

Employee Turnover: (A Case Study of an Electronic Company in Laemchabang industrial Estate)

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บทคัดย่อ

การศึกษานี้มีวัตถุประสงค์ เพื่ออธิบายเหตุผลในการลาออกของพนักงานบริษัท อิเล็กทรอนิกส์แห่งหนึ่งในนิคมอุตสาหกรรมแหลมฉบัง การเก็บข้อมูลโดยวิธีการวิจัยเชิงคุณภาพ ส่งผลให้เกิดความเข้าใจเกี่ยวกับความรู้สึก ประสบการณ์ และความข้อคิดเห็นจากการสัมภาษณ์เชิงลึก จากการสัมภาษณ์ผู้ให้ข้อมูลที่ลาออกโดยสมัครใจทั้งหมด 13 คน ตั้งแต่ มกราคม 2550 ถึง พฤษภาคม 2551 ผลการศึกษพบ 2 ประเด็นสำคัญ คือ ข้อดีของบริษัทเดิมและข้อเด่นของบริษัทใหม่ ข้อดีของ บริษัทเดิม คือ การจ่ายเงินเดือนและสวัสดิการที่ไม่เหมาะสม, โอกาสก้าวหน้าในหน้าที่การงาน เป็นไปได้ยาก, การประเมินผลการทำงานไม่ยุติธรรม, การบริหารบุคคลไม่เหมาะสม, การบริหารระบบ การทำงานด้อยประสิทธิภาพ, การสื่อสารในองค์กรที่ไม่เหมาะสมและขาดประสิทธิภาพ, การดำเนินงาน ของผู้บริหารที่ไม่เหมาะสมและหัวหน้างาน โดยตรงขาดคุณสมบัติการเป็นผู้นำ ส่วนข้อเด่นของบริษัทใหม่ คือ เงินเดือนและสวัสดิการที่ดีกว่า, โอกาสก้าวหน้าในหน้าที่การงานและความรับผิดชอบที่สูงขึ้นของ บริษัทใหม่, โอกาสที่จะได้ทำงานที่สอดคล้องกับความต้องการ, ชื่อเสียงที่ดีของบริษัทและอุตสาหกรรม ที่น่าสนใจ และที่ตั้งของบริษัทใหม่อยู่ใกล้กับครอบครัว ทั้งนี้ ผู้วิจัยขอเสนอแนะบุคลากรทางฝ่ายทรัพยากร มนุษย์เกี่ยวกับแนวโน้มในการศึกษาเพื่อเป็นประโยชน์ในงานวิจัยครั้งต่อไป

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Abstract:

The purpose of this research was to identify and explain reasons related to employee turnovers of an electronics company in Laemchabang Industrial Estate. Qualitative research approach was used to gain a deep understanding of the perceptions, feelings, experiences, and opinions through in-depth interviews.

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Data was collected by in-depth interviews from thirteen monthly employees who resigned during January 2007 to May 2008.

The research results found two important themes, the weakness of former company and the strength of the new company. The weakness of the former company were: improper salary and welfare, low opportunity on career path, unfair performance evaluation, improper human resource management, lack of efficiency on work system management, improper and insufficient internal communication, improper decision and behaviors by executives, and lack of leadership from direct supervisor. The strength of the new company included higher salary and welfare, better chance for promotion and responsibility, chance to work matching with their needs, company and industry had good reputation, and the new company location being near their family. Recommendations were given for the management personnel as well as human resources personnel. Future research is also suggested.

Key words: Employee turnover, Employee resignation, Employee retention

Introduction

Thailand has been facing human resource problems, in terms of employees turnover since 1985 (Wateetip, 1999). Employees often change their jobs and do not have loyalty towards the organization. The causes of the problem may result from many reasons such as employees themselves and the organization. This research focused on the monthly employees who resigned during January 2007 to May 2008. The turnover of monthly employees affects the company by losing time for training, difficulties of recruiting, and selecting expert employees. The purpose of the study gained deep understanding of the reasons concerning monthly employee turnovers of The Electronics Company in Laemchabang Industrial Estate in Thailand.

Research design and methods

A qualitative research approach was applied. Participants were 13 monthly employees who voluntary resigned from the company that

were managers, supervisors, officers, and staff from January 2007 to May 2008. They were collected through in-depth interviews of about 30-60 minutes per person. The investigator sent the invitation letter and asked permission, discussed, and explained the objective of the study. The investigator phoned or sent e-mails to these thirteen employees and made appointments for interviews. The interview guide was used to remind the investigator during the interviewing. The tape recorded from the interviews was transcribed. Data were coded using a qualitative approach. Codes were categorized using a cluster technique (Lincoln & Guba, 1985). Themes were identified and defined.

