



Vital role of leader as employee value proposition for employee engagement in Thai perspective

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Abstract

Today talent scarcity is a big issue. It would be even worse if a company failed to engage their staff to work for the long run and not to resign from the job and work for competitors. As a result of failing to do so, a company may face many hidden costs through resignation of high potential employees. Employee Engagement is then regarded globally as a vital tool to retain staff. Surprisingly, there is little research on such, especially in Thailand. From a business perspective, top management needs to find a new way to engage staff to stay and contribute best effort for a company's success. The objectives of this research were (1) To define employee value proposition in Thai context in engaging employees to work at the same company in the long run (2) To suggest engaging ways of work for the executives of Thai firm to effectively engage and retain their employees. This paper explored the role of leader as vital employee value proposition for employee engagement among Thai workforce at 4 leading Thai companies; namely PTT Public Company Limited (PTT), The Siam Cement Public Company Limited (SCG), Toyota Motor Thailand Company Limited and Charoen Pokphand Group (CP). These 4 companies are among Thailand's leading companies that Thai people would like to work with the most according to research by Manpower in 1994. Their turnover rates including financial performances have proved that their employee engagement initiatives have worked well since the turnover rate dropped year on year, whereas their financial performances were strong. The survey data were collected from a sample of 400 employees (100 employees from each firm). It was found that the leader has positive reinforcement for employee engagement by being vital employee value proposition. The less the gap between top boss and employees is, the more engaged employees would be as they thought their voice would be heard.

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Introduction

Employee Engagement field continues to grow rapidly since it has a tremendous impact as a driving force for corporate success amid talent scarcity. There is no consensus on a single universal definition of Employee Engagement. Since 1960, scholars have attempted to define the term and meaning of Employee Engagement ranging from the state of a person's regular involvement in behavior, a bond between an individual (the employee) and the organization (the employer), the employee's degree of involvement and loyalty to the organization among many other terms. However, it has mostly been accepted that Employee Engagement is an emotional and intellectual state that an employee is willing to give one's best at work, and at the same time, there is also evidence linking engagement to company's performance such as productivity and satisfied level of customer service. (Singh, 2013) The author has defined Employee Engagement in this paper as "A relationship and feeling of an employee towards the organization that one works for and this could have an impact on working performance and intention to stay working at the organization in the long run." According to research in Thailand by Gallup interviewing 300 employees, only 14 percent were engaged with the organization whereas 84 percent were not engaged and the other 2 were extremely not engaged. (Gallup, 2012) As such, many organizations have invested a lot on annual employee engagement survey and relevant programs tailored differently to their own employees to boost the engagement index. The measurement of Employee Engagement is conducted through such survey by benchmarking the engagement index year on year with employee turnover rate and corporate financial performances. In the Thai perspective, even though many Thai employees become engaged with the firm, some still make the decision to leave. Leadership is among the top engagement drivers in staying. However, there is a lack of study on specific construct(s) of leadership and/or certain employee value proposition that drive(s) employee engagement especially in Thai context. Role of leader as vital employee value proposition for employee engagement was therefore studied to meet the set objectives of this research. The author believes that behaviors of leader and/or direct boss have positive reinforcement in shaping employee engagement for long term retention. However, the question which the author aimed to answer in this

research was which role of the top boss of an organization would lead to enhancing employee engagement?

Literature Review

Employee Engagement can be defined in many ways and there is no universal definition as yet. The author further defined "Employee Engagement" as a leadership priority that helps the firm produce results through employees with enthusiasm towards organization success. They would say positive things towards the company, would stay with the company for a long time and would make extra efforts to achieve positive outcomes. Gallup found critical links between employee engagement, customer loyalty, business growth and profitability in 2004. And, in addition to Gallup findings, Ott (2007) cites Gallup research, which found that higher workplace engagement predicts higher earnings per share (EPS) among publicly-traded businesses. Then employee engagement becomes worthwhile as many organizations conduct annual employee engagement index surveys. In 2005, a survey conducted in Thailand revealed only 12 percent of Thailand's employee population was engaged, 82 percent were actively disengaged and 65 disengaged.

There are 2 types of organization commitment (Saridvanich, 2006) which includes (1) Affective commitment; Employees show intention to stay at the firm because they either believe and trust in corporate goal and core value of the firm or are willing to strive for corporate success, (2) Continuance commitment; Employees still want to continuously be the members of the firm as it fits in with them.

Watson's 2014s Global Workforce Study lists five global top drivers of sustainable engagement that focus on behaviors and actions that matter to employees by (1) Leadership is effective at growing the business; earns employee's trust and confidence; behaves consistently with the organization's core values; envisions the future; inspires others to follow; transforms the organization to achieve the vision; and adapts to changing internal and external conditions, (2) Organization's image; highly regarded by general public; displays honesty and integrity in business activities, (3) Goals and objectives; employees understand the organization's business goals, steps they need to take to reach those goals, have the resources and support to do the job effectively, and see how their job

contributes to achieving goals, (4) Work/life balance; manageable levels of stress at work; a work environment that supports well-being, a healthy balance between work and personal life, and provides flexible work arrangements, (5) Communications; managers act in ways consistent with their words, treat employees with respect, clearly communicate goals and assignments, help remove obstacles to success, and coach employees to improve performance.

