supervisor, and Work conditions do not. Thus, further studies should be conducted whether these findings can be generalized in every context and situations.

To conclude, the findings of this study prove the importance of various workplace and demographic factors that affect job satisfaction and turnover. To prevent low levels of productivity, supervisors and managers should monitor employees' perceptions of their work and the workplace environment, as these perceptions have a causal relationship with employee productivity and thus, affect the success of the organization.

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