Trustworthiness

This research answered the trustworthiness suggested by Lincoln and Guba (1985); truth value, transferability, dependability, and conformability. The investigator documented the

research process and provided sufficient evidence to make it possible for interested others to understand how the investigator reached the conclusions by using tape-recorded interview, transcript interviews, field notes, process notes, data reduction and analysis products, analytic notes, interpretations, and conclusions. The investigator kept a personal log throughout the study in qualitative research. Detailed and full descriptions of the setting were provided in the final report to enable readers to assess transferability of the findings. The investigator provided descriptive characteristics of the respondents to enable the readers to consider the applicability of the findings to their own setting. The range of respondents' experiences rather than average of experience were included in the findings (Krefting, 1991). The investigator met regularly with faculty advisor during the proposal, data collection, data analysis, and report writing up. The technique is suggested to answer that credible finding and interpretations were produced as recommended by Lincoln and Guba (1985) as the peer debriefing.

Results

The research result found two important themes, which were: the weakness of former company and the strength of new company.

1. The weakness of former company:

1.1 Improper salary and welfare:

Impropriety of annual salary adjustment as the following statements:

"I can't wait for 3% to 5% increasing of salary adjustment. If a firm offer me 25% jumped, then I will go." (Interview 1, L1, June 2008)

1.2 Low opportunity on career path:

Non-divided on position level is an unable for promotion as the following statement:

"Well, the most important reason that I decided to resign is because it has less opportunity to be promoted in higher position. I believed that everyone is looking forward to be promoted."

(Interview 1, L1, June 2008)

1.3 Unfair performance evaluation:

Consider length of employment, not ability as the statements below:

"They give a chance to old staffs first, no new face to be promoted in senior position."

(Interview 1, G1, May 2008)

1.4 Improper human resource management:

Staff do not understand the business and marketing in-depth as following statements:

"Salespersons should understand a weak point and strong point of the product... In fact there are few people in this position." (Interview 1, L1, June 2008)

1.5 Lack of efficiency in the work system management:

The production department unable to resolve the repeated problem in production line as following statement:

"We did not deeply analyze the problem, so that we are unable to find the best solution. And the situation turn to be our crisis now." (Interview 1, E1, May 2008)

1.6 Improper and insufficient on internal communication:

Unclear communication for misunderstanding as following statements show:

"At the meeting, each section receives different information which causes the different interpretation. It can be said that communication is inefficient. Management level should review the information again before communicate with other departments. Some information is sensitive which can affect the employee's viewpoint."

(Interview 1, E1, May 2008)

1.7 Improper decision and behaviors by executives: Basic management is afraid to propose opinion against top management as indicated following statement:

"Administrative management lacks of freedom to express their idea. They concern themselves by not to propose idea against the top management. Most of them will support only top management's idea. So, they should be open minded to accept various ideas from others."

(Interview 1, K1, June 2008)

1.8 Lack of leadership from direct supervisor: Manager lacked leader qualification as the following statement:

"My boss disappoints me. He hangs around all day. He doesn't do anything. I think he is not a good boss. He doesn't have any management skills and lack of responsibility. For example, when I go oversea, he should handle my job, but he doesn't. You know? When I came back everything still remain the same. I have to solve these problems by myself" (Interview 1, F1, May 2008)

2. The strength of new company:

2.1 Higher salary and welfare: Receive better salary and bonus as following statement:

"The salary and bonus are increased. More than one month bonus is even. The longer

and employees works, the more bonus he/she will get." (Interview 1, J1, June 2008)

2.2 Better opportunity for promotion and higher responsibility: This corresponded with the needs of the participants as following statement:

"I think the new company has a clear career path to get promoted to the higher position. Furthermore, I would like to learn new job experiences" (Interview 1, K1, June 2008)

2.3 Chance to work matches with their needs: Chance to work abroad as following statements:

"They provide a chance to work abroad at least one time per year. That is a really important reason because I can learn new experiences." (Interview 1, A1, May 2008)

2.4 Company and industry had good reputation: Type of business involve with their needs as following statements:

"My new company is doing a business on automotive which is now growing up and stable more than the former company. So, think I can receive higher salary." (Interview 1, E1, May 2008)

2.5 New company located near their families: A participant had opinion as below:

"I will go back to live near my family." (Interview 1, D1, May 2008)

Discussions of the findings

Salary and welfare involved the feeling of employees. The first issue is that employees expect to have higher salaries in order to meet their needs as the standard of living changes. If employee unsatisfied with the salary and welfare,

it may involve the Push-Pull Factors Theory (Shikiar & Freudenberg, 1982). They also mentioned two factors that made employees resign. First, Push Factors means internal factor in organization which effect the person who unsatisfied on their work which is the factor that make them resign from the company, such as unsatisfied on wage. Second, Pull Factors means external factor of the organization which is the factor that attract employee to move or resign from former organization to new organization, such as higher salary, compensation etc. The present research found that employees were unsatisfied with salary and bonus of the former company and Pull Factors was the employees receive higher salary and welfare from the new company.

