

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND

Nowadays, the work force is one of the most important factors driving economic growth in Thailand, especially, in the export sector. Since the Thai government announced the baht float in 1997, Thailand and other Asian countries struggled with a financial crisis. This problem has resulted in an increasing unemployment rate in Thailand. However, in the export sector, this benefits to Thai exporters as they gain more currency. Therefore, the demand for labor in export companies has been increasing.

Maeklong Foods Company is a seafood export company which survived the economic crisis by changing their target group from the domestic market to the international market in order to capture the opportunity to gain more capital from the high exchange rate with the US dollar. Since Maeklong Foods opened its market to Europe, America, and Japan, there has been greater demand for labor to support the orders from customers.

As Maeklong Foods is located in an industrial area, (Samutsongkram-Samutsakorn industrial settlement), and the workforce near industrial areas are limited, there is a scramble for the labor. Maeklong Foods has been trying hard to decrease the turnover employees, such as by having a wage rate adjustment, giving extra compensation for hard working employees, and giving many kinds of fringe benefits; however, the turnover is still high.

At present, there are more than 400 employees in the production lines which consists of Thais and Alien workers. Every month, the company has to deal with the turnover problem which has caused the company to waste a lot of money and time (e.g., paying for job advertisements and training new employees).

Thus, this research aimed to find out the factors that cause employees to leave Maeklong Foods Company. This study uses cross-sectional design. The sample consisted of 100 employees in the production lines at Maeklong Foods Company. They were informed about the objectives of the study. The questionnaires were distributed, and then the investigator collected the data from the second week to the

third week of January. Once the data was collected, the Statistical Package for the Social Science (SPSS) program version 12 was used to analyze the data.

It is hoped that once this research is completed, it will help the supervisors to understand the real causes of the turnover. Also, it can help the company reduce the cost of training and the loss of skilled employees. Finally, it will help strengthen relations and understanding between employees and supervisors.

1.2 STATEMENT OF THE PROBLEM

A high and turnover rate can cause a company many problems, such as wasting money for advertisement fees, time for new employee recruitment, time for training new employee, and production schedule interruption.

The production department of Maeklong Food Company is now facing a turnover problem which has occurred since the company changed its marketing policy to exporting.

The first problem is that the production schedule has been disrupted by continual turnover of employees. This can cause delays in production which leads to overtime work and additional wages that the company has to pay for employees.

In addition, the existing staff, trainers, or supervisions face difficulties when new employees are recruited. These existing employees or staff unavoidably allocate their working hours to train and instruct new employees.

These problems can affect costs and company productivity; the researcher desired to search for the reasons for the turnover of employees in the production lines in terms of the following questions:

- 1.2.1 What are the causes of employee dissatisfaction that lead them to quit?
- 1.2.2 What are the factors that lead to employee job dissatisfaction?

1.3 OBJECTIVES OF THE STUDY

1.3.1 Main Objective

To find out the cause of employee job dissatisfaction in the productions lines of Maeklong Foods Company.

1.3.2 Sub-Objectives

1. To identify the overall job dissatisfaction and the influence of each component on the turnover problem.
2. To find out the ways to improve employee job satisfaction.

1.4 DEFINITIONS OF TERMS

Definitions of terms of this study are as follows:

1.4.1 Attitude is a disposition to respond favorably or unfavorably to female managers. The respondents answered each item by choosing one of five alternatives, a format proposed by Likert (1932) as part of an attitude scaling method: Strongly Agree, Agree, Neutral, Disagree, and Strongly Disagree.

1.4.2 Subordinate is a male or female employee who has a lower position and has to work under supervision of female managers.

1.4.3 Employees means staff both male and female, who work on the production lines at Maeklong Food Company.

1.4.4 Job dissatisfaction is the dissatisfaction in six aspects which are the nature of the present job, working time duration, leadership, benefits, supervisors, atmosphere and environment at the work place in the production department of Maeklong Foods Company.

1.4.5 Implementation is the improvement of problems which caused from the 6 job dissatisfaction in employees on the production lines of Maeklong Foods Company.

1.5 SCOPE OF THE STUDY

This study has some limitations regarding the participants' personal educational background. First, some of the participants were Thai and did not have a high education; therefore the researcher needed to translate the questionnaire into Thai language.

In addition, some participants could not read the questionnaire because they were illiterate, so it is possible that they asked their superiors or their friends to read the questionnaire for them. Thus, in order to achieve the objectives of the study, the researcher needed to use easy and clear language in the questionnaire to make sure that the participants could understand the questions.

Furthermore, the researcher needed to inform the participants about the purpose of this research because the participants might have been afraid of responding to questionnaire, leading to unreliable answers.

Lastly, since some participants were busy, they were given a long period of time to answer the questions.

1.6 SIGNIFICANCE OF THE STUDY

Employee turnover has caused many problems for the company, such as the lost of production capacity, time consuming training for new employees, the loss of skilled employees, and so on. The findings can help the superiors take into account factors leading to employee job dissatisfaction. In addition, this may help human resources find a way to reduce and prevent high employee turnover.

1.7 ORGANIZATION OF THE STUDY

The research has been divided into five chapters.

Chapter one discusses the background of Maeklong Food Company, the statement of the problem, the objectives, the scope and the significance of the study.

Chapter two presents the definitions and concepts and the review of the literature related to the study, which are job satisfaction theories, turnover model, and organizational commitment concept. Lastly, a relevant study is included.

Chapter three describes the research methodology together with the research instruments applied in the study. The procedure of data collection and the statistics used in data analysis are also included in chapter three.

In addition, chapter four illustrates the data collection of the study. The findings from this study are summarized in both texts and tables.

The last chapter, chapter five, provides the conclusions, discussion of the study, and recommendations for further research. Finally, the questionnaire is included in the appendix section.