According to a research by Hay group together with the Centre of Economics and Business Research (CEBR), it was found that organizations across the globe are now facing resignation issue of employees due to the growing numbers of labor market. In Thailand, likewise, right after the establishment of ASEAN Economic Community (AEC), there was also intense competition in the labor market to avoid staff turnover and remain competitive in the industry due to the fact that workforce mobility among ASEAN countries was made possible after the realization of AEC in 2015. Therefore, there was high tendency of growing numbers of resigned employees each year or around 192 million people by 2018 especially in developing countries. Employee Engagement then becomes essential since most scholars agree that engaged employees have high levels of positive energy and identify strongly with their quality work.

However, employee engagement has become a hot topic among practitioners and consultants. There has been practically no empirical research in the organizational behavior literature (Saks & Rotman, 2006). But in business context, many leaders have started to put more emphasis on employee engagement. Leaders can create an environment that increases the state engagement of their followers directly (Tuckey et al., 2012). Supported by ColeySmith Consulting's Strategic Communication Forum research, "Findings of Top 6 Engagers," one of the top drivers of employee engagement is a leader who demonstrates a genuine commitment to employee well-being. Still, there is a limited number of researches on employee engagement in Thai business context. As a result, this research aimed to be a part to close this gap by identifying employee value proposition for employee engagement and retention.

Methodology

This study was a mixed method of both quantitative and qualitative research by conducting in-depth interview together with survey research using questionnaire as

research instrument and data collection. The first step after getting the result of top ranked firms where Thai workforce most wanted to work was an in-depth interview with the top executive in Human Resources Management of those 4 selected firms as they are key informant to get their directions on employee engagement and current practices. This was Theoretical Sampling using the same set of 13 questions. But in choosing the interviewees, the author did not consider the differences in personal characteristics such as age, education level, position. For the second step, a questionnaire was then developed to prove the information gained from the in-depth interview with employees at those 4 firms and to meet the research objectives. The qualifications of the questionnaire respondents were as follows; permanent staff status with work experience over 1 year at those 4 companies living in Bangkok and vicinity, educated with at least Vocational Certificate to Doctorate degree and aged between 20–60 years old. For the last step, SPSS statistical program was used for analysis. The questionnaire survey was created by the author based on relevant literature reviews, in-depth interview of HR executives and was verified by the expert in HR field. The questionnaire comprised of 2 main sections and 3 sub-sections, in total of 56 questions. The first section asked for general information (sex, age, marital status, education background, job position, and years of service at the company) in nominal scale. The second examined factors for employee engagement in 3 sub-sections. Sub-section A asked about company branding in 3 topics and 11 sub-topics (Relevance to the brand, Brand value and corporate goals and Company Reputation). Sub-section B asked about employee treatment in 9 topics and 36 sub-topics (workplace safety, working environment, recognition, engagement, working experience, employee driven, colleagues, career path and growth and direct manager). And, sub-section C asked about management in 3 topics and 9 sub-topics. (Work process and company resources, performance based, the top management). Both sub-section B and C used five-level Likert scales to let the respondents specify their level of agreement or disagreement on a symmetric agree-disagree scale for a series of above-mentioned statements.

Sample

This was nonprobability and purposive sampling. Sampling in this study engaged 400 employees in 4

different Thai companies operating in Thailand (100 employees each) with different years of work experience, education and age range. The survey was conducted during 25 May to 30 June 2017 and the response rate was 67.5 percent.

Results

According to the analysis of information recorded during the in-depth interview, it can be summarized as shown in Table 1.

In short, the results explained that Employee Engagement is essential for them and the leadership has critical role in engaging their employees through various activities for getting employee voice with an aim to not only decrease the turnover rate but also improve their overall performances.

Regarding the results of the questionnaire, it can be concluded as follows (1) The first section showed that all 4 companies could deliver results as promised to the employees within given timeline. Therefore, the employees use the products and services of their company with pride and are willing to correct bad news about the company whenever there is wrong information around. What the

author found interesting was, despite the fact that the employees felt the importance of oneself when knowing the vision and mission of the company, they believed that the company would still achieve its goals without their presence. (2) The second section revealed that workplace safety, working environment, employee recognition were key strengths of all 4 companies. However, 28.3 percent of PTT employees felt the difference when compared to their first day at the company. Moreover, 37.3 percent was not sure if they were happy to come to work and another 37.3 percent was not sure that the company treated its employees as the most valuable asset whereas the employees of the other 3 companies did agree on the other hand. On engagement construct, most employees at 3 companies, not including SCG, tended to stay with the company for the long run. Around 32 percent of SCG employees said they were not sure if they didn't want to leave their job to work somewhere else. On the constructs of colleagues, direct boss and career growth, they provided positive feedback, except for PTT employees, 44.7 percent of whom thought they didn't think they had a chance to go beyond their highest potential at the company. (3) The last section showed that all 4 companies performed well in terms of work process and the resources the company provided to