Another reason of employees to resign was issue of low opportunity on career path. The investigator found employees lack a promotion channel in their former company. These cause them to resign and the study in the present research still involve with the hierarchy needs of Maslow (Cited in Pengsuk, 2001), which mention the physical needs have an incentive impact the human behavior. According to the requirement to meet their needs in each level before a person can respond to their need for higher level.

The present research found the unfair performance evaluation and supervisor did not support employees. The low chance competition for promotion was the reason some employees resigned. This was the reason that made employee resign. It can be explained by the Expectancy Theory of Vroom (Cited in Sirinoot, 1997).

Expectancy, in relation to work performance means the persons who increase their effort or work hard will expect to get the evaluation based on their effort. If it is impossible according to their expectation, the employee will feel unsatisfied.

The issue of improper human resource management, the present research found lack of coordination in teamwork, which affects employee resignation, and still involve with the idea of Price (1977). Price explained that the unanimity of employees in organization has relation with satisfaction in work, which is related variable directly to resignation.

Improper and insufficient internal communication was also found as the results of reason to resign in the present study. Unclear communication misunderstanding was one reason that made employees decided to resign. The results also supported by Price (1977). Price's study explained the primary decision to resign of employee that was variable according to unanimity of employee or relation between employees within organization. The communication systems in this study are related to employee satisfaction and resignation.

Improper decision and behaviors by executives found that the employee resigned due to their being unsatisfied with executive management. Inappropriate executive management effect on employee relates to the idea of Maslow (Cited in Sirinoot, 1997) who said that a human needs safety and security in their work. Thus employees who work in organization need to be secure in their work.

The issue of lack of leadership from direct supervisor found that a manager lacked

leader qualification. This is a Push Factors which means a factor within an organization that affect the employee satisfaction in their work, such as relation between persons within the organization, which can be the factor that finally make a person resign.

Regarding the issue of chance to work that matches their needs. The investigator found that a new company which challenges the ability to the employee more than the former company will affect their resignation, this fits the motivation theory of Herzberg (1959) who believed that the needs of motivation that relates to the factor on work directly.

The issue of company and industry has good reputation, the investigator found working with a new company that has good reputation and is more well-known than the former company affects employees' decision to resign. This issue involved the theory of Mobley (1982) stated that non work values can contribute to employee turnover. It was the situation and popularity not relate to the work (Non-work values and contingencies).

Regarding the issue of the new company being located near their families, the investigator found that moving to new company where they can stay closer with their family, affects employee resignation. This issue is similar to the study of Rattananit (2005) which found that an employee who needs to work close to their family to take care of their children affects that employee decision to resign (Shikiar & Freudenberg, 1982). Pull Factors are external factor which attracts an employee to move or resign from former organization into new organization.

Recommendations and Applications

For the top management

To study management of a company, the research found this company must implement a system of work according to their policy from head quarter. Employees have been limited on the process and procedure which they are unable to improve. Employees can not develop system to progress in their profession. As a result, management should give a chance for employees to participate and put forward about determination of company policy. Management can adjust or resolve issue of implementation and development, and make employees feel that they have an opportunity to develop their work system suitable to the type of business and be able to support their professional progress. Management should listen to their employee opinion to find new resolutions for problems. These can get useful information to develop company in the future.

Regarding the issue of annual performance evaluation, the present research found that if the supervisor department has relation closer to the top management, that department will have a better chance to progress than other departments. Therefore, top management should manage their operation in justice and aware to get closer to any group to make employees feel that top management was in the middle.

The issue of internal communication, research results found that there were inappropriate communications from top management. The top management should represent company, so they should review their information, adjust the words that are suitable for communication to employees and screen or limit

some information to some employees, because misunderstood interpret action will affect the company image.

For the basic management

Regarding evaluation of basic management performance, the investigator found that employees are unsatisfied with the unfair performance evaluation, supervisor favoritism, and consider length of employment, not ability. Therefore, basic management should be fair to subordinates equally by using 360 degree performance evaluations. The evaluation should be made by supervisor, co-worker, and self evaluation to be fair for employee and support employees who have ability to compete for their higher position. Supervisors should evaluate advantage and disadvantages of employees clearly annually. Annual performance evaluation of employee induces the employees to increase their development, and suggest them how to resolve their disadvantage to compete in their work. Informing employees about evaluation results will provide important information in case of consideration to promote to a higher position in the future and protect from bias and impact within company.

