

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND

Sahaviriya Group of Companies is the biggest group of steel producer in Thailand. The total capacity of steel production of Sahaviriya is nearly 10 million tons per annum. There are 4 sites owned by Sahaviriya Group. Three of them are the factories located in Samut Prakarn Province, Chacheongsao Province, and Prachuap Khiri Khan Province. Besides the plants that are upcountry, there are 2 offices in Bangkok too. The Prapawit Office is located on Surawong Road while the other office is located on Rama 3 Road.

As we already know, employees are the most important resource of a company. Sahaviriya Group of Companies has its own strategy for maintaining their resources. Actually, most of the employees do not want to change their job, but they are forced to. The reason for resignations or job change arouse from the conditions within their companies such as those of salary, position, bonuses and welfare. The level of satisfaction as a result of these factors affects the quality of the employees work. One condition that is most important to employees is company benefits and welfare. Thus, the researcher would like to explore find the satisfaction levels of employees who work at Sahaviriya Group of Companies. It has been said that job performance at Sahaviriya is lacking compared to the other companies. Good quality employees are not able work at Sahaviriya Group for a long period and it has proved very difficult to find a suitable person or a qualified person to work within this organization. As a result, the researcher would like to find the real factors that affect employee satisfaction at Sahaviriya in terms of company welfare and benefits.

1.2 STATEMENT OF THE PROBLEMS

From the records of the Human Resources Department, the number of employees who had resigned over the last 3 years was higher than that of new employees. From this figure, it can be shown that the number of employees who were resigning was increasing at 2.3% in 2005, and again continuously from 3.0% in 2006

to 4.5% in 2007. This record led the Human Resources Department to survey the reasons for the increase in the number of employees' resigning. One strategy that the Human Resources Department used was to ask the employees to fill in the resignation form with their reasons for leaving. However, some employees did not state the real reasons that caused them to resign from the company. Thus, the researcher would like to survey the real attitudes of current employees in order to set up remedial strategies before anymore employees resign. The questions that the researcher will explore and from which the researcher will alert company are as follows:

1.2.1 Are employees satisfied with their current company welfare and benefits?

1.2.2 What is the most important factor that makes employees stay with Sahaviriya Group?

1.3 OBJECTIVES OF THE STUDY

1.3.1 Main Objective

To measure the level of employees' satisfaction towards company's benefits and welfare at Sahaviriya Group

1.3.2 Sub-Objectives

1. To determine the benefit that employees find most important.
2. To determine which factors affect overall employee satisfaction.
3. To measure the level of overall employee satisfaction.

1.4 DEFINITIONS OF THE TERMS

The definitions of the terms of this study are as follows:

Welfare

Financial or other aid provided by Sahaviriya Group Company

Benefits

Company-paid or sponsored programs that benefit employees in addition to compensation.

Employee Satisfaction

Fulfillment of the physical, emotional, and psychological needs of the company's employees.

Motivation

Employee behavior whereby they are encouraged to perform to their ability or to act as desired by the company.

Sahaviriya Group

A group of private organizations that run the steel business comprised of :

1. Prachuap Pattana Development Company Limited (PPD)
2. Sahaviriya Iron and Steel Making Company Limited (SIS)
3. BS Metal Company Limited (BSM)
4. Sahaviriya Steel Group Company Limited (SSG)
5. Bangpakong Port Company Limited (BPP)
6. Bangpakong Lighter Company Limited (BPL)
7. Line Transport Company Limited (Line)
8. Prachuap Port Company Limited (PPC)
9. Sahaviriya Panich International Company Limited (SVPI)
10. Sahaviriya Steel Industries Public Company Limited (SSI)
11. Thai Cold Roll Steel Public Company Limited (TCR)
12. Thai Coated Steel Company Limited (TCS)

1.5 SCOPE OF THE STUDY

This study focused on the employees' satisfaction in Sahaviriya Group in terms of company's welfare and benefits in Bangkok only. The questionnaires were distributed to the employees who work in the Bangkok Branches, i.e. both the Rama III Office and Prapawit Building Office.

1.6 SIGNIFICANCE OF THE STUDY

This research has been conducted to study the satisfaction of employees in terms of company welfare and benefits in order to make and suggestions on how the company can improve their welfare and benefits in order to maintain a workforce of good quality employees or to motivate the employees to work with the company for a

long period. Moreover, this study will determine which factors are most important for employees in terms of job satisfaction in their work with the company.

1.7 ORGANIZATION OF THE STUDY

This study is divided into five chapters. The first chapter introduces the background information, the statement of the problems, the objectives of the study, the scope, definitions of terms and also the significance of the study. The second chapter provides a brief review of literature and research relevant to the study. The third chapter explains the methodology, materials, procedures and data analysis used in the study. The fourth chapter presents the data obtained from the study. The last chapter summarizes the study with discussions, conclusions and recommendations for further study.