Table 1 Summary on in-depth interview results

Topic/Company	PTT	SCG	CP	Toyota
Guidelines for managing Employee Engagement	Top priority Linked as management's KPI	Put emphasis on Employee Engagement and the index must be improved every year	Put emphasis on Employee Engagement and always seek new way to engage its people	Put emphasis on Employee Engagement Linked as management's KPI
Current practices of Employee Engagement	Annual Engagement survey and let the CEO conduct employee training by himself	Annual Engagement survey together with internal application	Annual Engagement survey and staff brainstorm to get feedback (employee voice)	Annual Engagement survey and employee voice from every level
Expectation of Organization	Employees become more engaged with the firm and turnover rate dropped. New ways of engagement introduced by the top boss.	Employees become more engaged with the firm and overall performance increased whereas turnover rate dropped. New ways of effective engagement introduced.	Employees become more engaged with the firm in the form of co-ownership, turnover rate dropped. New innovation, new products launched as a result.	Employee become more engaged with the firm and expenses in production processes decreased, turnover rate also dropped. Employees can express their opinions freely.
Role of leadership in managing Employee Engagement	Actively engage employees through various activities with two-way communications to get feedback from employees	Actively engage employees like a family with emphasis on helping one another together with getting employee feedback into business consideration	Set strategy of letting the top boss of Human Resources to engage employees through HR teams under CP group with exchange of information	Actively engage employees through various types of communications with all levels of staff with emphasis on employee voice.

employees including result-oriented manner. The most interesting result was that at Toyota, 31.8 percent of employees didn't think that they had a chance to communicate 2 ways with the CEO at ease and 36.2 percent of SCG employees felt unsure if there was a distance between employees and the CEO. Therefore, the results of the questionnaire explained that role and behavior of CEO would be a strong employee value proposition to retain key employees and further engage engaged employees since the top boss could bring employees' concern into action, which also aligned with the results of the in-depth interview.

Discussion

The results were in the same direction as most international scholars' earlier studies. The Thai context also requires the top management's participation in Employee Engagement process together with a chance for employees' voices to be heard and taken into consideration. It can be said that these top 4 companies have well managed in terms of Employee Engagement reflecting in their improved turnover rate and good financial performances. However, when looking at the shortcomings, they shared some similarities as follows. Toyota, SCG and PTT employees shared a negative view on the distance between staff and CEO by answering strongly disagree, 14.4 percent for Toyota, 7.2 percent for SCG and 10.4 percent for PTT, respectively, meaning that the employees wanted easier access to the top boss, whereas CP employees gave 4.6 percent as disagreed. It was the same for a chance to have "2 ways communication with the CEO". These employees also had a negative view by answering disagree 14.4 percent for Toyota, 3 percent for CP and 17.9 percent for PTT, respectively, whereas SCG employees gave 4.3 percent as strongly disagreed.

What surprised the author the most was "not sure" answers. 31.8 percent of Toyota employees were not sure about having a chance to talk 2 ways with the CEO, 29.2 percent for CP staff, 34.7 percent for SCG staff. Also, 29.2 percent of CP employees and 36.2 percent of SCG staff were not sure about the distance between them and the CEO. When we counted the percentage of strongly disagreed, disagreed and not sure on both 2 ways communication between staff and CEO and the distance between these groups, it was more than half of the total score for each topic. In other words, there is room for

improvement. Once each company can bridge the gap between their staff and the CEO, the author firmly believes that the employees would become more engaged with the company. And, the financial performances including the turnover rate should be enhanced as well.

Conclusion and Recommendation

The finding reaffirms the importance of role and behavior of the leader in shaping employee engagement among their workforces and could answer the research question. In other words, the leader is yet another vital Employee Value Proposition to engage employees in Thai context. The author expected to raise awareness among business leaders in closing the gap between employees and top boss so that the employee's voice can be heard by the management and employees become more engaged with the organization since appropriate measures and/or policies would be implemented in response to employees' concerns in due course. In short, making Employee Engagement a core business strategy, not just a Human Resources initiative, would enable the company to win employees' hearts. It is suggested that fellow researchers may explore the study further on employees of Governmental and/or State's owned enterprises since there might be some different findings since the working procedures may differ in a more bureaucratic manner. More importantly, it seems that future research might need to explore how to develop engaging leadership as an employee retention strategy making sure that leadership development programs emphasize behaviors that actively engage employees to not only strive at work but also stay for the run long without moving to work for the competitor.

Conflict of Interest

There is no conflict of interest.

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