The investigator found the perception of employees was that basic management did not go to the same target and used favoritism and that basic management was afraid to propose opinions against top management. Therefore, basic management should ask subordinates in the departments to work the same target according to the purpose of company. Basic management has the management skill that must predict company situation both short and long term. Thus,

basic management should be able to present their opinion even if it differs from other management appropriately for company implementation efficiency.

For the human resources personnel

Salary and welfare was an important factor affecting employee resignation. The former employees were unsatisfied on their salary and welfare including annual salary adjustment, impropriety of salary with position level, age, and experience. Moreover, employees unsatisfied with bonus payment annually and calculation of the profit sharing bonus system of company. The Human Resources Personnel (HRP) have a duty and responsibility about salary and welfare. They should support the company to participate in a compensation and benefits survey within the same industry, in the same type of business to compare their salary and welfare. The company should be competitive with the market. The HRP should make the company know the trends on wage adjustment annually for employees. Company should be able to compare salary payment with the title, experiences, and other welfare. The company should specify their payment by providing suitable salary structure, as well as the company should adjust the salary reasonable. They will be satisfied and will not resign from the company due to company unable to pay their salary and welfare to them.

Regarding the issue of opportunity on career path, the employee comment that it was difficult for employees to progress because a lack of divisions or steps within position level means there is no opportunity for promotion. The HRP, who are responsible for Human Resource

Development, should provide a career path to employees in appropriate time. They could add level of skill to the job description and provide employees with competition, or review their potential to select employee who has appropriate qualification for promotion to the higher position. Promotion should consider the employee knowledge, ability, experiences, performance, and determine a career development plan for the employee clearly in each position. This is to ensure that they have an opportunity to progress on their career and operate in organization by giving them more responsibility on their duty and their knowledge development by training according to the type of work.

Regarding the issue of performance evaluation of the company in this study, the investigator found that employees feel that the evaluation system was unfair. Therefore, the HRP should revise the evaluation system to be fairer in evaluating employee performance. The HRP who are responsible for employee performance evaluation should notice and introduce the process of performance evaluation and regulation and train the supervisors in every level and department to understand correctly, with the same direction, to bring 360 degree performance evaluation by notice to supervisor and employee in every department. This will affect the progress on their work and compensation for employee work righteously and the supervisor can give feedback to the employee to increase understanding. The HRP helps introduce the scoring system linked to the result on adjustment of salary annually, which will result in a just and fair salary structure.

Regarding the issue of supervisor who has duty on performance evaluation of subordinate, the research study found the lack of leadership from supervisors. Therefore, the HRP who are responsible for Human Resources Management and Human Resources Development must provide the questionnaire on evaluating supervisor, employee annually, and provide the activities to coordinate their work. However, the HRP might provide a seminar to supervisors on leader skills, understanding their work and transfer human resource techniques because only efficient supervisors are able to control teamwork following the plan effectively. They must have good communication, vision and good relation, create understanding within the team by emphasizing the purpose and target of the company relate to each person.

Regarding the issue of a chance to work which matches their needs, the investigator found that the type of work in a new company challenges the ability, and allows more free time and chance to work abroad. The HRP who provide orientation to new employees should explain employees about their opportunity from this company, such as support employees to use their potential in order to increase their responsibility by using any technical skills. Also, the HRP should allow employee participate to determine policy, development to support employee effectively, value to organization, and help them to create their performance such as extend their work to increase operation both idea and responsibility. Job rotation gives employees a chance to switch duty, and to challenge their ability by making them feel not bored on the job

and learn new things. The HRP might select efficient employees to go abroad and show their ability or their needs to support the suitable position and relate to employee needs.

Regarding the issue of company and industry reputation, the investigator found that employees move to the new company because the type of business corresponded with their needs. In part, the HRP is responsible for recruitment should consider from the beginning in hiring new employees by interviewing in-depth about their interest in the business and type of work. This is because the company wants to find out the ability, and experience related to the type of work or not to get the suitable person and prefer to work with the company in long-term.

Regarding the issue of a new company located being near their families, some people resign from a former company to work closer or living the same place with their family, so the HRP who are responsible for employee relations should support the company by providing activity on relationship between company and employee family. For example, internal and external activities in which family members are able to participate. Therefore, the HRP should give preference in hiring to person who live near the workplace or live with their family. This idea will help reduce employee resignations due to family problem.

Recommendation for future research

The research result found one case in which the participant resigned from former company to new company, and gave the reason that he was interested in the business of the new com-

pany. The participant mentioned that business of the new company, which was the same business as the former company. It makes the investigator unable to explain the causes related to business which make participant resign. Therefore, the investigator suggests studying the trends of business that attract employee interest to apply for the job.

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